



**BORSA  
İSTANBUL**

**2023 ANNUAL  
INTEGRATED REPORT**



# INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Borsa İstanbul A.Ş.

## 1. Opinion

We have audited the annual report of Borsa İstanbul A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

## 2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

## 3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 3 April 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

## 4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
  - events of particular importance that occurred in the Company after the operating year,
  - the Group's research and development activities,
  - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

## 5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited [consolidated] financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

  
Zeynep Eras, SMMM  
Independent Auditor

Istanbul, 22 May 2024

## Borsa İstanbul Group

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

### Borsa İstanbul Communication Channels:



<https://www.borsaistanbul.com>



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



<https://twitter.com/borsaistanbul>



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



<https://tr-tr.facebook.com/borsaistanbul>



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

# CONTENTS

<b>ABOUT THE REPORT</b>	<b>2</b>
<b>CHAIRPERSON'S ASSESSMENT</b>	<b>4</b>
<b>CEO'S ASSESSMENT</b>	<b>6</b>
<b>2023 PERFORMANCE</b>	<b>9</b>
<b>STRATEGY AND VALUE GENERATION</b>	
OPERATION ENVIRONMENT AND EXTERNAL IMPACTS	28
STRATEGY	30
MATERIAL ISSUES	38
VALUE GENERATION	44
<b>RISK MANAGEMENT</b>	<b>48</b>
<b>STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE</b>	
STAKEHOLDERS	60
CORPORATE GOVERNANCE	71
ORGANIZATIONAL STRUCTURE	72
BOARD OF DIRECTORS	74
BOARD OF DIRECTORS COMMITTEES	79
SENIOR MANAGEMENT	81
<b>SUSTAINABILITY</b>	<b>82</b>
<b>FINANCIAL STATEMENTS AND GRI CONTENT INDEX</b>	
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT	97
TCFD DISCLOSURE TABLE	165
GRI CONTENT INDEX	166

# ABOUT THE REPORT

## PERIOD AND SCOPE OF THE REPORT

Borsa İstanbul A. Ş. (Borsa, Borsa İstanbul) informs its stakeholders of the resources and relationships which it uses and affects in the annual report which it published for the seventh 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 2023 Annual Integrated Report reflects Borsa İstanbul's goal of "conducting its activities in a responsible manner from a financial, environmental and social perspective, creating added value for society and supporting economic growth". It also provides an inclusive perspective on the Company's financial and operational performance, progress and strategic initiatives.

The report provides information on the factors affecting Borsa İstanbul, the significant risks and opportunities it faces, its corporate governance and its financial and operational performance for the period between 1 January and 31 December 2023. 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 2023, which were independently audited, and the footnotes detailing the statements are complementary and inseparable parts of this report.

## MATERIALITY APPROACH

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

The International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework was used in the preparation of the content. Additionally, the report was prepared in accordance with the Global Reporting Initiative (GRI) Standards. The report included the statement of the Task Force on Climate-Related Financial Disclosures (TCFD).

The business model on pages 46 and 47 of the report describes the integration of capital elements with the business structure. 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 Relationship Capital
- Natural Capital

## ASSESSMENTS FOR THE FUTURE

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

## RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE ANNUAL INTEGRATED REPORT

The Annual Integrated Report for 2023 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,

The year 2023 marked a milestone of special importance both for our country and for Borsa Istanbul; we celebrated both the centenary of our Republic and the 150th anniversary of our stock exchange in this year. Our Stock Exchange continues its journey, which started with the establishment of Dersaadet Bond Exchange in 1873, as a key institution of our country's financial sector and further strengthens its leading role at every stage.

Our stock exchange has now reached a significant level with its issuers, investors and integrated markets, and thus our capital market is one step closer to its strong potential. In 2023, initial public offerings reached a record number and 54 new companies started trading. With the financing they provided, companies realized their new investments, strengthened their equity capital and gained sustainable growth opportunities. The number of traded companies reached 539 and the market value exceeded TL 10 trillion by the end of 2023.



We continue to support this growth momentum by improving our services according to the needs of the market, creating new indices, and establishing markets that offer new financing options. With the increase in the number of traded companies, we started to publish the BIST500 Index, which includes the 500 distinguished companies of our Stock Exchange, together with the 150th anniversary event, which was attended by the President. In addition, the Venture Capital Market was launched in September, which will provide startups with access to the capital they need for growth and pave the way for them to go public in the future.

While we were happy and proud to implement many important projects in 2023, we discussed the strategic goals of Borsa Istanbul by our Board of Directors and created the 2024-2026 Strategic Plan. In this context, we will continue the working compatible with the priorities and targets we have determined under the themes of Business Growth, Business Continuity-Endurance, Sustainability, and Technology. In this context, we will further contribute to the education and capital market literacy of our expanding investor base.

Backed by these developments, Borsa Istanbul will continue to serve the capital markets as a technology and education base. Even, our Borsa, which has now started to provide technological consultancy services to important stock exchanges in the world, will be one of the most important players in the development process of our capital markets in the coming period.

While forwarding towards new horizons in this journey that has continued for a century and a half, we are rightfully proud of making efforts to support the development, growth, economically strengthening, and increase of employment, production, and investment of our country. I wholeheartedly believe that coming together with all our stakeholders and taking our capital markets even higher echelons will contribute to Istanbul becoming a global financial center.

On this occasion, on behalf of our Board of Directors, I would like to thank all employees of Borsa Istanbul for their dedication and commitment throughout the year, and all our stakeholders for their support.

Respectfully,

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

## CEO'S ASSESSMENT



### Dear Stakeholders,

In terms of our capital market, the year 2023 has taken its place in history as a period in which the issuer and investor base grew by breaking records and our Stock Exchange stood out with its new services and technological breakthroughs. The expansion in the issuer base brought our Stock Exchange to the forefront among world stock exchanges; we ranked first among European stock exchanges in terms of total size and the number of initial public offerings. With 54 initial public offerings realized, our companies provided TL 79.3 billion in financing, an increase of over 300% compared to the previous year. In addition, our companies obtained TL 460 billion in funds through private sector debt instrument issuances.

Thanks to these financing opportunities, our companies made significant contributions to our country's economy by taking strong steps towards the goals of expanding their production capacities, accessing new markets, developing their exports, and increasing their employment.

Beyond being a platform that merely evaluates public offering applications, Borsa Istanbul has transformed into an organization that provides direct support to companies and adopts a more active business model. We took care to listen to the request of our stakeholders, especially brokerage institutions, and take steps to meet their needs. We plan to continue these activities without slowing down in the coming period.

In 2023, we launched two new indices as BIST Buyback and BIST Dividend 25 Weight-Limited 10. At the same time, we introduced the futures contract based on our BIST Sustainability 25 Index to investors. In December, when our President honored our Stock Exchange with his presence on

the occasion of the 150th anniversary of our Stock Exchange, we launched our BIST 500 Index. With the Venture Capital Market, we begun to offer an important opportunity to our companies that want to grow and need financing at an early stage. In this market, which we launched with the aim of supporting the entrepreneurship ecosystem and contributing to the growth of the ecosystem, companies that will issue shares to qualified investors through capital increase will become ready to go public by strengthening their corporate structures and financial situations in the coming years.

The interest shown in our capital market continued in 2023. The number of investors holding shares increased from 3.8 million at the end of 2022 to 7.7 million at the end of 2023. The average daily transaction volume in the Equity Market increased by 87.9% on an annual basis, from TL 70.3 billion to TL 132 billion, and the daily transaction volume record was broken on August 24th with TL 310.5 billion.

We also reached record volumes in our other markets. The average daily transaction volume in the Derivatives Market reached TL 46.3 billion by increasing 47%, while the daily transaction volume record was broken also on 24 August with TL 112.5 billion. Debt Securities Market recorded a 129% increase in its average daily transaction volume, which increased from TL 57.2 billion to TL 130.6 billion. TL 325.5 billion worth of transactions were carried out on 31 May, when the daily volume record was broken in the Repo-Reverse Repo Market. The average daily transaction volume in the Precious Metals and Diamond Market reached to TL 3.8 billion TL by increasing increased 78%, and the daily transaction volume record was broken on August 3 with TL 9 billion.

While all these developments took place in our markets, we continue to develop our technological infrastructure to carry out transactions reliably and without interruption, to be a pioneer in the rapidly developing field of financial technology, and strengthen our position on the global stage. We have brought our transaction platform BISTECH, which extends from pre-transaction risk systems to trading activities, from market surveillance to post-transaction processes in all our markets, and which belongs entirely to our Exchange with its source codes and all its layers, to a level of competence that will set an example for the world. Thanks to BISTECH 3.0, which we successfully put into operation in 2023, we can conduct transaction and post-transaction processes faster and at a higher capacity in line with the needs of the market. We also use our technological capacity in developing new business areas and plan to further expand our work, which includes technology service exports that started in areas such as testing, data transfer, software development, and integration services to foreign exchanges.

As the Borsa İstanbul family, we will continue to work in coordination with all our stakeholders, with the determination to continue the successes we achieved in 2023, when we celebrated the 150th anniversary of our stock exchange. We would like to thank to the companies that have newly joined our family, the investors who invested their savings in our public companies, and all other stakeholders.

Respectfully,

**Korkmaz ERGUN**  
**Chief Executive Officer**  
**Member of the Board of Directors**



# 2023 PERFORMANCE

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

## FINANCIAL AND OPERATIONAL PERFORMANCE

Borsa İstanbul, arz tarafında seans sürekliliğinin ve genişleyen ürün yelpazesinin katkısıyla daha çok şirkete finansman sağlanan, talep tarafında ise daha geniş bir yatırımcı tabanına ulaşılarak sermaye piyasalarının gelişiminde yol alınan bir yılı geride bırakmıştır.

**TL 14.8 billion**

Operating Revenues  
132% YoY increase  
2022: TL 6.37 billion

**TL 7.7 billion**

Net Profit  
82% YoY increase  
2022: TL 4.24 billion

**54**

Initial Public Offerings  
2022: 40

**1,814**

Private Sector Debt  
Securities Issuances  
2022: 1,885

**TL 459.8 billion**

Private Sector Debt  
Securities Issuance  
Volume  
2022: TL 361.6 billion

**TL 79.3 billion**

Initial Public Offering  
Issuance Volume  
2022: TL 19.3 billion

**7.7 million**

Number of Domestic  
Individual Investors with  
a Balance  
2022: 3,8 million

**TL 10.04 trillion**

Total Market  
Capitalization of the  
Companies Traded on  
Equity Market  
2022: TL 6.21 billion

**539**

Number of Public  
Companies\*  
2022: 483

\*Excluding ETF & Qualified Investor  
Transaction Market (QITM)

**100%**

Session Continuity  
2022: 100%

**41.45%**

Equity Market Free Float  
Rate (%)  
2022: 41.89%

**38.2%**

Market Capitalization/  
GDP (%)  
2022: 41.4%

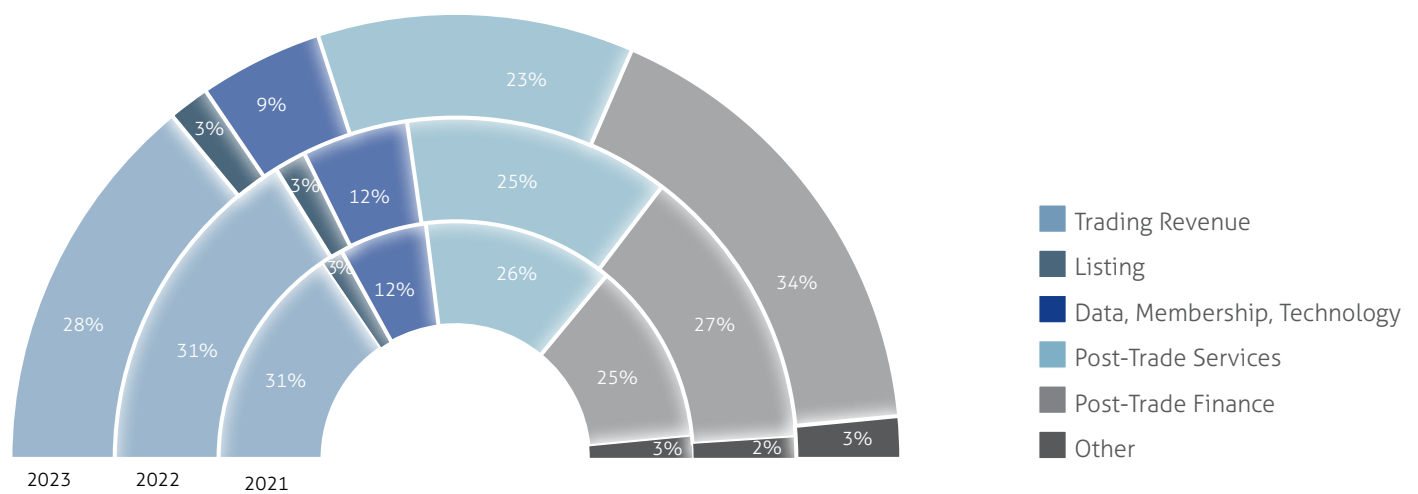
**FINANCIAL PERFORMANCE**

(TL million)	2021	2022	2023	Change (%) (YoY)
Revenues	3,355	6,372	14,784	132%
Operating Profit	2,373	3,746	7,434	98%
Profit Before Tax	2,776	4,494	9,086	102%
Net Profit for the Period	2,096	4,239	7,709	82%
Total Assets	48,592	91,711	133,521	46%
Total Liabilities	42,518	82,256	117,579	43%
Total Shareholders' Equity	6,074	9,455	15,943	69%
Operating Profit Margin	71%	59%	50%	
Net Profit Margin	62%	67%	52%	

**BREAKDOWN OF REVENUES**

	2023 Revenue (TL Million)	Revenue Ratio (%)	Change (%) (YoY)
Trading Revenue	4,120	28%	105%
Listing	467	3%	138%
Data, Membership, Technology	1,398	9%	90%
Post-Trade Services	3,404	23%	114%
Post-Trade Finance	4,973	34%	193%
Other	426	3%	178%
<b>Total</b>	<b>14,788</b>	<b>100%</b>	<b>132%</b>

\*Discounts and returns are not included.



## FINANCIAL AND OPERATIONAL PERFORMANCE

### TL 32.7 trillion

Total Traded Value  
(2022: 17.7)

Traded value reached an all-time record of  
**TL 310.5 billion**  
on 24 August 2023.

#### Equity Market

In the world;

- Ranked 1st in terms of turnover velocity
- Ranked 13th in traded value
- Ranked 25th in market capitalization

### TL 33.1 trillion

Total Traded Value  
(2022: 14.4)

Traded value in the Repo-Reverse Repo Market  
reached an all-time record of  
**TL 325.5 billion**  
on 31 May 2023.

#### Debt Securities Market

In the world;

- Ranked 2nd in issuance of private sector debt securities
- Ranked 19th in issuance volume of debt securities
- Ranked 17th in traded value

## TOTAL TRADED VALUE TL 78.4 trillion

(2022: TL 40.5 trillion)

### TL 11.7 trillion

Total Traded Value  
(2022: 7.9)

Traded value reached an all-time record of  
**TL 112.5 billion**  
on 24 August 2023.

#### Derivatives Market

In the world;

- Ranked 6th in number of contracts for foreign exchange futures contracts
- Ranked 12th in number of contracts for index futures contracts

### TL 952.6 billion

Total Traded Value  
(2022: 531.8)

Traded value reached an all-time record of  
**TL 9 billion**  
on 3 August 2023.

#### Precious Metals and Diamond Market

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



## MATERIAL DEVELOPMENTS

Period*	Developments
January	<ul style="list-style-type: none"> <li>· Futures contracts based on the BIST Sustainability 25 Index started to be traded.</li> <li>· Changes made to BIST KYD Indices ground rules.</li> <li>· Uptick rule feature was added to share-based circuit breaker application in short-selling transactions.</li> <li>· Announcement made on publication of Participation Finance Principles Information Forms on the PDP.</li> <li>· Changes made to the TLREFK Ground Rules.</li> <li>· Changes made in the process of appointing Internal Control and Supply Chain Compliance Officers and reporting them to the Borsa Istanbul.</li> </ul>
March	<ul style="list-style-type: none"> <li>· Improvements including various changes made to the indices tab on the Borsa Istanbul corporate website, which is now available to users.</li> </ul>
April	<ul style="list-style-type: none"> <li>· A new equity futures contract opened for trade.</li> <li>· Changes made to Equity Market trading revenue fee refund model to provide long-term contribution to market liquidity and a permanent increase in performance.</li> <li>· Changes made to transaction principles of Warrants and Certificates.</li> <li>· Equity Market Directive updated.</li> </ul>
May	<ul style="list-style-type: none"> <li>· Equity Market Procedure updated.</li> <li>· Business Continuity Policy updated.</li> </ul>
July	<ul style="list-style-type: none"> <li>· A new share futures contract opened for trade.</li> <li>· Changes made to Market Making Rules of Derivatives Market.</li> <li>· Lost Incident Notification Procedure published.</li> </ul>
August	<ul style="list-style-type: none"> <li>· BIST Market Cap-Weighted Stock Indices Ground Rules updated.</li> <li>· BIST Buyback Index started to be calculated.</li> <li>· BIST Dividend 25 Weight-Limited 10 Index started to be calculated.</li> <li>· Version 3.0, which includes improvements in the BISTECH system, brought into operation.</li> </ul>
September	<ul style="list-style-type: none"> <li>· Changes made to the operating principles of the opening session in the Equity and Derivatives Markets.</li> </ul>
October	<ul style="list-style-type: none"> <li>· A new share futures contract opened for trading.</li> <li>· Changes made in Equity Market Market Determination Criteria.</li> <li>· Approval of Personal Data Storage and Destruction Policy.</li> </ul>
November	<ul style="list-style-type: none"> <li>· BIST Market Cap Weight-Limited Equity Indices Ground Rules updated to include shares traded on the Pre-Market Trading Platform within the scope of the BIST ALL Index.</li> <li>· Approval of Cyber Incident Response Management Procedure.</li> </ul>
December	<ul style="list-style-type: none"> <li>· Changes made to the BIST KYD Indices Ground Rules.</li> <li>· Changes made to the BIST Gold-Based Indices Ground Rules.</li> <li>· BIST 500 Index started to be calculated.</li> <li>· Update made to BIST Market Cap Weight-Limited Equity Indices Ground Rules with the aim of increasing the number of periodic valuations of BIST Dividend Indices.</li> </ul>

\* As of the dates the measures were implemented.

## 2023 PERFORMANCE

### MARKETS AND LISTING

There are four main markets in the Borsa İstanbul; the Equity Market, the Debt Securities Market, the Derivatives Market and the Precious Metals and Diamond Markets. Throughout 2023, session continuity was ensured in our markets.

	2023 Revenue (TL Million)	Contribution to Total Revenue	Change (YoY)
<b>Trading Revenue</b>	<b>4,120</b>	<b>28%</b>	<b>105%</b>
Equity Market	1,830	12%	105%
Debt Securities Market	491	3%	125%
Derivatives Market	789	5%	47%
Precious Metals and Diamond Market	273	2%	92%
Other*	737	5%	240%
<b>Listing</b>	<b>467</b>	<b>3%</b>	<b>138%</b>

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

	Developments and New Practices	Key Indicators	Objectives
<b>EQUITY MARKET</b> Equities, new equity purchase rights, exchange traded funds, investment firm warrants and certificates, ownership-based lease certificates, real estate investment funds, real estate certificates, venture capital investment funds and commodity certificates are traded in the equity market.	<b>Developments:</b> The stock market transaction volume broke an all-time record with a daily trading volume of TL 310.5 billion on 24 August. The BIST100 index broke its all-time record on 3 October at 8,562.7 within the session, closing at 8,513.5. The ratio of High Frequency Trading (HFT) transactions in the Equity Market's total transaction volume became 29% on yearly average. <b>New Practices:</b> Update of stock exchange fee refund model. Update of price step and quote spread intervals and maximum order value limits. Starting the opening session in Exchange Traded Funds. Update of market determination criteria. Changes made to transaction and cancellation rules for Warrants and Certificates. Update of private transaction notification. The BISTECH Phases 3.0 and 3.1 transitions were successfully completed.	<b>Total traded value:</b> TL 32.7 trillion (2022: TL 17.7 trillion) <b>Total market cap:</b> TL 10.04 trillion (2022: TL 6.2 trillion) <b>Number of domestic investors with a shareholding :</b> 7.7 million (2022: 3.8 million)	<ul style="list-style-type: none"> <li>Ensuring session continuity</li> <li>Carrying out BISTECH Phases 3.2 and 3.3 transitions</li> <li>Preventing orders transmitted from predetermined groups from matching each other</li> <li>Completion of planned work regarding effectiveness of market making activity in warrants</li> <li>Development of public offering application within BISTECH</li> <li>Revising the market making model in a manner to replace the stock market fee refund model</li> </ul>

	Developments and New Practices	Key Indicators	Objectives
<p><b>DEBT SECURITIES MARKET</b></p> <p>Outright purchases and sales, repo-reverse repo transactions and Eurobond purchase and sale transactions are carried out in the Debt Securities Market. There are also money and swap markets.</p>	<p><b>Developments:</b></p> <p>The Outright Purchases and Sales Market recorded its highest daily transaction volume of TL 36.9 billion on 29 December, breaking an all-time record.</p> <p>The Repo-Reverse Repo Market recorded its highest daily transaction volume on 31 May, with a transaction volume of TL 325.5 billion.</p> <p><b>New Practices:</b></p> <p>One green bond, which had been issued abroad by the Ministry of Treasury and Finance in accordance with the ESG principles, and two green bonds, which had been issued domestically by the private sector, continued to be traded.</p> <p>Changes implemented by the Ministry of Treasury and Finance in the 2024 Market Making Contract were reflected to the BISTECH System and new rules entered effect in January 2024.</p> <p>The BISTECH Phases 3.0 and 3.1 transitions were successfully completed.</p>	<p><b>Total traded value:</b> TL 33.1 trillion (2022: TL 14.4 trillion)</p> <p><b>Outright Purchases and Sales Market traded value:</b> TL 1.17 trillion (2022: TL 0.87 trillion)</p> <p><b>Repo-Reverse Repo Market traded value</b> TL 28.4 trillion (2022: TL 11.6 trillion)</p> <p><b>Money Swap Market traded value:</b> TL 1.4 trillion (2022: TL 0.9 trillion)</p>	<ul style="list-style-type: none"> <li>• Ensuring session continuity</li> <li>• Completing BISTECH Phases 3.2 and 3.3 transitions</li> <li>• Ending the practice of closing the relevant rows on the corporate actions days in the Equity Repo Market. Saving shares given as collateral on behalf of the member performing the reverse repo, as blocked.</li> <li>• Trading of private sector lease certificates and shares included in the participation index in the Committed Transactions Market</li> </ul>
<p><b>DERIVATIVES MARKET</b></p> <p>Equities, indices, foreign exchange, electricity, precious metals, TLREF, foreign index, ETF, overnight repo, physical foreign currency, Government Domestic Debt Securities (GDBS), the commodities and metal backed futures contracts are traded on the Derivatives Market. In addition, options based on equities, indices, foreign exchange and physical foreign currency are traded.</p>	<p><b>Developments:</b></p> <p>Daily transaction volume reached an all-time record of TL 112.5 billion on 24 August. Moreover, the record for daily transaction volumes and the daily number of transactions was broken on the same day, with 1.56 million.</p> <p>The ratio of High Frequency Trading (HFT) transactions in the Derivatives Market's total transaction volume became 46% on yearly average.</p> <p><b>New Practices:</b></p> <p>Spread obligations were updated in various market segments to increase efficiency in market making.</p> <p>The end of session times for all futures and option contracts traded on the Derivatives Market started to be applied, being set at 18:10 on a full business day and 12:40 on a half business day.</p> <p>The futures contract based on the BIST Sustainability 25 Index was opened for trade.</p> <p>Three new stock futures contracts were opened for trade.</p> <p>The BISTECH Phases 3.0 and 3.1 transitions were successfully completed.</p>	<p><b>Total traded value:</b> TL 11.7 trillion (2022: TL 7.9 trillion)</p> <p><b>Total number of accounts:</b> 998.4 thousand (2022: 787.7 thousand)</p> <p><b>Number of active accounts:</b> 24.7 thousand (2022: 21 thousand)</p>	<ul style="list-style-type: none"> <li>• Ensuring session continuity</li> <li>• Increasing liquidity and product diversity</li> <li>• Continuing to draft regulations to increase the efficiency of the market</li> <li>• Completing BISTECH Phases 3.2 and 3.3 transitions</li> </ul>

## 2023 PERFORMANCE

	Developments and New Practices	Key Indicators	Objectives
<p><b>PRECIOUS METALS AND DIAMOND MARKETS</b></p> <p>Gold, silver, palladium, platinum, precious metals and precious stones are traded on the Precious Metals and Diamond Markets.</p>	<p><b>Developments:</b></p> <p>An all-time record for daily transaction volume was broken on 3 August, with a transaction volume of TL 9.04 billion. In addition, an all-time record in terms of the number of daily transactions was broken on 22 December with 937 transactions.</p> <p><b>New Practices:</b></p> <p>In accordance with the Regulation on the Operating Principles of Precious Metals Exchange Brokerage Institutions and the Establishment of Precious Metals Brokerage Institutions and the Refinery Communiqué updated by the Ministry of Treasury and Finance, the Market Procedure has been updated and necessary improvements have been made in BISTECH.</p> <p>In addition, in accordance with the member-based quota imposed on gold imports, communicated to our Stock Exchange by the Ministry of Treasury and Finance, regulatory updates and quota monitoring were carried out.</p> <p>The Electronic Vault Tracking System project was completed. All precious metals in the storage vault were addressed and recorded with all their specifications. Thus, all gold can be tracked electronically based on a serial number.</p> <p>The waiting room of member clearance representative is now open.</p> <p>The BISTECH Phases 3.0 and 3.1 transitions were successfully completed.</p>	<p><b>Total traded value:</b></p> <p>TL 952.6 billion (2022: TL 531.8 billion)</p> <p><b>Total storage capacity:</b></p> <p>1,600 tons</p>	<ul style="list-style-type: none"> <li>Ensuring session continuity</li> <li>Automatic Registration of Customer Transactions</li> <li>Storage Vault Sequence Number Registration Process</li> <li>Improvements to the Electronic Vault Tracking System</li> <li>Separating the Silver Storage Vault</li> <li>Integration of Clearing Letter of Takasbank</li> <li>Integration of the Precious Metals Tracking System (PMTS)</li> <li>Completing BISTECH Phases 3.2 and 3.3 transitions</li> </ul>

	Developments and New Practices	Key Indicators	Objectives
<p><b>LISTING</b></p> <p>Listing transactions of publicly offered equities, exchange traded funds, warrants, issued private sector debt instruments and lease certificates are carried out.</p> <p>Activities and developments in the financial and legal situations of companies, whose equities are traded on the Borsa İstanbul, are monitored. Where there are negative developments in these companies, measures may be taken such as issuing warnings, taking them into the Watchlist Market and de-listing. Companies, whose negative situation has improved, are taken to the next up market by being removed from the Watchlist Market if they apply and are deemed suitable. Additionally, wholesale buying and selling transactions are carried out upon request.</p>	<p><b>Developments:</b></p> <p>54 listed companies realized public offerings amounting to TL 79.3 billion.</p> <p>1,814 debt instruments were listed and TL 459.8 billion funding source was provided to issuers.</p> <p>6 ETF, 3 venture capital or real estate investment funds and 12,278 warrants were listed.</p> <p>22 wholesale trading transactions were carried out.</p> <p>Two companies were taken to an upmarket. The application of four companies to be included in the upper market and the application of one company to be included in the Pre-Market Trading Platform were rejected.</p> <p>Three companies received warnings as a result of examinations carried out.</p> <p><b>New Practices:</b></p> <p>CMB published Communiqué II-16.3 on Principles Regarding Partnerships whose Shares Will Be Traded in the Venture Capital Market. The Venture Capital Market was created by amending the Listing Directive. Accordingly, companies not yet ready for a going offering or seeking to realize a going offering after realising growth will be able to obtain the financing they need for the growth by issuing shares to institutional or qualified investors through capital increase in this market. Companies would then be able to move to other markets by realizing public offerings after a period of trading in this market.</p> <p>The discount, which was applied until the end of 2023 for applications to be submitted for listing of capital market instruments issued within the scope of "Green Debt Instrument, Sustainable Debt Instrument, Green Lease Certificate, Sustainable Lease Certificate Guide" was extended indefinitely with the amendment to the Listing Fee Tariff.</p> <p>In order to encourage large-scale companies to go public offerings, the CEO of Borsa İstanbul paid visits to chambers of industry and companies which were briefed on going offerings.</p>	<p><b>The number of the IPO:</b> 54 (2022: 40)</p> <p><b>Revenue of the IPO:</b> TL 79.3 billion (2022: TL 19.3 billion)</p> <p><b>Number of listed private sector debt instruments:</b> 1,814 (2022: 1,855)</p> <p><b>Private sector debt instrument issuance revenues:</b> TL 459.8 billion (2022: TL 361.6 billion)</p>	<ul style="list-style-type: none"> <li>• Encouraging large-scale companies to go public offerings</li> <li>• Improvement of securities listing processes</li> </ul>

## 2023 PERFORMANCE

### DATA, MEMBERSHIP AND TECHNOLOGY

In addition to operating various markets, Borsa İstanbul also offers data sales, licensing, membership, market access and colocation services.

	2023 Revenues (TL Million)	Contribution to Total Revenues	Change (YoY)
<b>Data, Membership and Technology</b>	<b>1.398</b>	<b>9%</b>	<b>90%</b>
Data Vending	765	5%	97%
Technology	375	3%	70%
Terminal	127	1%	104%
Membership	63	0.4%	123%
License	68	0.5%	101%

\*Takasbank Para Piyasası, Takasbank Ödünç Pay Piyasası ve Türkiye Elektronik Fon Alım Satım Platformu, Bireysel Emeklilik Fon Alım Satım Platformu

	Developments and New Practices	Key Indicators	Objectives
<p><b>DATA DISTRIBUTION</b></p> <p>Data generated in the Borsa İstanbul markets is delivered to investors as real time data, delayed data or in end-of-day data through Borsa İstanbul's licensed data distribution companies. In this context, Borsa İstanbul's range of data packages are transmitted to domestic and international users through data distribution companies.</p> <p>In addition to its own data, Borsa İstanbul distributes Takasbank and MKK data as well as data of international institutions, including data pertaining to the Sarajevo, Montenegro, and Macedonian Stock Exchanges.</p>	<p><b>Developments:</b></p> <p>Contracts were signed with 30 new institutions in the field of data distribution and index. Thus, a total of 250 institutions are authorized to distribute the data of Borsa İstanbul.</p> <p>There are 70 institutions and 1,650 funds belonging to these institutions which use the indices of Borsa İstanbul as a basis or benchmark for their financial products.</p> <p>Virtual stock market/portfolio competitions, which were organized by universities in order to increase financial literacy and attract new investors to the stock market, received support by the data provided free of charge.</p> <p>The information pertaining to demands and needs with our existing and potential customers, who are our stakeholders, is obtained and related works have been in progress.</p> <p><b>New Practices:</b></p> <p>The work was completed and the application was put into operation so data distribution organizations are able to submit and track their authorization requests and reporting to the Borsa İstanbul over the online system.</p>	<p><b>Number of data package subscriptions reported to Borsa İstanbul by data distribution companies:</b></p> <p>6 million (2022: 3.5 million)</p>	<ul style="list-style-type: none"> <li>• Creating joint data packages with the MKK and Takasbank</li> <li>• Continuing meetings with current and potential customers in order to develop products and services</li> <li>• Renewal of Datastore, a historical and reference data sales platform</li> </ul>

	Developments and New Practices	Key Indicators	Objectives
<p><b>INDEX AND LICENSE</b></p> <p>Borsa İstanbul calculates different types of indices so investors can monitor transactions and trends in the market.</p> <p>The indices that Borsa İstanbul publish are used as an underlying asset or benchmark in financial products.</p> <p>Furthermore, Borsa İstanbul offers index calculation services to institutions that would like to calculate on their behalf.</p>	<p><b>Developments:</b></p> <p>At the end of 2023, a total of 456 indices based on stocks, 152 of which are real-time, and 62 indices based on different investment instruments such as debt instruments, gold, deposits and funds, along with 20 risk control indices, 4 short indices based on the BIST 30 and BIST 100 Indices, 2 leveraged indices and 4 gold-based indices were calculated on the Borsa İstanbul.</p> <p>The frequency of the reviews of the BIST Dividend indices was increased from once a year to four times a year.</p> <p>In the periodic reviews of the BIST Dividend indices, the 3-year profits, dividends and the increases in the paid-in capital of the newly traded companies ahead of their IPO have started to be taken into account.</p> <p>The minimum issuance amount for the securities to be included in the BIST-KYD ÖSBA Fixed, BIST-KYD ÖSBA Variable and BIST-KYD Private Sector Lease Certificates indices was increased from TL 100 million to TL 300 million.</p> <p>The Compliance Declaration to ESMA Guidelines was published.</p> <p>The external audit report for the IOSCO Compliance Declaration was obtained and disclosed to the public.</p> <p><b>New Practices:</b></p> <p>BIST-KYD CPI Public Lease Certificates Indices started to be calculated in order to reflect the returns of the CPI Indexed Public Lease Certificates as a whole.</p> <p>In order to reflect the returns in different maturities in Public Lease Certificates, a total of six new indices started to be calculated on two different value dates, including T0 and T1, and in three different maturities, including 0-1, 1-3 and 3+ years.</p> <p>Ak Portföy Growing Companies and Ak Portföy Value-Oriented Companies indices started to be calculated.</p> <p>BIST Buy-back and BIST Dividend 25 Weight-Limited 10 indices started to be calculated.</p> <p>Return versions of BIST Stock Indices also started to be calculated during the sessions.</p> <p>BIST 500 Index started to be calculated.</p>	<p><b>Number of indices based on shares:</b> 456 (2022: 438)</p> <p><b>Number of indices based on other investment instruments:</b> 62 (2022: 54)</p> <p><b>Number of funds using Borsa İstanbul's indices as a basis or benchmark for their financial products:</b> 1,650 (2022: 1,300)</p> <p><b>Volume of funds using Borsa İstanbul's indices as a basis or benchmark for their financial products:</b> TL 2.07 trillion (2022: TL 933 billion)</p>	<ul style="list-style-type: none"> <li>• Completion of the compliance processes of the Borsa İstanbul indices with the IOSCO principles</li> <li>• Conducting improvements on the Periodic Valuation Module</li> </ul>

## 2023 PERFORMANCE

	Developments and New Practices	Key Indicators	Objectives
<p><b>AUTHORIZATION TO CARRY OUT TRANSACTIONS AND MEMBERSHIP</b></p> <p>Borsa İstanbul members consist of investment institutions authorized to operate in the capital market and precious metals brokerage institutions authorized to operate in the Precious Metals and Diamond Market.</p> <p>Other real and legal persons may be authorized to conduct transactions without being a member, depending on the characteristics of the markets.</p>	<p><b>Developments:</b></p> <p>5 institutions, including 3 banks and 2 precious metals brokerage houses, were authorized to perform transactions as members.</p> <p>2 brokerage firms, one with limited authorization and another whose operating license had not been renewed, were given the authority to conduct transactions as partially and widely authorized brokerage firms, respectively, as they returned to operation.</p> <p>20 precious metals brokerage institutions, whose operating permits had been cancelled by the Ministry of Treasury and Finance in previous years, but whose operating permits were renewed in 2023 in accordance with the decision of the Council of State, were authorized to operate.</p> <p>9 members of Borsa İstanbul are authorized to trade in a market other than the markets in which they are currently authorized to trade.</p> <p>A total of 43 real and legal persons were authorized to trade in the Diamond and Precious Stones Markets without being a member.</p> <p>310 individuals were authorized as representatives to trade in Borsa İstanbul markets.</p> <p><b>New Practices:</b></p> <p>The second phase of the project, which aims to create a new customer database and integrate data and customer processes with the ERP, was completed. The application is scheduled to enter operation in 2024.</p>	<p><b>Number of Brokerage Houses operating on the Borsa İstanbul:</b> 145 (2022: 127)</p> <p><b>Number of Banks operating on the Borsa İstanbul:</b> 51 (2022: 48)</p> <p><b>Number of Real/Legal Person Jewelers operating on the Borsa İstanbul:</b> 573 (2022: 553)</p>	<ul style="list-style-type: none"> <li>• Creation of a New Customer Database and Integration of Data and Customer Processes with the ERP</li> <li>• Publication of the procedure for granting authorization to conduct transactions</li> </ul>



Developments and New Practices	Key Indicators	Objectives
<p><b>MARKET ACCESS AND TECHNOLOGY SERVICES</b></p> <p>Borsa İstanbul allows market participants' systems and the Borsa İstanbul systems to be located at the same location (colocation).</p> <p>Market access consists of the system, software and hardware services required for Borsa İstanbul members to trade and exchange information by connecting to the markets in which they operate from remote access points, in colocation and in the session hall.</p> <p>Services such as the PTRM application, which allows members to manage risk before trading, the OUCH, FIX and ITCH protocols, which were developed for high-frequency order and data transmission, Reference Data and Dropcopy, OTASS and TW and a time server providing synchronous access to time information are offered to market participants.</p>	<p><b>Developments:</b></p> <p>An additional OUCH capacity of 40,300 orders/second was allocated to members, resulting in an increase of 51%.</p> <p>An additional FIX capacity of 31,675 orders/second was allocated to our members, resulting in a 43% increase.</p> <p>By realizing 30 additional allocations for Reference Data and 39 additional allocations for Dropcopy use, the use of these products increased to 323 and 317, respectively.</p> <p>The number of cabinets allocated to our customers was increased by 24, to 99 cabinets.</p> <p>The number of customers benefiting from colocation service reached 52.</p> <p>The PTRM allocation was realized at 36 institutions. The number of customers benefiting from time server services increased to 36. The number of institutions that distributed data in colocation stood at 54.</p> <p>We continue to participate in user tests within the scope of the customer relationship management (CRM) platform. The CRM is planned to be launched in order to provide a more effective service to our customers, ensure effective communication and facilitate operational processes.</p> <p><b>New Practices:</b></p> <p>Work has begun on building a new colocation area in the Data Center in order to meet the demands of our members, domestic and foreign HFT-Algo customers and other stakeholders.</p>	<p><b>Number of customers using colocation service:</b> 52 (2022: 40)</p> <p><b>Number of cabinets allocated in colocation:</b> 99 (2022: 72)</p> <p><b>Number of institutions distributing data in colocation:</b> 54 (2022: 31)</p> <p><b>Number of institutions benefiting from the time server service:</b> 36 (2022: 25)</p> <p><b>Number of institutions using market access services:</b> 180 (2022: 174)</p> <p><b>Number of users of the BISTECH Trading System access:</b> 3,910 (2022: 2,346)</p> <ul style="list-style-type: none"> <li>Increasing sales of existing products and services</li> <li>Conducting new product research to increase sales revenue</li> </ul>

## 2023 PERFORMANCE

### POST TRADE

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

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

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

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

	2023 Revenues (TL Million)	Contribution to Total Revenues	Change (YoY)
<b>Post Trade</b>	<b>8.377</b>	<b>57%</b>	<b>155%</b>
Takasbank Interest Revenues	4.973	34%	195%
Custody Revenues	2.364	16%	124%
Clearing Revenues	770	5%	64%
Account Management Revenues	271	2%	337%

	Developments and New Practices	Objectives
<p><b>TAKASBANK INTEREST REVENUES</b></p> <p>Takasbank ensures the continuity of its main activities and financial strength and takes on a reasonable level of risk within the framework determined by the market conditions and specified in legislation, thereby aiming to obtain the maximum revenues.</p> <p>Takasbank carries out lending transactions to brokerage institutions operating in the country within the framework of the provisions of the Banking Law regarding development and investment banking and issues set out in Article 3 of the Takasbank Articles of Association, entitled "Purpose and Subject".</p>	<p>Within the framework of collateral management, funds belonging to Takasbank and Takasbank customers were used optimally in the maturities and markets best matching their purposes and the interests of their holders.</p> <p>Interest revenue is calculated by applying the effective interest method in accordance with the provisions of "IFRS 9 Financial Instruments".</p> <p>Interest income obtained from loans in 2023 significantly exceeded the average of the previous years on the back of the increase in loans disbursed to investment funds. The maturities of the loans disbursed were mostly O/N in line with the requests of the members.</p>	<ul style="list-style-type: none"> <li>• Keeping interest revenue high by taking developments in macroeconomic and financial markets into account.</li> <li>• Developing legislation and systems for conducting transactions with foreign banks resident abroad.</li> <li>• Conducting improvements that will enable members to use treasury products for their portfolios</li> </ul>

	Developments and New Practices	Objectives
<p><b>CLEARANCE SERVICE</b></p> <p>Takasbank is authorized to provide cash and securities settlement transactions as the central clearing and settlement institution to Borsa İstanbul equities, debt securities, foreign securities, derivatives and precious metals markets. The commitments of Borsa İstanbul members to deliver and receive securities arising from trading transactions and their payment commitments in exchange for securities, which are subject to trading, are fulfilled through Takasbank.</p> <p>In addition, Takasbank operates as the Central Settlement and Custody Bank in the Electricity Market, Forward Electricity Market, Renewable Energy Resource Guarantee Market, Organized Wholesale Natural Gas Sales Market and Futures Natural Gas Market within Enerji Piyasaları İşletme A.Ş. Takasbank provides cash settlement, collateral management service, conducting clearing services of electronic product bills through conditional transfer system, and clearing services for electronic product bill transactions within the Turkish Product Specialization Exchange.</p> <p>With the “Takasbank Cheque Clearing System”, cheques are paid on account between bank branches. Takasbank brokers clearing, reconciliation transactions and collateral management. In addition to capital market transactions, Takasbank provides “Title Deed Clearing System” and “Vehicle Clearing System” services.</p>	<p>Takasbank continued its efforts to increase collateral management effectiveness in the markets, continuing to provide Central Counterparty services in 2023. Price Change Range values were announced as a nominal value within the framework of Central Counterparty risk management in the the Derivatives Market at the beginning of March. Price Change Range values started to be announced as a percentage value with the aim of harmonizing leverages with market prices. Moreover, towards the end of the year, within the scope of registry-based concentration risk management, in addition to the limit control of the number of positions in the the Derivatives Market, limit monitoring became available to also be carried out by determining a monetary amount in TL for one of the markets in the registry-based the Derivatives Market or a market group to be determined. In addition, member informative presentations were carried out within the scope of the percentage Price Change Range application and position limits on a registry basis.</p> <p>To ensure the diversity of collateral accepted in the markets where Central Counterparty services are provided, Money Market Umbrella Funds and ETF have been started to be accepted as collateral.</p> <p>A service protocol regarding the provision of clearing, risk, collateral and default management transactions of the Electronic Product Bill Market by Takasbank was signed between Takasbank and the TÜRİB on 20 September 2023. The “TÜRİB Technological Transformation Project” is planned to be brought into operation in 2024.</p> <p>Secure access to the Vehicle Exchange service was offered through the E-Government from 3 November 2023.</p>	<ul style="list-style-type: none"> <li>• Ensuring session continuity</li> <li>• Continuing development and regulation activities in order to increase the efficiency of the markets</li> <li>• Commissioning of TÜRİB Technological Transformation Project</li> <li>• Conducting developments and improvements in systems in line with the requests received from members</li> <li>• Extending the Central Counterparty application and risk-collateral management approach in markets and stock exchanges where this service is not provided</li> </ul>

2023 PERFORMANCE

	Developments and New Practices	Objectives
<p><b>CUSTODY AND ACCOUNT MANAGEMENT</b></p> <p>Borsa İstanbul keeps precious metals in its vault in Kuyumcukent.</p> <p>Takasbank provides custody services for funds within the scope of the PPS (Private Pension System) and for the capital market instruments traded in foreign markets.</p> <p>The MKK provides storage services for dematerialized capital market instruments and electronic product bills.</p> <p>The MKK is the Data Storage Agency for derivative contracts executed in domestic and international organized and over-the-counter markets. In addition, investors' credit, loan and short sale transactions are reported with the investor risk tracking system. Data pertaining to the capital markets is shared with the public through the data analysis platform.</p> <p>The MKK provides information, reporting and blocking services for investors in relation to the central depository function it offers to the markets.</p> <p>The MKK provides value-added products and services for companies to fulfill their public disclosure and information society obligations and to activate their corporate governance processes.</p>	<p>With the amendment made to the "Regulation on the Private Pension System" in March 2023, the matters regarding the process of the ability of PPS participants to transfer their receivables arising from private pension contracts to banks were regulated. To enable the assignment of contracts, application development work was carried out in 2023 with Takasbank, the Pension Monitoring Center, pension companies and banks. It is planned to be brought into operation in the first half of 2024.</p> <p>The "Regulation on Partial Payment from the Private Pension System" was published in September 2023 in order to determine the basic principles and general functioning of the partial payment right offered to the PPS participants with the amendment to the law made in 2022. As of 26 March 2024, when the regulation will enter force 6 months after the amendment, the partial payment opportunity will be offered to PPS participants.</p> <p>Work on the project for the transfer of performance guarantees used in electronic tenders to be both e-letters of guarantee and surety bonds into the Takasbank Public Collateral Management System, their transfer to the Accounting System and their integration started in 2023 and was concluded. The processes regarding performance letters of guarantee and performance surety bonds in the "Takasbank Public Collateral Management Platform" are planned to be carried out in 2024.</p> <p>The web services for the "Public Offering Transfer File Transfer Transactions" Entry and Approval CSV functions, the "Public Offering Transfer Order Transmission" and the "Public Offering Transfer Order Result Inquiry", which are used to ensure faster finalization of transfers related to public offering transactions carried out outside the stock exchange, and the reports in which these transfers mentioned will be monitored, were prepared.</p>	<ul style="list-style-type: none"> <li>• Ensuring continuity in all storage services</li> <li>• Continuing development and regulatory activities to increase the effectiveness of the services offered.</li> <li>• Conducting developments and improvements in systems in line with requests that will come from members</li> <li>• Renewal of the infrastructure of the e-GKS</li> <li>• Automating processes in asset division and merger transactions</li> <li>• Automating the clearing process of private sector debt instruments on an account basis, and carrying out improvements to keep securities subjected to the Debt Securities Market repo markets as blocked in the reverse repo account.</li> <li>• Carrying out improvements in regard to the payment of dividends in foreign currency for investment funds traded in foreign currency.</li> <li>• Allowing the potential tax number of Investment Institutions serving foreign investors to be obtained through the integration to be established between the MKK and the Revenue Administration systems.</li> <li>• Development of the Data Transmission Platform as an application and platform for presenting the reporting requested by regulatory and supervisory institutions such as the CMB and the CBRT through dashboards.</li> </ul>

	Developments and New Practices	Objectives
<p><b>CUSTODY AND ACCOUNT MANAGEMENT</b></p>	<p>Work on the MIM360 MKK Communication Centre Project got underway to ensure that processes such as applications which are required for the use of services and applications offered by the MKK could be carried out with e-Signature, doing away with physical document circulation, and that processes such as IP Notification, Certificate Transactions, Representative Identification, System Connection Time Extension Requests from our members could be carried out by defined users using the app.</p> <p>Risk Tendency Index was created to measure the investment tendencies of capital markets investors to be calculated and published by the MKK.</p> <p>As part of the efforts carried out to allow investors, analysts, academics and other stakeholders to access value-added financial information, the Corporate Governance Maturity Index started to be calculated and was published by the MKK.</p> <p>The "Sustainability Compliance Report" taxonomy regarding the activities of listed companies in the field of environmental, social and corporate governance started to be published in an analyzable format on the PDP.</p> <p>MKK was granted to renew the ISO 27001 Information Security Management System certificate and was received the ISO 27701 Personal Data Management System certificate.</p>	<ul style="list-style-type: none"> <li>• Carrying out improvements to support REST technology, which is an alternative method which facilitates and accelerates the integration processes of members in the online service infrastructure.</li> <li>• Infrastructure updates will be carried out in the PDP Data Publishing Services and improvements implemented within the scope of business needs. In addition, new value-added data sets will be published along with calculations of new indices using the PDP data.</li> </ul>



# STRATEGY AND VALUE GENERATION

Taking the basis on Growth, Business Continuity-Endurance, Sustainability, and Technology, Borsa Istanbul focuses on generating permanent value as a reliable, transparent, effective, innovative, competitive and sustainable trading platform.

## OPERATION ENVIRONMENT AND EXTERNAL IMPACTS

**The year 2023 was a period of high volatility in global financial markets and weak global trade and economic activity.**

Expansionary monetary policies, social aid packages put in place to alleviate the negative effects of the pandemic, the subsequent global wave of inflation and interest rate hikes implemented to bring down inflation were the key points when we look at the report card of the global economy in 2023. In parallel with these developments, the increase in commodity prices resulting from the slowing economies, especially China, disruptions to the supply chain, the fallout of the war between Russia and Ukraine on food and energy supply and the geopolitical risks arising in the international arena with the war between Israel and Palestine all put upward pressure on global inflation.

The Global rate of inflation, which stood at 4.7% in 2021, climbed to 8.7% in 2022. This rapid increase in inflation brought about a protectionist approach and tightening monetary policies in consumption and investment decisions. The Federal Reserve Bank in the USA and the European Central Bank raised policy rates to the highest levels in 15 years. Amid rising inflation and interest rates, as well as heightened interest in capital markets around the world, returns of capital markets of developed countries also decreased when compared to developing countries.

There was a certain amount of turbulence for the capital markets in 2023 in the wake of the fears of recession in the USA in 2022 and Germany in 2023, bankrupt banks in the USA, the collapse of the FTX, a cryptocurrency exchange in the USA, and the liquidity shortage faced by European banks. Global trade volume was also affected by these conditions, which decreased by around 3% from USD 32 trillion in 2022 to USD 31 trillion in 2023. Amid these developments, the global banking crisis, which had been signaled by the decisions taken and statements issued by regulators, was kept under control and the worldwide rate of inflation decreased to 6.8% by the end of 2023.

According to figures published by the IMF, the world economy, which had grown by 3.5% in 2022, posted growth of 3.1% in 2023. With global inflation maintaining its downward trend, central banks signalled monetary expansion in 2024, with interest rates set to be cut in the medium term.

Türkiye had succeeded in becoming the third fastest growing country in G20 in 2022, its economy posting 5.6% growth. It entered 2023 with a high growth target. However, the devastating 7.7 and 7.6 magnitude earthquakes which struck at the beginning of 2023, their epicentres in the Pazarcık and Elbistan districts of Kahramanmaraş on the 6th of February, caused widespread loss of life and destruction in 11 provinces in Türkiye. The whole country was mobilized in the wake of the worst disaster of this century, in which more than 50,000 of our citizens lost their lives. The "Türkiye One Heart" aid campaign, organized by the Presidency, was rolled out to try and heal the wounds.

With the impact of the policies implemented in 2023 and the high level of domestic demand in regions outside the provinces affected by the earthquake, the Turkish economy succeeded in becoming the fastest growing fourth OECD country in the G20 during this period, with growth of 4.5%, extending Türkiye's impressive run of uninterrupted growth to 13 consecutive quarters.

Despite the volatilities in global trade, Türkiye's exports maintained their stability, with exports increasing by 0.6% to reach USD 255.8 billion in 2023. The gradual decline in inflation around the world and upward revisions to economic growth forecasts for 2024 supported global trade.

The approach of public decision-makers to suppress demand with monetary policies, which they carried out in parallel with the 2024-2026 medium-term plan, increase production on the supply-side, and support exports with selective loans indicate that price stability is the main target.



**Green and digital transformation process continues to make its effects felt on the world economy at full speed and to increase the competitive clout of the countries that are advancing rapidly in this field.**

At the COP28 held in 2023, a fossil fuel phase-out agreement was accepted that committed to achieving net zero emissions by 2050. It was aimed to triple global renewable energy capacity by 2030. Additionally, it was decided to create a special climate capital of USD 30 billion to attract private sector investment in low-carbon and climate-resilient projects in emerging and developing economies. The European Union established the Carbon Border Adjustment Mechanism in 2023 in order to maintain Europe's competitiveness against the costs that will arise from green transformation and to increase the fight against climate change at the global level. The Carbon Border Adjustment Mechanism includes the reporting and monitoring of direct and indirect emissions of goods imported into the European Union. This situation will cause the need for Türkiye, which exports approximately 40% of its exports to the European Union, to re-evaluate its production and supply processes in accordance with the European Union regulations.

According to the 2024-2026 Medium Term Plan, important steps have been taken for the establishment of a national carbon pricing mechanism that will increase our competitive clout in foreign trade in Türkiye's green transformation process, in line with the 2053 net zero emission target, and thus, to implement the Emission Trading System, which will provide resources for green transformation in all sectors, especially the industrial sector, increase climate financing capacity and limit the emission increase trend. Türkiye, which is a party to the Paris Agreement, updated its Nationally Determined Contribution (NDC). It submitted it to the Secretariat of the United Nations Climate Change Framework Convention in 2023.

Changing production and working styles globally with the effect of the pandemic, increasing e-commerce volume, advancing technologies such as artificial intelligence, big data, three-dimensional printing and machine learning are accelerating digital transformation.

The use of digital technologies such as artificial intelligence, internet of things, and big data analytics is increasing in the fields of information processing, fast and accurate decision-making, and optimization of processes in order to increase effectiveness in the production of goods and services and to meet the changes in social needs. There is transformation taking place in many areas such as logistics and supply chain management, development of digital skills and abilities, data security and privacy, data management, new business models, digital business processes and automation. Accordingly, tangible goals were set out in the Twelfth Development Plan (2024-2028) and Medium Term Program (2024-2026) in terms of digital transformation. In addition, the development, launch and roll out of digital TL is included in the Presidential 2024 Annual Plan, and the CBRT continues its work in this field.

The interest of investors, whose access to the markets has become much easier thanks to online platforms and digital tools, increased further in 2023 with the impact of macroeconomic policies.

At Borsa Istanbul, we maintain our efforts to expand the range of tech-based products and services and increase stakeholder satisfaction through projects related to the development and strengthening of technological infrastructure.

## STRATEGY

Borsa Istanbul's Strategic Plan, which was updated to cover the years 2024-2026, was based on a comprehensive evaluation of the economic and financial developments in Türkiye and the world, the technological trends affecting these developments and the current situation and expectations regarding the capital markets. The risks and opportunities faced by Borsa Istanbul were also discussed.

The Strategic Plan also addresses changes in the sector based on vision, mission and value propositions. Borsa Istanbul's strategy, which directs its ongoing and planned initiatives and determines the focal areas, which it will transfer its resources to, was prepared with a long-term perspective. Borsa Istanbul's strategy aims to create sustainable growth.

The Strategic Plan came into force after being approved by the Board of Directors. In the process of updating the Strategic Plan, factors that will affect Borsa Istanbul and its main internal and external stakeholders, along with the current dynamics of the capital market, were evaluated. Changes in the macro environment, technological developments, and the rapidly developing sustainability topics were the main areas which were taken into account.

The development of access to the market and data with digitalization, new technologies with expanding areas of use, the transformation of technological infrastructure and the increasing need for qualified human resources, especially in the field of IT, take place among the main factors affecting investors and brokerage firms.

Developments and trends in the field of sustainability affect the preferences of investors, who take into account the social and environmental impacts of their preferences. In this context, Türkiye Sustainability Reporting Standards (TSRS), which is compatible with international standards, were published by the Public Oversight, Accounting and Auditing Standards Authority at the end of 2023. At the same time, compliance with TSRS standards became mandatory with effect from 1 January 2024 for some companies that meet certain conditions. This step is crucial as it demonstrates our country's proactive approach to compliance with global sustainability standards.

On the other hand, sustainability is generally considered a positive area for the macro environment, but it needs to be handled with care. The increasing level of interest in the capital markets has put the need to protect investors and increase work in the field of financial literacy at the forefront. The

diversifying needs of the market and development potential, especially in sustainable finance and participation finance, direct initiatives in the field of new products and services. Practices in the field of financial reporting are another area to be closely monitored.

For our current and potential issuers, attention is very much on the increasing needs of enterprises for financing in one hand and the expanding financing opportunities presented by the capital markets on the other hand. The needs of companies to become more institutionalized, the increasing need for qualified human resources with changing financial and sustainability reporting practices, and the expansion of the regulatory framework, which must be complied with, are among the topics that stand out. Moreover, environmental issues and natural disasters are significant risk factors for issuers.

Transformation of technological infrastructure for Borsa Istanbul and its employees, the goals pioneering practices in the field of sustainability and creating a positive social impact have played an important role in shaping the Strategic Plan. Employees have contributed invaluablely in areas such as providing uninterrupted service to the markets which Borsa Istanbul serves, the design and commissioning of innovative products in these markets, and supporting the transaction infrastructure with state-of-the-art technology. In line with this, practices to increase employee satisfaction are developed, work safety is ensured, and possible problems that they experience in their working lives are handled carefully.

Special importance was placed to collect the opinions of stakeholders during the Strategic Plan preparing process. The opinions of the stakeholders were received through different platforms and the efforts taken to understand the needs of the market in this way as well as with solutions developed for them accordingly.

The smooth functioning of the markets, the meeting of investors and issuers, and thus, the capital market's contribution to the growth of our country is only possible with the cooperation of all stakeholders.

The Strategic Plan to be implemented in the years of 2024-2026 is built on the themes of "Growth", "Business Continuity-Endurance", "Sustainability" and "Technology".

## STRATEGIC THEMES



### GROWTH

The basic components of the growth theme include offering investors and companies the new products and services they need, encouraging companies which will create added value to go public and supporting the participation of new investors in the market. The growth and deepening of capital markets will increase financing opportunities that turn into investments. The new products and services will meet the diverse needs of stakeholders in changing market conditions.

The basis of the business continuity-endurance theme is the assessment of risks and opportunities and ensuring that transactions are carried out in a safe and continuous manner.



### BUSINESS CONTINUITY- ENDURANCE



### SUSTAINABILITY

The basic components of the sustainability theme include setting an example in the field of sustainability, offering sustainability-related products and services, developing the sustainability ecosystem and improving the data capacity in the market in this field. Sustainability is one of the main fields where Borsa İstanbul aims to be a pioneer and to integrate the long-term sustainability perspective into financial markets.

The technological infrastructure and developments accompanying the themes Growth, Business Continuity-Endurance, and Sustainability constitute the Technology theme. Viewing technology as one of the pillars of its Strategic Plan, Borsa İstanbul focuses on developments in the field of financial technology in the capital markets.



### TECHNOLOGY

## STRATEGY



### GROWTH

The growth and deepening of the capital markets will increase the financing opportunities that turn into investment. The diffusion of capital to a broad base will enable wealth to be distributed more inclusively. New products and services will meet the diverse needs of investors and issuers in changing market conditions.

It was a busy year for Borsa Istanbul, marked by considerable growth. Records were set in both the number of public offerings and the financing provided by companies through public offerings during 2023. The financing provided through the issue of debt instruments also reached record levels. A total of TL 79.3 billion of financing was provided through a total of 54 public offerings during 2023. Individual investors seeking to invest their savings have demonstrated tremendous interest in the capital markets in recent years. The number of individual investors with a balance, which stood at 3.8 million at the end of 2022, was more than doubled to 7.7 million by the end of 2023. These figures stand as testament to the significant growth in the capital markets on both the supply and demand sides.

Borsa Istanbul visited chambers of industry in various provinces to provide information to members of the chambers regarding the process and the benefits of going public, and answered their questions. Thus, beyond encouraging companies to carry out an IPO, Borsa Istanbul supported the companies in their pre-IPO processes.

Educational materials prepared to improve capital market literacy were released on the Borsa Istanbul social media accounts. Training programs were organized. Also, support was provided for the training activities of stakeholders.

As a part of the entrepreneurship ecosystem, the Venture Capital Market was launched under the Equity Market. The companies, which consider going public in the future but

need earlier access to the financing that they need to grow, can use this market. Companies planning to be in this market complete their institutionalization during their journey in IPO process and grow with the financing they obtain, thus gaining the opportunity to go public with much healthier financial statements in the future. As a result of the financing they obtain, the corporate transformation they undergo and the capital market experience they acquire, companies in the Venture Capital Market will be eligible to apply for listing in the Equity Market after five years.

As the number of companies traded on the Borsa Istanbul exceeded 500, the BIST 500 Index was created in December 2023 as a comprehensive index. In the same period, the BIST Buy-Back Index, which consist of the shares of companies that implement a buyback program to buy their own shares, as well as BIST Dividend 25 Weight-Limited 10 index started to be calculated.

In addition to those issued in the past, Futures Contracts based on the BIST Sustainability 25 index were opened for trading in 2023.

Borsa Istanbul will continue to offer solutions compatible the demands and needs of its stakeholders in line with the goals of developing existing markets, providing new products and services and enhancing global cooperation in the coming period. The Company will continue to carry out cooperation projects with foreign exchanges and new projects will be implemented. New steps are planned to be taken regarding the Private Market for the entrepreneurial ecosystem.

The expansion of the issuer and investor base in our capital market, increased diversity and participation contribute to increased market depth and the formation of a more efficient and participatory financial system. The issuer base, which has been expanding with new public offerings and debt instrument issuances, serves as an important indicator of how our capital

market stands out in financing investments. Building on the growth momentum achieved in the recent period is critical for the development of markets and in ensuring the markets reach a size that reflects the country's potential.

In order to expand the issuer base, company visits, especially to energy, industrial and technology companies that contribute to the country's growth, and promotional activities will continue.

Activities will be carried out to promote transparency in companies, with companies supported in better orienting their practices by reporting information in the fields of corporate governance and sustainability, to be included in various indices and to be on the radar of foreign investors more easily.

Another dimension of growth is expanding the domestic and foreign investor base by stimulating interest in products and services.

International marketing and promotional activities will be enhanced to introduce investment opportunities in our capital market. The potential of our markets will be emphasized by organizing events such as seminars and conferences for investors.

Activities aimed at prompting awareness and supporting financial literacy will continue to direct domestic savings to the capital markets. In cooperation with brokerage institutions, training activity alternatives for investors will be expanded and activities to increase financial literacy will be stepped up.

By deepening communication with brokerage institutions and banks, we will contribute to meeting the needs and demands of the market and to the implementation and promotion of different products and services, especially derivative products.

We will support the enterprise ecosystem, with the development and presentation of different markets and platforms in accordance with needs of companies at different stages of development being taken into account.

In order to prepare for the Private Market, training and mentorship programs will be established to help entrepreneurs adapt to the capital market and communicate effectively with investors.

Work to meet the needs and demands of both issuers and investors will continue through new indices, products and markets. In the coming periods, Borsa Istanbul will continue to develop new products and services in various fields including derivative products, sustainability and participation finance, and work on opening new markets as deemed necessary. Furthermore, new practices and applications and process improvements will continue for existing products and services to ensure the efficient and continuous operation of markets.

Borsa Istanbul will continue its initiatives in coordination with its stakeholders to strengthen its perception among the public, investors and companies in order to carry out efficient and value-added activities with innovative and technological approaches.

Work will be done on the possibility of cooperation in various areas such as education, consultancy, licensing, data sharing and auditing. Cooperation opportunities with exchanges working on green finance products abroad will be investigated. Efforts will be made to reinforce the competencies gained by our exchange in the products and services it provides to foreign exchanges and work will continue in the field of services that our exchange provides independently to other exchanges.

## STRATEGY



## BUSINESS CONTINUITY- ENDURANCE

With the goal of Business Continuity-Endurance, Borsa Istanbul aims to address risks and opportunities and ensure that transactions are carried both safely and uninterrupted.

The most important criterion for business continuity in the capital markets is that the session is not interrupted for technical reasons. In recent years, some stock exchanges abroad have reported session interruptions due to reasons such as insufficient staffing during the Covid-19 pandemic. Some were also subjected to cyber attacks. There have been no session interruptions on the Borsa Istanbul for technical reasons since the beginning of 2020.

Borsa Istanbul has implemented a number of actions and measures to ensure business continuity and strengthen endurance.

The Company renewed the working procedures and principles of the Early Risk Detection Committee, which is one of the committees serving under the Board of Directors.

The Loss Incident Notification Procedure was established in order to regulate the procedures and principles regarding the detection, notification and reporting of loss events that occur in response to exposed risks.

The Business Continuity Policy, which was prepared to define the principles and policies adopted by the senior management regarding the establishment and management of the Business Continuity Management System, was updated in line with current conditions.

ISO 20000 IT Service Management System and ISO 22301 Business Continuity Management System certificates were renewed after follow-up audits.

The Cyber Incident Response Management Procedure was prepared to regulate the procedures and principles to be followed in the processes of detecting, controlling and eliminating the effects of cyber incidents that may affect all infrastructure components and applications.

Information Security Bulletins were published to raise awareness regarding information security among the Borsa Istanbul personnel and improve digital literacy.

Work is being carried out in a number of fields to ensure uninterrupted service. Various actions will continue to be taken in the coming period with market needs carefully monitored and information systems constantly developed to meet these needs. New products and services are introduced, with various measures implemented and risk assessments carried out periodically.

To further increase the effectiveness of risk management, Borsa Istanbul continues to carry out work to develop key risk indicators, link risk assessment and internal control methodologies to objective and numerical metrics, address IT risks in accordance with internationally accepted standards with the aspects of confidentiality, integrity and accessibility, and develop loss incident reporting methodology and loss incident database.

Borsa Istanbul, Takasbank and the MKK, as the three main capital market institutions, continue their activities in cooperation under the Borsa Istanbul Group brand and under one roof in the same campus. Activities aimed at increasing group synergy will continue going forward.

Information security is vital to the endurance of the system. In this regard, data security and cyber security measures are handled within the framework of universal criteria in this field. Activities related to cyber security will be expanded with activities to raise awareness of the ecosystem.



## SUSTAINABILITY

Sustainability is one of the fields where Borsa Istanbul aims to be a pioneer. Integrating the long-term sustainability perspective into financial markets is one of its main objectives.

Borsa Istanbul determines its steps regarding sustainability in line with the aims of setting a good example with its own practices and increasing the awareness of its external stakeholders in this field.

Borsa Istanbul's sustainability goals include adopting good practices at the company regarding sustainability and setting a good example for other companies, raising awareness among stakeholders, improving cooperation with stakeholders in the field of sustainable finance, facilitating access to data, which is an important component of financial literacy, and providing new products.

### *Setting a Good Example*

On-site waste separation processes were renewed within the framework of the Zero Waste approach. New waste collection stations were placed in common areas and under-table rubbish bins were removed. Zero waste training was added to the internal training portal with the aim of increasing employee awareness. The evaluation process with the Ministry of Environment, Urbanization and Climate Change continues in the process of gaining certification to show the İstinye Campus's compliance with the Zero Waste Regulation.

More eco-friendly TOGG branded electric vehicles were purchased instead of vehicles using fossil fuels with the aim of reducing emissions.

Internal sustainability bulletins are prepared for employees, with each bulletin covering different themes and conveying current issues to employees. Bulletins on the themes of biodiversity, plastic, energy, climate and greenwashing were shared with Borsa Istanbul employees.

Within the scope of the social responsibility project, the Physical Contribution to Education Project, which had got underway in 1997 in cooperation with the Ministry of National Education, continues. As of the end of 2023, financing had been provided for the construction of a total of 456 school buildings and 181 design-skill workshops, earthquake-related reinforcement of 21 schools and the repair of 15 schools which had been damaged by the earthquake in the Van province.

Borsa Istanbul will continue to build its positive impact on the market by adopting good practices, clearly determining sustainability goals and communicating them with stakeholders. Borsa Istanbul is also developing its own practices/applications to support the transition to a more sustainable financial system.

The employee-focused approach includes expanding practices that increase employee satisfaction. Importance is placed on obtaining employees' opinions and creating development opportunities based on these opinions. The company will continue to seek the views of employees and involve them in decision-making processes through methods such as employee questionnaires, feedback and regular meetings.

Various training activities, certification programs and development opportunities are offered to improve employee skills. We will continue to help employees improve themselves and be more effective in their jobs through training activities focused on adaptation to new technologies, leadership skills and field expertise development.

Work continues to establish a solar power plant in order to reduce the level of emissions released and save costs in the medium term.

## STRATEGY

## SUSTAINABILITY

### *Being Influential*

Hosting and sponsorship support is provided for conferences in the field of sustainability. In this context, the Borsa Istanbul Conference Hall hosted the Integrated Reporting Association's Sustainable Strategies in Improving the Investment Environment and Structural Reforms event and the Sustainable Development Association's Sustainable Finance Forum in 2023. Additionally, Borsa Istanbul executives and specialists participated in many events and seminars as speakers.

It is vital to raise awareness of the impact of sustainability issues on the long-term performance of financial markets and the role that markets can play in the transition to a more just and sustainable world among market participants, an issue is of key importance in ensuring more sustainable development. To this end, activities such as conducting training sessions and seminars, contributing to training for stakeholders and creating guide content will continue in the coming period.

Measures continued to be taken in the field of sustainable finance. Futures contracts based on the BIST Sustainability 25 Index offered to investors.

The 50% discount on listing fees of sustainable capital market instruments within the scope of the CMB's Green and Sustainable Debt Instruments/Sukuk Guide was extended indefinitely.

BIST Sustainability indices and QNB Finansbank Clean Energy index, which is created by QNB Finans Portföy within the scope of the index calculation service, continues to be calculated.

Work will be carried out on developing new sustainability-themed indices, derivative products and markets in the coming periods.

The focus will be on activities such as cooperating with regulators and policymakers to encourage the issuance of regulations required by market functioning and sustainable development goals, facilitating dialogue between capital market stakeholders, developing new products to consolidate the place of sustainable finance in current topics and collaborating with other financial market participants in line with these aims.

In order to assist companies in the reporting processes, Borsa Istanbul will continue to produce reporting guides and provide training for companies.

Global developments in our sector are closely monitored by active participation in work on platforms such as the World Federation of Stock Exchanges and the Organization of Islamic Cooperation Exchanges Forum.

Borsa Istanbul Review journal has taken among the leading scientific academic journals publishing articles in English in the field of finance.





## TECHNOLOGY

Borsa Istanbul's technology goals include developing expertise in stock exchange technology and service provision, becoming a technology company that develops products and services, improving operational quality, enriching business by taking advantage of innovative technologies and maintaining a high level of reliability in information technology systems.

One of the issues that financial institutions pay the most attention to is to follow technological developments closely. Today, stock exchanges, which are fast turning into technology companies, are among the first institutions where new technologies are applied.

Borsa Istanbul has completed its technological transformation to cover all of its markets. It has established a fast and secure technological infrastructure with the BISTECH system. The exponential increase in the number of individual investors investing in the capital markets in recent years has given rise to an extraordinary increase in the total number of orders and transactions. The increase in the type and number of instruments traded since the commissioning of the BISTECH system, the increase in the number of investors and orders, the order processing time differences that may occur at various times and the increased operational burden brought about by the increase in the number of FIX and OUCH order transmission servers have highlighted the need for comprehensive development of the transaction system, both for Borsa Istanbul and its members. In this context, BISTECH 3.0 was developed by specialist teams. Speed and efficiency were achieved without causing any negative effects on data broadcast applications working independently.

On the other hand, work continues on providing technology services to the stock exchanges using the Genium INET system used on the Borsa Istanbul, thus further increasing the competence of IT personnel.

The IT Service Management System was established to be compatible with the corporate strategy, integrated with business processes and carried out effectively. IT System Development Management Procedure was issued in order to develop transaction systems, order transmission channels, data broadcasting, index calculation, surveillance systems, basic applications related to the storage vault and the precious metals and diamond market, and their auxiliary products, in addition to developing processes to provide the necessary technical support to the systems. Ongoing activities include reducing manual operations by automating business processes, thus increasing both the effectiveness of the service provided and the speeds of access or transmission of orders.

The increase in the number of employees in the field of IT at Borsa Istanbul reflects its technological transformation and growth strategy. IT personnel accounted for 26% of the total number of personnel at Borsa Istanbul in 2020, and this ratio had increased to 38% in 2023.

The Company aims to expand the work covering the export of technology services, which had got underway in fields such as testing, data transfer, software development and integration services, to foreign exchanges.

Strong collaborations and partnerships will be developed with foreign exchanges in order to expand in new markets.

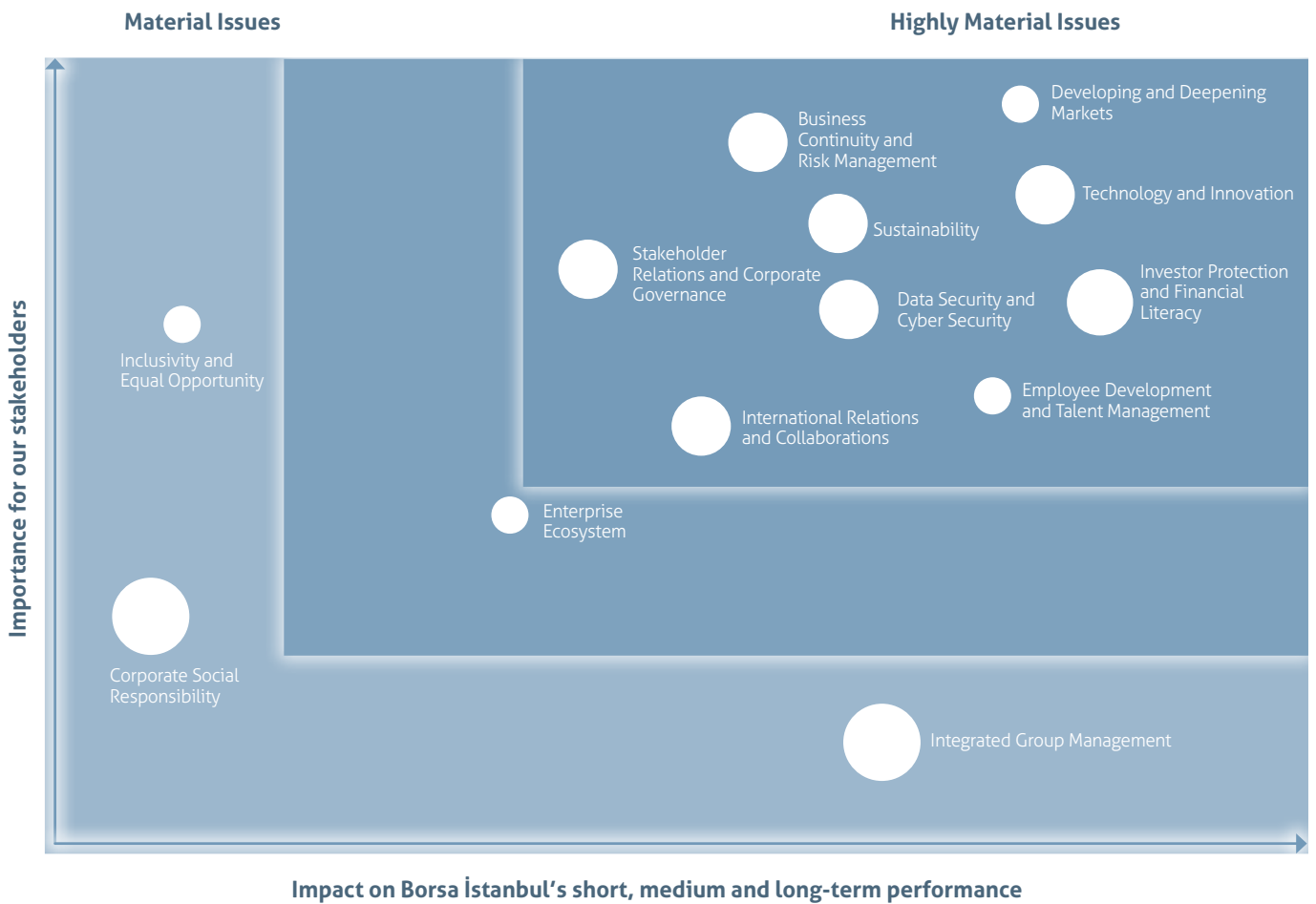
### IMPLEMENTATION OF STRATEGY

Projects are structured within the scope of the 2024-2026 Strategic Plan and regularly monitored. The goals and realizations of the projects will continue to be taken into account in the performance management system. Thus, supervision will be provided to achieve the goals set out in the Strategic Plan.






## MATERIAL ISSUES

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

The material issues, which affect Borsa İstanbul’s short, medium, and long-term value creation and the priority issues focused on within the scope of its strategy, are reviewed on an annual basis. As the number of individual investors continues to increase - a process which has gained momentum in recent years - measures to protect investors and activities on financial literacy have become high priority issues. Efforts to develop and deepen markets will continue to be prioritized and maintained through public offerings and the introduction of new products and services. Business continuity and risk management remain key priorities. Sustainability is also among the issues that increased priority for Borsa İstanbul and its stakeholders. The fundamental importance of competent human resources in the continuity of operations and the need to take account of the opinions and needs of stakeholders in the development of products and services are behind these two fields being among the material issues.







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

DEVELOPING AND DEEPENING IN THE MARKETS	SDG RELATION	STRATEGY CONNECTION
<p>Continuing work to improve issuer capacity and deepen the investor base in capital markets; offering new products and services, especially hedging, sustainability, and participation finance instruments to investors and issuers, thus meeting different needs in changing market conditions; strengthening Borsa Istanbul's place in the financial ecosystem</p>		<ul style="list-style-type: none"> <li> <b>GROWTH</b></li> <li> <b>BUSINESS CONTINUITY-ENDURANCE</b></li> <li> <b>SUSTAINABILITY</b></li> <li> <b>TECHNOLOGY</b></li> </ul>

Borsa İstanbul works to improve the issuer capacity and investor base in the capital markets, and provides a wide array of new products and services to issuers and investors, especially in the areas of hedging, sustainability, and participation finance instruments.

Activities for the purposes of strengthening the corporate structures of companies, participating in the capital markets through public offerings, encouraging companies to issue capital market instruments and spreading the capital to the base through these methods have been carried out consistently. In this context, the practice of company visits, which started with a proactive approach, continued in 2023.

Companies obtain the financing necessary for investment and growth through capital markets contributes to the growth and deepening of capital markets, the spread of capital over a wider base, and thus welfare increases in a more inclusive manner.

BUSINESS CONTINUITY AND RISK MANAGEMENT	SDG RELATION	STRATEGY CONNECTION
<p>Timely identification and continuous monitoring of risks; improving Borsa Istanbul's capability to respond regarding the reactivation of systems in the event of any business continuity interruption; increasing operational resilience; promoting business continuity and efficiency with redundancy plans</p>		<ul style="list-style-type: none"> <li> <b>GROWTH</b></li> <li> <b>BUSINESS CONTINUITY-ENDURANCE</b></li> <li> <b>TECHNOLOGY</b></li> </ul>

With the financial products and services it offers investors and issuers, Borsa Istanbul contributes to the effective implementation of risk management practices for these stakeholders.



Borsa İstanbul implements effective risk management in order to carry out its activities in an uninterrupted and sustainable manner. To this end, work is carried out under the coordination of the risk management and internal control department within Borsa İstanbul in order to identify, measure and monitor possible risks and to mitigate the effects that may arise in case of realization of risks.

A separate department within the Borsa İstanbul organizational structure is responsible for information security-related issues and carries out work on issues within the scope of information security.

ISO 20000 IT Service Management System and ISO 22301 Business Continuity Management System certificates were renewed, ensuring continuity of the relevant certification.

Within the scope of business continuity and risk management activities, assessments are carried out for critical suppliers before and after the procurement process. Accordingly, the company goes to the greatest efforts to minimize any risks that may arise from critical suppliers.

MATERIAL ISSUES

TECHNOLOGY AND INNOVATION	SDG RELATION	STRATEGY CONNECTION
<p>Specialization in the providing of stock exchange technology and services; development of new product and service; continuous improvement in the transaction system infrastructure; job enrichment through the use of innovative technology</p>		<ul style="list-style-type: none"> <li> <b>GROWTH</b></li> <li> <b>BUSINESS CONTINUITY-ENDURANCE</b></li> <li> <b>SUSTAINABILITY</b></li> <li> <b>TECHNOLOGY</b></li> </ul>

Borsa Istanbul offers products and services which meet a wide range of requirements by focusing on the needs of the financial ecosystem and stakeholders. In addition, by taking into account the needs and requirements of stakeholders, Borsa Istanbul has offered new products and services every year.






Borsa Istanbul strives to offer corporate solutions, improve the BISTECH system and applications integrated with this system and to reflect the synergy of the Borsa Istanbul Group in product development processes. As a result of these activities, Borsa Istanbul has provided consultancy services in the transformation of the technological infrastructure of the Abu Dhabi Stock Exchange.

STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE	SDG RELATION	STRATEGY CONNECTION
<p>Maintaining and developing strong relationships with stakeholders through transparent and effective communication; implementing good practices in the field of corporate governance; improving existing corporate governance practices</p>		<ul style="list-style-type: none"> <li> <b>GROWTH</b></li> <li> <b>BUSINESS CONTINUITY-ENDURANCE</b></li> <li> <b>SUSTAINABILITY</b></li> <li> <b>TECHNOLOGY</b></li> </ul>

Borsa Istanbul is in constant communication with all its stakeholders and considers the demands, needs, and opinions of its stakeholders while carrying out its activities. In addition, an efficient organizational structure and corporate governance practices that follow up good practices are crucial in the effective functioning of the capital markets and their resistance against possible risks. Therefore, these issues are among Borsa Istanbul’s material issues.

Borsa Istanbul conducts continuous negotiations with brokerage firms and banks, which are key players in the capital markets. In addition, Borsa Istanbul is in constant communication with the CMB (the regulatory body of the capital markets), Türkiye Wealth Fund (the controlling shareholder of Borsa İstanbul), relevant offices of the Presidency, Borsa Istanbul Group companies as well as subsidiaries and affiliates.

Additionally, Borsa Istanbul made an amendment to its Articles of Association to ensure that at least one independent board member is a woman in order to ensure diversity. Currently, there are two female members on the Board of Directors at Borsa Istanbul, one of whom is independent.

SUSTAINABILITY	SDG RELATION	STRATEGY CONNECTION
<p>Improving internal company practices regarding sustainability; increasing sustainability-focused products and services; encouraging stakeholders to integrate a sustainability perspective into their operating cycles; playing a leading role in the field of sustainable finance and Türkiye’s green transformation</p>		<ul style="list-style-type: none"> <li> <b>GROWTH</b></li> <li> <b>BUSINESS CONTINUITY-ENDURANCE</b></li> <li> <b>SUSTAINABILITY</b></li> <li> <b>TECHNOLOGY</b></li> </ul>

While sustainability is one of the material issues, it also constitutes one of Borsa Istanbul’s strategic themes. Borsa Istanbul offers sustainability-related products and services to issuers and investors. These include the renewed and expanded scope of the sustainability index and new sustainability-themed indices.

Borsa Istanbul strives to integrate sustainability into its activities. In this vein, Zero Waste project has been implemented at İstinye Campus. In the coming years, the Company aims to expand the range of products, services, and activities, which affect sustainability-related internal and external stakeholders.

Borsa Istanbul has been publishing an annual integrated report since 2017. Annual integrated reports are prepared in accordance with the reporting standards published by international organizations such as the IIRC, TCFD and GRI.

Borsa Istanbul played an active role in the “The Project to Support the Increase of Women’s Representation on Boards of Directors in Türkiye” with a wide range of stakeholders, and contributed to the development of suggestions on regulatory changes and market-based solutions.

Borsa Istanbul updated its sustainability guide in 2020 in order to contribute to the recognition of sustainability among a wider range of stakeholders. It published the Integrated Reporting Guide for Companies in cooperation with ERTA (Integrated Reporting Türkiye) in 2021, while Climate Reporting Guide prepared by taking into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) were made available to the use of its stakeholders at the end of 2022. Work continues with the Ministry of Environment, Urbanization and Climate Change on establishing an emission trading system in Türkiye. In this context, Borsa Istanbul participated in the 12th Development Plan Working Groups.

The initiative to provide educational scholarships to female students, which had been launched in 2021, continues. In this context, scholarships were provided to 51 students in 2023. It is aimed to grant the scholarship to 100 students next year.

MATERIAL ISSUES


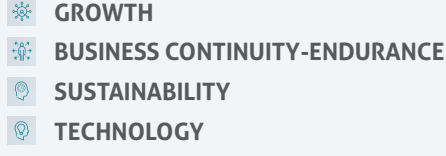
DATA SECURITY AND CYBER SECURITY	SDG RELATION	STRATEGY CONNECTION
Increasing information security; minimizing the risk of data loss and leakage; ensuring a high level of cyber security		

Borsa Istanbul ranked 9th among all participants in the cyber drill organized by BTK (Information Technologies and Communication Authority). Additionally, a Cyber Resilience Awareness Survey was carried out in the year.

Internal and external audit activities regarding information systems are performed in accordance with the relevant legislation. The work carried out by independent audit firms is coordinated within the Borsa Istanbul Group and actions are taken regarding the findings. Within the scope of compliance with the law, "Personal Data Storage and Destruction Policy" and "Policy of Processing and Protection of Private Personal Data" were established.

The Cyber Security Operation Center, which will serve the Borsa Istanbul Group, was brought into operation, providing a 24/7 monitoring service to Borsa Istanbul, Takasbank and the MKK.

Borsa Istanbul renewed ISO 27001 Information Security Management System certificate. It continues to carry out high-level work in the field of information security.

EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT	SDG RELATION	STRATEGY CONNECTION
Recruiting and retaining highly qualified human resources; stepping up training activities and opportunities for rotation to improve existing qualifications; ensuring redundancy of positions		

In addition to technology, Borsa Istanbul deems human resources as an important component in achieving the goals it has determined under the four main strategic themes. In this context, a total of 65 people recruited in 2023. The mentoring practice initiated for new employees also continued in 2023.

Borsa Istanbul enters collaborations with universities with the aim of introducing the capital markets to young people and supporting financial literacy, and continued to offer its BISTCOURSE and BISTTOUR programs in this context. In addition, the company takes part in career days for universities and holds online seminars. The Student Education Program implemented by the Company offers university students the opportunity to participate in a training program about capital markets and Borsa Istanbul.

Internal customer, employee satisfaction, and manager evaluation surveys are carried out to assess employee satisfaction. In addition, employees' opinions about Borsa Istanbul's performance management process are evaluated by implementing a feedback survey regarding performance management.

Training Management Procedure was put in place to ensure expansion of training and development opportunities for employees. The scope of the general competency development training activity and technical training catalogue, which are offered to employees through the Borsa Istanbul E-Academy online training platform, was expanded.

INVESTOR PROTECTION AND FINANCIAL LITERACY	SDG RELATION	STRATEGY CONNECTION
Spreading capital to a wider base of people; protection of investors; increasing confidence in capital markets; instilling conscious investment habits in individual investors; introducing Borsa İstanbul’s products and services		

Attracting individual investors to the capital markets and encouraging investors to remain in the capital markets is achieved by including them in financial coverage. There has been an increase in investor interest in the capital markets, especially among individual investors. The number of individual equity investors increased from 7.7 million at the end of 2023 to 3.8 million at the end of 2022.

In order to contribute to the a permanent rise in interest in the capital markets and increase the number of investors, Borsa İstanbul ensures that the markets serve without interruption. A wide range of products and services are also offered while measures are implemented to reduce market volatility. Therefore, by increasing investor knowledge regarding the functioning of capital markets and the possible risks of the capital markets, Borsa İstanbul strives to support the development of financial literacy and the conscious investment by investors.

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

The BISTLAB project is carried out to encourage university students to become acquainted with the capital markets and stimulate their interest in the capital markets. In this context, work was carried out to establish the BISTLAB laboratories at Aksaray University, Ankara University and Istanbul Medeniyet University in 2023. More BISTLAB laboratories are planned to established at different universities in 2024. Borsa İstanbul also offers 61 different specialization training programs as part of External Training Programs in the fields of the Markets, IT, Law and Investor Relations for employees and managers working in the capital markets or within the capital market stakeholders.

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

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

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

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

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

## VALUE GENERATION

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

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

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

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

### VISION

To be a global integrated market place for financial assets and a leading stock exchange in the field of financial technology in the capital markets of the future.

### MISSION

To provide a reliable, transparent, effective, fair, innovative, competitive and sustainable trading platform for all investors

#### Customers

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

#### Stakeholders

To provide strong financial performance, sustainable income flow and structure with strong depth in the capital markets

#### Employees

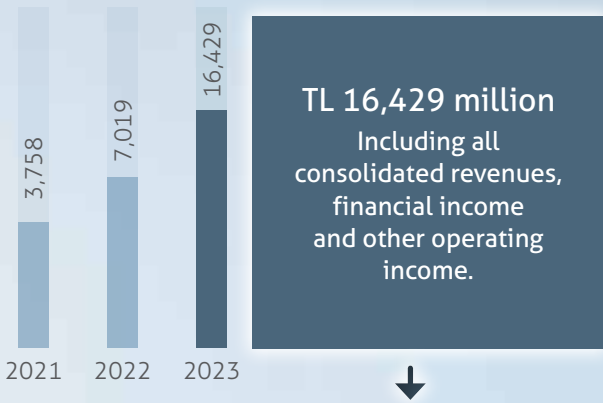
To provide a safe and healthy working environment where employees can continuously improve themselves

#### Society

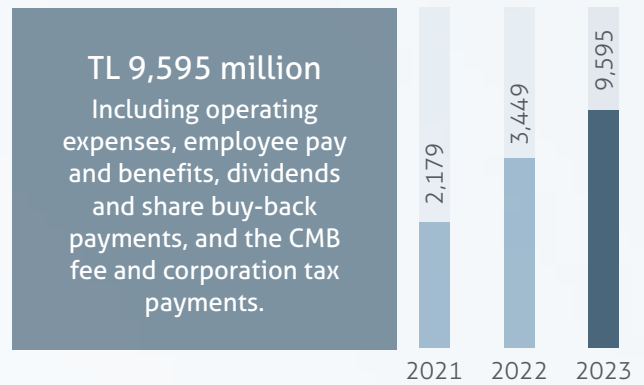
To support employment and economic growth by developing and diversifying financing opportunities and to broker the utilization of savings



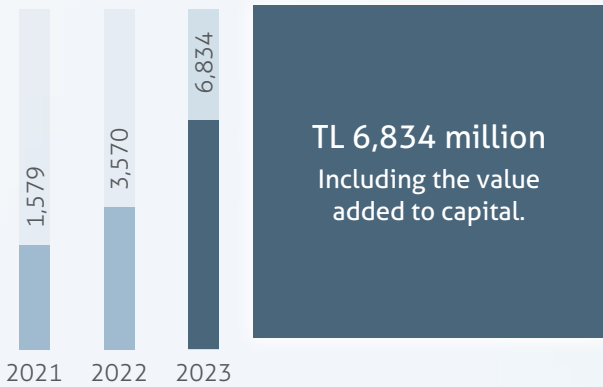
The Economic Value We Generate (TL million)



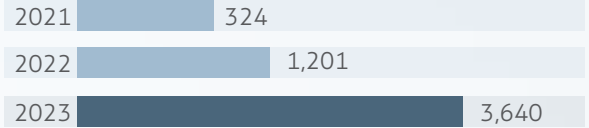
The Economic Value We Distribute (TL million)



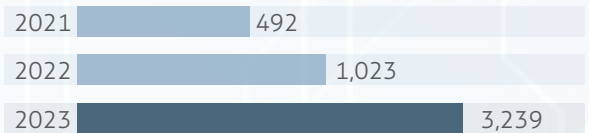
The Economic Value We Retain (TL million)



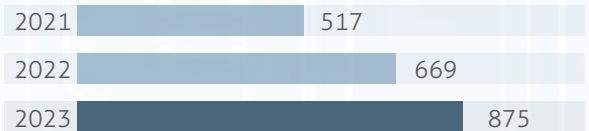
Operating



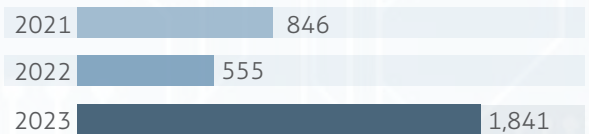
Employees



Shareholders



State



## BUSINESS MODEL

### OUR RESOURCES



#### OUR FINANCIAL CAPITAL

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

**Paid-in Capital: TL 423 million**



#### OUR HUMAN CAPITAL

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

**Number of Employees: 709**

**Total Number of Employees: 1,372**

(Takasbank: 403, MKK: 260)



#### OUR INTELLECTUAL CAPITAL

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

**R&D Expenditure: TL 217 million (2022: TL 72 million)**

**R&D personnel: 169 (2022: 153)**



#### OUR 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.

- **Primary Data Center built on an area of 1,800 m<sup>2</sup>**
- **Gold storage capacity: 1,600 tons**
- **BISTECH R&D Center on an area of 1,400 m<sup>2</sup>**



#### OUR SOCIAL AND RELATIONSHIP CAPITAL

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

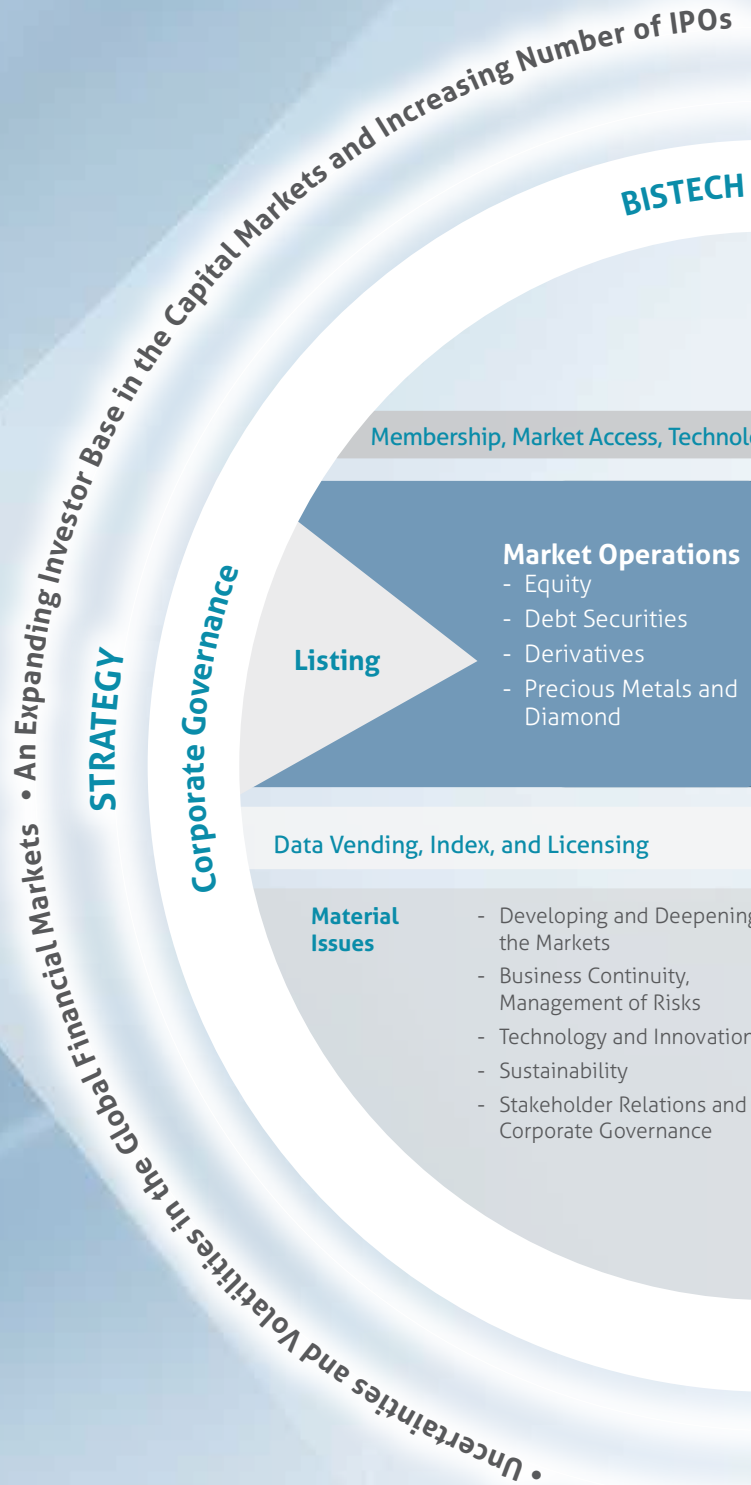


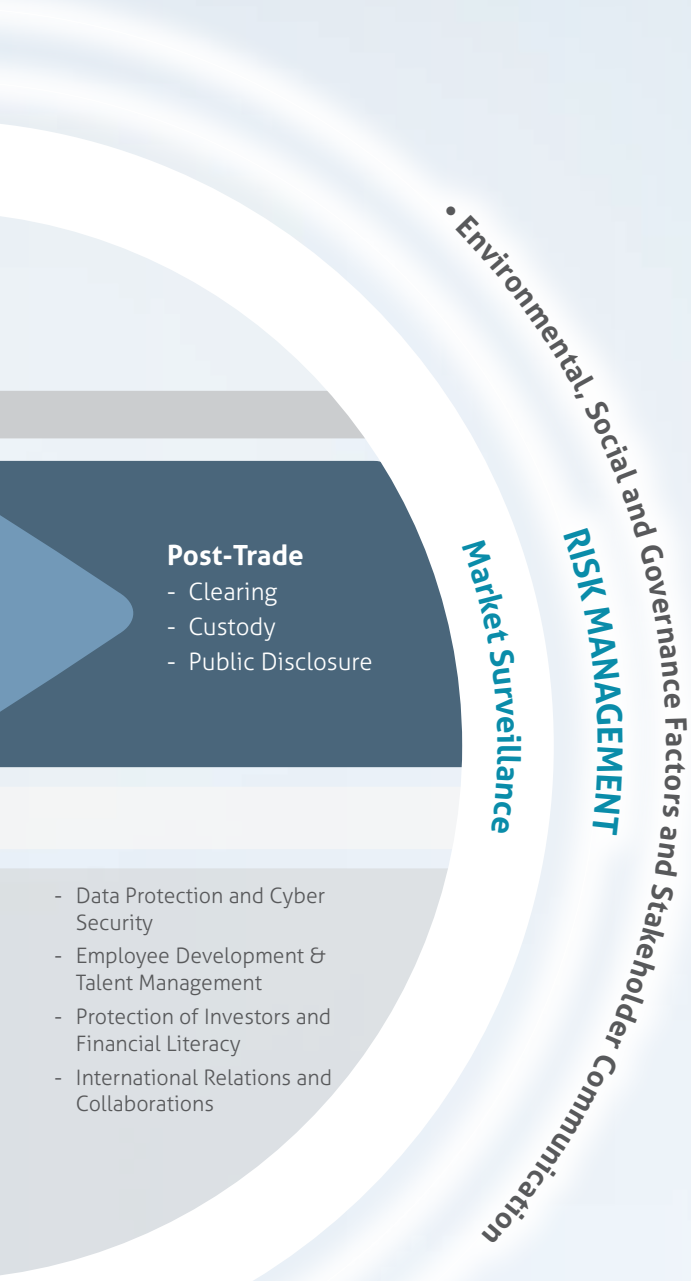
#### OUR NATURAL CAPITAL:

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

**14.5 GWh Electricity Consumption**

**55,937 m<sup>3</sup> of Water Consumption**





## OUTCOMES OF OUR OPERATIONS

**TL 7.4 billion** Operating Profit  
(2022: TL 3.7 billion)

**TL 7.7 billion** Net Profit  
(2022: TL 4.2 billion)

**65 new jobs**  
(2022: 59)

**Voluntary employee churn: 0.2**  
(2022: 4.5)

- Modern software architecture and technology, blockchain, products with high availability
- Innovative and high-tech products in the fields of finance and software technologies
- Contribution to capital market legislation
- Number of cabinets allocated at the co-location: 99 (2022: 72)
- 3,107 applications received through the Investor Advisory Center (IAC) during 2023
- Sponsorships, donations and grants

**Total Waste: 26.2 tons**

**Recycled Paper: 5.9 tons**

## OUTPUTS OF OUR OPERATIONS VALUE GENERATED FOR STAKEHOLDERS

### SHAREHOLDERS

- **TL 875 million** in dividends were distributed to Borsa İstanbul shareholders

### OUR EMPLOYEES

- **TL 3,239 million** in total wages and benefits were paid to Borsa İstanbul Group employees

### CUSTOMERS/ INVESTORS

- **TL 459.8 billion** in financing was provided through the Private Sector Debt Securities issuances and the IPOs
- **Uninterrupted session continuity**

### REGULATORY BODIES/THE PUBLIC

- **TL 1,841 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 **456** schools, educational institutions and **181** design skill workshops since 1997 with the Project of Physical Contribution to Education (PCEP). Maintenance and earthquake strengthening works of **21** schools, and the repair of **15** schools damaged by the earthquake in Van province
- Activities that develop financial literacy with the aim of improving the investment culture
- Contribution to economic growth



# RISK MANAGEMENT

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

## RISK MANAGEMENT

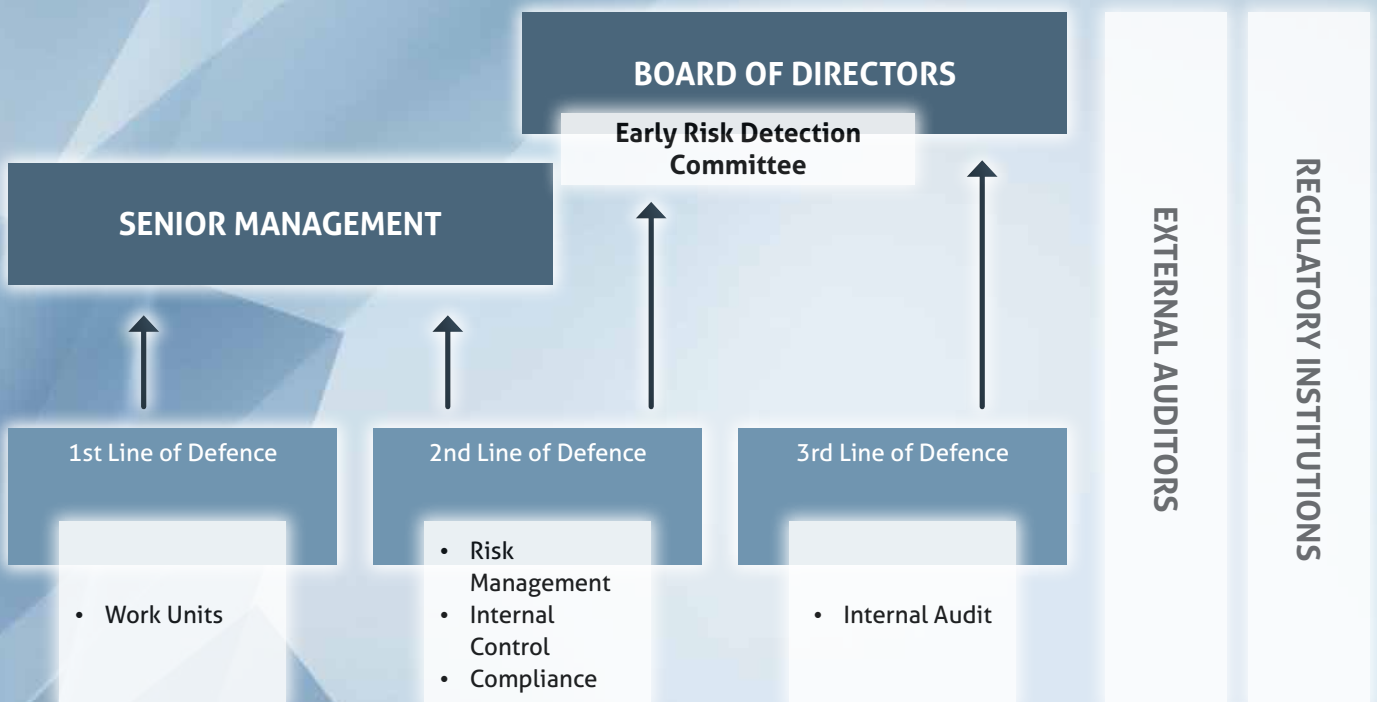
Risk management is an indispensable part of the corporate culture and strategic decision-making process at Borsa İstanbul and forms the basis of the Company's corporate risk management strategy. The timely detection of risks that may endanger the existence, development and continuity of Borsa İstanbul, and taking necessary precautions to effectively mitigate and manage the identified risks is vital.

In accordance with the Risk Management Policy approved by the Board of Directors, risk management activities are carried out in line with the principles set out below:

- Strategies and policies are drawn up regarding the management of risks faced by Borsa İstanbul. Necessary measures are taken to manage the risks effectively.
- Borsa İstanbul determines risk management targets in line with its risk appetite and deploys all necessary resources, especially competent employees and up-to-date, reliable, backed-up technological infrastructure to achieve the targets.
- With the strategic decisions to be taken, Borsa İstanbul's long-term interests are primarily addressed by maintaining the company's risk, sustainable growth and return-balance at the most appropriate level under a rational and cautious risk management approach.
- A risk management system is adopted that minimizes the effects of risks that may affect stakeholders and which prioritizes increasing the value created for stakeholders.
- Processes are put in place to manage risks for all activities carried out and services provided within Borsa İstanbul. Metrics that serve as early warning indicators are monitored and reported to the Senior Management, checks are established and necessary supervision is provided.
- Risks related to critical systems and processes which are outsourced are evaluated.
- Legal and regulatory requirements are met in order to maintain the goal of fair and orderly market management.
- Necessary measures are taken to ensure Borsa İstanbul's operational sustainability and maintain its financial soundness.
- All efforts are taken to uphold Borsa's strong reputation, which is supported by its operational flexibility and uninterrupted service provision.
- In order to prevent interruption of critical processes and services, systems are established for early diagnosis of risks, and proactive measures are taken.
- Activities are carried out to spread the risk culture within Borsa and raise risk awareness among employees.
- A dynamic and proactive risk management approach is adopted by taking developing and changing factors into account.

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

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



## RISK MANAGEMENT

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

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

- Risk assessment,
- Action planning,
- Lost Incident notifications
- Key risk indicators,
- Effectiveness of controls
- Findings of Internal/external audits

In this context, Corporate Risk Management and Internal Control Services ensure that all end-to-end processes are operated in a dynamic structure with the "continuous improvement principle" in accordance with Borsa İstanbul's main objectives and policies.

### RISK APPETITE

In order to maintain effective risk management, risk appetite is created by taking Borsa İstanbul's strategic goals, vision and mission into account. Risk appetite is reviewed by considering potential changes that may occur in the strategic goals. The institution's risk appetite is approved by the Board of Directors, with necessary actions taken by process owners in order to reduce the risks to which the institution is exposed to below the appetite level.

The strategic themes detailed below are taken into account when determining risk appetite:

B	E	S	T
GROWTH	BUSINESS CONTINUITY- ENDURANCE	SUSTAINABILITY	TECHNOLOGY
The development and deepening of the capital markets will widen the range of financing opportunities which turn into investments. Besides, the spread of capital to a wider base of people will contribute to a more inclusive increase in welfare. New products and services will help meet the diverse needs of investors and issuers in changing market conditions.	With the aim of Business Continuity-Endurance, Borsa İstanbul aims to address risks and opportunities and ensure that transactions are carried out in a safe and uninterrupted manner.	Sustainability is one of the fields Borsa İstanbul aims to be a pioneer in. Integrating the long-term sustainability perspective into financial markets is one of the main objectives.	Together with its group companies, Borsa İstanbul focuses on the digital transformation in the capital markets and deems technology to be one of the pillars of its strategy.



## FINANCIAL

Decisions that will adversely affect the long-term financial sustainability of the institution

## REPUTATION

Factors that prevent the reinforcement of confidence in the stock market (Borsa İstanbul)

## HUMAN RESOURCES

- Discrimination on the basis of race, language, religion and gender in human resources policies
- Issues which result in the main activities of Borsa İstanbul being affected due to a lack of knowledge, training or experience among employees or poorly designed business processes.

## OPERATIONAL

- Work and transactions which prevent transactions from being carried out in a reliable, transparent, effective, stable, fair and honest manner.
- System errors, information and data security breaches, disclosure of confidential information
- Factors which will disrupt the continuity of services offered to stakeholders
- Operational risks arising in the implementation of strategic plans and changes and that affect external customers
- Any incidences of bribery, corruption, embezzlement, abuse, irregularity and the associated reputational risk
- Operational risks arising from not fulfilling our commitments to Borsa members

## NO TOLERANCE FOR

## ENVIRONMENTAL

Decisions that may harm the environment, ecological balance and society




## COMPLIANCE



Failure to comply with legal and regulatory obligations

## RISK MANAGEMENT

### BASIC RISKS AND PREVENTION STRATEGIES

Borsa İstanbul is exposed to various risks due to the nature of the activities it carries out. These risks are measured and managed with effective risk management tools. Our key risk management strategies implemented within the scope of the first and second lines of defence are listed below:

RISK	POTENTIAL IMPACT	RISK DEFINITIONS AND PREVENTION STRATEGIES	RELATED CAPITAL ELEMENT
Operational Risks	IT Risks	Confidentiality Integrity Accessibility  It is essential that the activities carried out within Borsa İstanbul are carried out under full automation conditions. In this context, the necessary systems are provided by IT units within Borsa İstanbul and external suppliers. The trading systems used within the scope of capital market activities were created with domestic and national capital and designed in accordance with international standards. "Operational resilience", "business continuity" and "cyber security" issues are the main priorities in the operation of information technologies at Borsa İstanbul. To this end, the systems used are monitored around the clock with monitoring of performance criteria such as predictable response times for certain critical situations. Information channels have been established to constantly monitor the status of the market operating system. Data center and redundant systems are designed to operate at all times, in active and fault-tolerant conditions.	
	Business Continuity Risks	Reputation Impact Financial Impact Legal Impact Customer Impact  Borsa İstanbul assumes the role of "market operator" in capital markets. It manages business continuity risks and takes the necessary actions in this context to ensure operational continuity in the services offered to all of its stakeholders. In order to avoid any interruption to the services provided by Borsa İstanbul, the operational risk management framework is effectively implemented in its activities, infrastructure, processes and products. Preventive measures are taken by reviewing human resources policies, business processes and control points. Borsa İstanbul aims to be prepared and flexible in all conditions and manage crises by taking quick decisions when necessary through the business continuity policies, plans, tests and drills which enable Borsa to manage the moment and aftermath of any crisis, disaster or pandemic. The Business Continuity Management System at Borsa İstanbul is operated in accordance with the ISO/IEC 22301:2019 standard, with all steps taken to ensure the continuity of certification.	 <b>Financial Capital</b>   <b>Human Capital</b>
	Information Technology Risks	Financial Impact Reputation Impact Legal Impact Customer Impact  In order to prevent unauthorized persons from accessing confidential and sensitive information, periodic training activities are provided within the scope of the information security policy in order to raise awareness of information security within Borsa. Measures taken against cyber attacks and leakages are reviewed periodically. In this context, penetration tests are regularly carried out by various organizations on behalf of Borsa İstanbul in all markets against external technological penetration and internal unauthorized access. The measures taken are reviewed with observed problems and the measures taken regularly shared with Group companies. Coordination is provided to share information and experience with relevant parties. Information security and cyber attack risks are successfully managed through the periodic review of existing controls and measures taken and the contribution of additional control points which had been added during the pandemic.	 <b>Intellectual Capital</b>
	Human Resources Risk	Financial Reputation  Borsa İstanbul aims to develop competent human resources that meet market expectations in a timely manner. In this vein, improvements are made to career and talent management, intra-department and inter-department rotation and the organizational structure. Educational activities continue. In the post-pandemic period, policies are implemented to prevent and control the loss of human resources, to bring new talent into the company and develop technology-oriented competent human resources.	

RISK		POTENTIAL IMPACT	RISK DEFINITIONS AND PREVENTION STRATEGIES	RELATED CAPITAL ELEMENT
Financial Risks	Liquidity Risk	Financial	Liquidity risk is defined as the risk that a position cannot be sold or closed without affecting the market price due to reasons such as a party being unable to pay their debt or meet their obligations without incurring any unexpected losses and defaulting, or not being able to sell or close a position without affecting the market price due to reasons such as insufficient market depth or deterioration of market conditions, and the risk that the market price of a position may not be formed for any reason. Funds created within Borsa Istanbul are invested in suitable financial instruments with high liquidity. The company ensures compatibility and balance between assets and liabilities on the basis of amount and maturity, thus reducing exposure to liquidity risk.	 <b>Financial Capital</b>
	Market Risk	Financial	Market risk includes exchange rate volatility and changes in interest rates or the value of securities and other financial instruments due to changes in the value of the TL against foreign currencies. Borsa Istanbul manages market risk by balancing foreign currency assets and liabilities with financial instruments that are sensitive to interest rates.	
Compliance and Reputation Risks	Compliance Risk	Reputation Financial Regulation	<p>Borsa Istanbul maintains close communication with regulatory and supervisory institutions, especially the Capital Markets Board. Borsa Istanbul also plays a role in drafting regulations to develop and deepen the markets. It fully complies with the regulations published by the relevant regulatory and supervisory institutions.</p> <p>In order to ensure that capital market instruments traded on the Borsa Istanbul can be purchased and sold in confidence and stability, the relevant markets are monitored and reported through the electronic surveillance system in order to detect acts that prevent the open, orderly, fair and transparent functioning of the markets.</p>	 <b>Financial Capital</b>   <b>Social and Relationship Capital</b>
Strategic Risks	Conjunctural Risks	Financial Reputation	<p>Borsa Istanbul pursues an approach aimed at creating value for the country's economy by closely monitoring the global and local economic conjuncture. In order to respond to the needs of stakeholders and ensure a sustainable flow of income, work is carried out to diversify income and develop additional sources of income with innovative approaches.</p> <p>Training programs on financial literacy and the functioning of markets are prepared. Projects are carried out to expand the investor base.</p>	 <b>Financial Capital</b>
	Strategy Risk	Financial Reputation	After the Strategic Plan was created and reviewed by Borsa Istanbul, the strategic goals which Borsa Istanbul will implement going forward were determined. During this process, a business plan was set out and the key performance indicators subject to monitoring were defined to ensure the achievement of strategic goals.	

## RISK MANAGEMENT

### ACTIVITIES IN 2023

#### CORPORATE RISK MANAGEMENT

In 2023, risk assessment activities were carried out with the work units and action plans established were followed up 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 Risk Detection Committee. Work to compile the key risk indicators were carried out with the work units, and the determined indicators were monitored monthly, quarterly, semi-annually and annually. Training activities and workshops were held to raise risk awareness among new and existing employees.

#### INTERNAL AUDIT

In 2023, internal audits were conducted within the scope of the Internal Control Program, in accordance with ISO/IEC 22301:2019 and ISO 20000-1:2018. Follow-up audits were conducted in respect to the audit findings. The unit contributed to the work aimed at reviewing the risks and updating the risk inventory. In addition, the unit monitored and checked the compliance of the activities carried out by those responsible for the relevant processes at the first level at Borsa İstanbul with the legislation, the principles and standards determined by the regulatory institutions and organizations, and the regulations and general policies approved by the Board of Directors of Borsa İstanbul within the periods specified in the Internal Control Program. Reports were prepared regarding the examination and control results.

### ASSESSMENT OF 2023

The Risk Management Policy was approved by the Board of Directors in order to early identify risks which may endanger Borsa İstanbul's existence, development and continuity, to take the necessary precautions regarding the risks which were identified and to manage these risks. The Risk Management Policy has been adopted throughout the organization. Risks are managed by measuring and evaluating the level of risk which the Company is exposed to by regularly monitoring risk levels and taking actions to ensure that the level of risk within the stipulated level of risk appetite. Borsa İstanbul's strategic decisions observe a balance between the factors of risk, sustainable growth and return.

Borsa İstanbul's risk management activities are carried out within the framework of the "triple line of defense" approach under the supervision of the Board of Directors, Early Risk Detection Committee and senior management. Under this approach, the process/service owners are at the first level in the organizational structure, the Risk Management and Internal Control Units are at the second level and the Audit and the Surveillance Board is at the third level. All activities are carried out in accordance with all applicable internal and external legislation, in particular the Capital Markets Law.

The Unit actively participates in the Enterprise Risk Working Group (ERWG) work carried out by the World Federation of Exchanges (WFE). Through information sharing with representatives of other stock exchanges that are members of the WFE, work is carried out to support the integration of international good practices into Borsa İstanbul and transfer of good practices within Borsa İstanbul to other members.

Risk assessments regarding Borsa İstanbul's processes and systems were carried out by the Unit during 2023 and operational risk inventory was reviewed. Work on internal legislation was carried out. Risk score, risk appetite and key risk indicators were measured and monitored regularly and lost incident notifications were analysed. All activities carried out at the second level regarding risk management, especially action plans for risk mitigation, were reported to the Early Risk Detection Committee. The reports submitted by the Risk Management and Internal Control Unit were evaluated by the Early Risk Detection Committee and presented to the Board of Directors.

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



# STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE

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

## STAKEHOLDERS

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

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





SHAREHOLDERS	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> <li>• Türkiye Wealth Fund</li> <li>• QH Oil Investments</li> <li>• Turkish Capital Markets Association</li> <li>• Brokerage houses, banks, precious metal brokers</li> </ul>	<ul style="list-style-type: none"> <li> GROWTH</li> <li> BUSINESS CONTINUITY-ENDURANCE</li> <li> SUSTAINABILITY</li> <li> TECHNOLOGY</li> </ul>	<ul style="list-style-type: none"> <li>Growth and Deeping of Markets</li> <li>Technology and Innovation</li> <li>Business Continuity and Risk Management</li> <li>Stakeholder Communications and Corporate Governance</li> <li>Sustainability</li> </ul>

### COMMUNICATION CHANNELS

e-mail addresses of [yatirimciiliskileri@borsaistanbul.com](mailto:yatirimciiliskileri@borsaistanbul.com) and [investorrelations@borsaistanbul.com](mailto:investorrelations@borsaistanbul.com)

General Assembly meetings, annual reports, informative posts on the website

### COMMUNICATION TOPICS

At Annual General meetings, topics include the exercise of shareholder rights and questions from shareholders, dividends, corporate performance, corporate governance and sustainability, share transfers and issuing shares as collateral at Takasbank

### DEVELOPMENTS

The Annual General Meeting was held on 2 August 2023.

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 2.12 to shareholders in exchange for each share with a nominal value of TL-1.

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

No repurchase of equities was realized in 2023.

As of the year-end of 2023, shares corresponding to a total of 1.84% of Borsa İstanbul's equity were provided as a guarantee by shareholders in the Takasbank markets.

### Our shareholders as of the year-end:

80.60% Türkiye Wealth Fund (TWF)

10.00% QH Oil Investments

2.32% Borsa İstanbul A.Ş.\*

1.30% Turkish Capital Markets Association





5.78% Other\*\*

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

\*\* Brokerage houses, banks, 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"> <li>Companies issuing their own capital market instruments are traded on the Borsa İstanbul</li> <li>Members (brokerage houses, banks, precious metals brokers, companies producing or trading in precious metals and authorized agents)</li> <li>Private Market members</li> <li>Real and legal persons who operate in the Precious Metals And Diamond Markets without being a member</li> <li>The Central Bank of the Republic of Türkiye (CBRT)</li> <li>Data distributors</li> <li>Software firms/Telecom operators</li> <li>Institutions that use the BIST indices as an underlying asset or benchmark criterion in their financial products</li> </ul>	<ul style="list-style-type: none"> <li> GROWTH</li> <li> BUSINESS CONTINUITY-ENDURANCE</li> <li> SUSTAINABILITY</li> <li> TECHNOLOGY</li> </ul>	<ul style="list-style-type: none"> <li>Growth and Deeping of Markets</li> <li>Business Continuity and Risk Management</li> <li>Technology and Innovation</li> <li>Stakeholder Communications and Corporate Governance</li> <li>Sustainability</li> <li>Investor Protection and Financial Literacy</li> </ul>

### COMMUNICATION CHANNELS

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

### COMMUNICATION TOPICS

Capital market instrument issuance, listing conditions and other regulations, fee models and market practices, products and services, corporate solutions

### DEVELOPMENTS

54 companies which realized public offerings raising a total of TL 79.3 billion were listed.

1,814 debt instruments were listed, raising TL 459.8 billion in funds for the issuers.

6 ETFs, 3 venture capital/real estate investment funds, and 12,278 warrants were listed. A total of 22 wholesale buying and selling transactions were carried out.

2 companies were transferred to a higher market. The applications of 4 companies to be included in the upper market and the application of 1 company to be included in the Pre-Market Trading Platform were rejected.

As a result of investigations, three companies received warnings.

48 gong ceremonies were held.

22 practice training sessions were organized for member representatives, with 223 personnel from brokerage institutions receiving training.

Applications regarding disputes between investment institutions and investors are handled by the Borsa İstanbul Disputes Committee. Brokerage institutions, investors and committee members were contacted as often as necessary in the review of 10 disputes and 2 disciplinary files.

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

Within the scope of External Education Programs, 61 different specialist training programs are offered in a number of fields including Markets, Information Technologies, Law, Investor Relations for employees and managers working within the capital market stakeholders. Negotiations are continuing with companies in order to raise their awareness about public offerings.

The 50% discount on the fees applied to capital market issuances which will be realized within the scope of the "Green Debt Instrument, Sustainable Debt Instrument, Green Lease Certificate, Sustainable Lease Certificate Guide" has been put in place indefinitely.

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

**COMMUNICATION CHANNELS**

Investor Information Center, printed and visual media, social media, events and training

**COMMUNICATION TOPICS**

Products and services, questions, complaints, financial literacy

**DEVELOPMENTS**

Events for World Investor Week were organized in cooperation with the CMB and the Turkish Capital Markets Association (TCMA).

3,107 applications received through the Investor Advisory Center were responded to.

The following steps were taken to develop market surveillance activities;

- 1) Within the scope of the Surveillance Measures Directive, informative e-mails sent to members about the investors, whose orders and transactions attract attention, were included in the surveillance practices portal. In this context, the practices applied in the past for the investors were also allowed to be monitored.
- 2) Improvements were conducted in operational processes with additional updates implemented on the Surveillance Applications Portal.
- 3) The monthly reports sent to the CMB regarding the HFT transactions are detailed in a way that will expand the scope of both Equity Market HFT information with effect from 2023. The monthly reports were also updated to include Derivatives Market transactions.
- 4) A social media warning was developed by evaluating social media data and share price movements in conjunction. In addition, work continues on the analysis of social media messages by using artificial intelligence algorithms as part of the ongoing R&D project being carried out in cooperation with universities.
- 5) ARC/REPORTS reports, which are used in surveillance activities and were developed to meet the needs of Borsa Istanbul, were reviewed and updated in accordance with the ongoing requirements, reducing the need for manual calculations to a minimum.
- 6) Illegal short selling transactions, the monitoring of which requires detailed analysis, were monitored with the developed warning. Effectiveness was achieved in the process of monitoring such short sales transactions.
- 7) The developed pending order alert ensured effectiveness in the process of monitoring investors who submit orders at different price levels and who account for a high share of pending orders.

The following activities took place within the scope of Market Surveillance in 2023;

- 1) Within the scope of the Measure Management System (MMS), measures were implemented a total of 96 times on the basis of investors, including 13 share-based measures in 12 different shares, and for 85 different investors.
- 2) In an environment where volatility continues to be high, a total of 730 measures were taken within the scope of the Volatility-Based Measure System (VBMS). These measures included the following: 420 Short Selling and Credit Transaction Bans for a total of 299 different stocks; 131 Gross Swap, 32 Single Price; 133 Order Packages, which included 'Market Order and Restriction of entry of Order from Market to Limit', "Prohibition of Order Cancellation, Order Quantity Reduction and Order Price Worsening", "Restriction of Publication of Order Collection Information" and 14 Restriction of Order Transmission Channels (Internet Order Prohibition).
- 3) Investment institutions were warned and informed of 345 investors whose trading patterns were found to be unusual within the scope of Borsa Istanbul's market disruptive actions.
- 4) As of August 2021, information regarding warning e-mail messages sent to investors through the brokerage institutions they use as brokers in their transactions within the scope of the Measures Directive, started to be reported to the CMB on a monthly basis.

Apart from the dispute and disciplinary processes, the complaints and requests from investors within the framework of 8 different applications submitted by investors were evaluated by the Legal Counsel, and 8 of these were evaluated by the Audit and Surveillance Board.

## STAKEHOLDERS

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

### COMMUNICATION CHANNELS

Reporting, direct communication, cooperation, , Financial Stability Committee

### COMMUNICATION TOPICS

Growth and deepening of markets, new products and services, regulatory framework, auditing and surveillance actions

### DEVELOPMENTS

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

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

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

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

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

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

Within the scope of external audit activities, especially IT and financial audit activities, Borsa İstanbul enters cooperation with relevant independent auditors.

SUBSIDIARIES & AFFILIATES	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> <li>Group companies</li> <li>Domestic partnerships</li> <li>Foreign partnerships</li> </ul>	<ul style="list-style-type: none"> <li>GROWTH</li> <li>BUSINESS CONTINUITY-ENDURANCE</li> <li>SUSTAINABILITY</li> <li>TECHNOLOGY</li> </ul>	<ul style="list-style-type: none"> <li>Growth and Deeping of Markets</li> <li>Business Continuity and Risk Management</li> <li>Technology and Innovation</li> <li>Stakeholder Communications and Corporate Governance</li> <li>Sustainability</li> <li>Data Protection and Cyber Security</li> <li>Employee Development and Talent Management</li> <li>Investor Protection and Financial Literacy</li> <li>International Relations and Cooperations</li> </ul>

#### COMMUNICATION CHANNELS

Meetings regarding activities within the scope of integration, General Assembly meetings

#### COMMUNICATION TOPICS

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

#### DEVELOPMENTS

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

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

In addition to its own data, Borsa İstanbul also distributes Takasbank and MKK data. In addition, the "Big Data" project is carried out with these institutions and studies are carried out within the scope of creating data packages and products for the different needs of users. In addition, data from the Sarajevo Stock Exchange, the Montenegro Stock Exchange, the Macedonian Stock Exchange are distributed by Borsa İstanbul

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.

We work together with Takasbank and the MKK within the scope of DWH and Big Data projects.

Subsidiaries and Affiliates	Direct Partnership Ratio (%)	Indirect Partnership Ratio (%)
<b>Capital Market Institutions</b>		
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
<b>Stock Exchanges</b>		
Montenegro Stock Exchange	24.43	
Kyrgyz Stock Exchange	16.33	
Sarajevo Stock Exchange	9.89	16.70
Baku Stock Exchange	4.76	
<b>Commodity and Financial Markets</b>		
Energy Exchange İstanbul	30.83	
ELİDAS Licensed Warehouse	17.33	19.98
Turkish Mercantile Exchange	15.00	21.80
JCR Eurasia Rating	18.50	
Birleşik Mortgage Company	5.00	

## STAKEHOLDERS

UNIVERSITIES	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> <li>Universities</li> </ul>	<ul style="list-style-type: none"> <li> GROWTH</li> <li> SUSTAINABILITY</li> </ul>	<ul style="list-style-type: none"> <li>Growth and Deeping of Markets</li> <li>Stakeholder Communications and Corporate Governance</li> <li>Sustainability</li> <li>Employee Development and Talent Management</li> <li>Investor Protection and Financial Literacy</li> </ul>

### COMMUNICATION CHANNELS

Direct communication, collaborations, print, visual and social media, events and training

### COMMUNICATION TOPICS

BISTLAB, BIST COURSE, BIST TOUR, Internship Programs

### DEVELOPMENTS

The BISTLAB laboratories create awareness in the field of financial literacy. In this context, work was undertaken to establish BISTLAB laboratories to establish BISTLAB laboratories at Aksaray University, Ankara University and Istanbul Medeniyet University in 2023.

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

Under the BISTCOURSE program, carried out within the framework of collaboration with universities, Borsa İstanbul's specialized employees attend classes on capital markets and exchange activities as guest instructors.

With the BISTTOUR program, university students who have distinguished themselves with their academic achievements, visit the Borsa İstanbul campus and participate in the Borsa İstanbul promotional tour.

Career days of universities are visited and online seminars are organized.

Within the scope of the Student Education Program, internship opportunities have been provided to university students in two-week terms. In this context, 225 university students participated in the training program.

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

EMPLOYEES	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<p>Qualified human resources who are respectful to ethical principles and attach importance to our values</p>	<ul style="list-style-type: none"> <li> GROWTH</li> <li> BUSINESS CONTINUITY-ENDURANCE</li> <li> SUSTAINABILITY</li> <li> TEKNOLOJİ</li> </ul>	<p>Growth and Deeping of Markets                      Business Continuity and Risk Management                      Technology and Innovation                      Stakeholder Communications and Corporate Governance                      Sustainability                      Data Security and Cyber Security                      Employee Development and Talent Management                      Investor Protection and Financial Literacy                      International Relations and Cooperations</p>

**COMMUNICATION CHANNELS**

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

**COMMUNICATION TOPICS**

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

**DEVELOPMENTS**

**Talent Management**

65 new employees were employed during the year. Orientation training was provided for newly recruited employees.

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

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

Employees found to have problems regarding their motivation and commitment undergo interviews, and work is carried out to increase their motivation.

Internal customer evaluation, employee satisfaction and manager evaluation surveys are carried out to evaluate employee satisfaction, thus providing the opportunity to collect employees' evaluations of the stakeholders they come into contact with. Their feedback is taken into account in the performance management process.

Employees' competencies are evaluated within the scope of performance management with employees offered training on competencies they need to develop. At the end of the annual performance evaluation process, employees' opinions about Borsa Istanbul's performance management process are evaluated in a feedback survey.

## STAKEHOLDERS

### Remuneration

In line with the approach of updating employee wages in the country in the interim period, a 25% increase has been made to the basic wages and fringe benefits of all employees, effective from July.

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

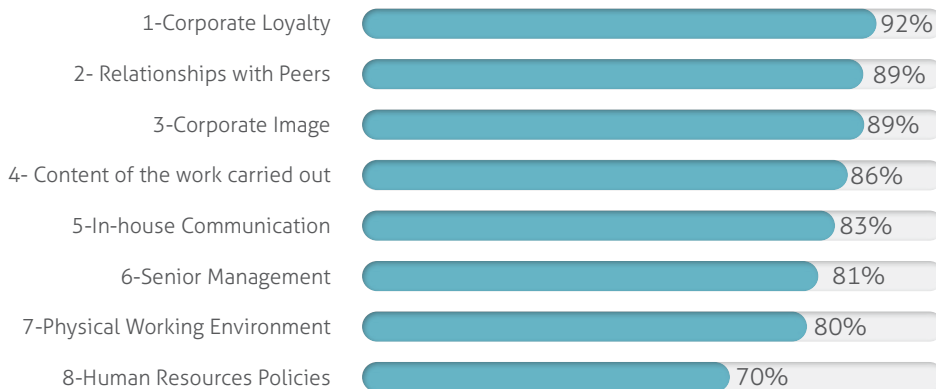
### Occupational health and safety

Borsa İstanbul aims to provide a safe and healthy working environment for its employees in all areas of activity. Training activities and workshops are held to raise employees' awareness of occupational health and safety.

Within the framework of occupational health and safety measures, Borsa İstanbul had minimized the number of employees in the office during the pandemic and provided the employees with the opportunity to work remotely. As the pandemic measures were lifted, the process of returning to the office got underway, although employees still had the opportunity to work remotely, with a hybrid working model maintained.

### Employee satisfaction

An employee satisfaction survey was conducted. The answers were analyzed and a consolidated report was submitted to the management whereupon the necessary steps were taken. The survey participation rate stood at 94% and the average satisfaction rate was 84%. The general satisfaction levels, which are determined by answering the questions in the 8 sections of the survey as "I agree" and "I totally agree", are listed below in ratios.





**Training Activities**

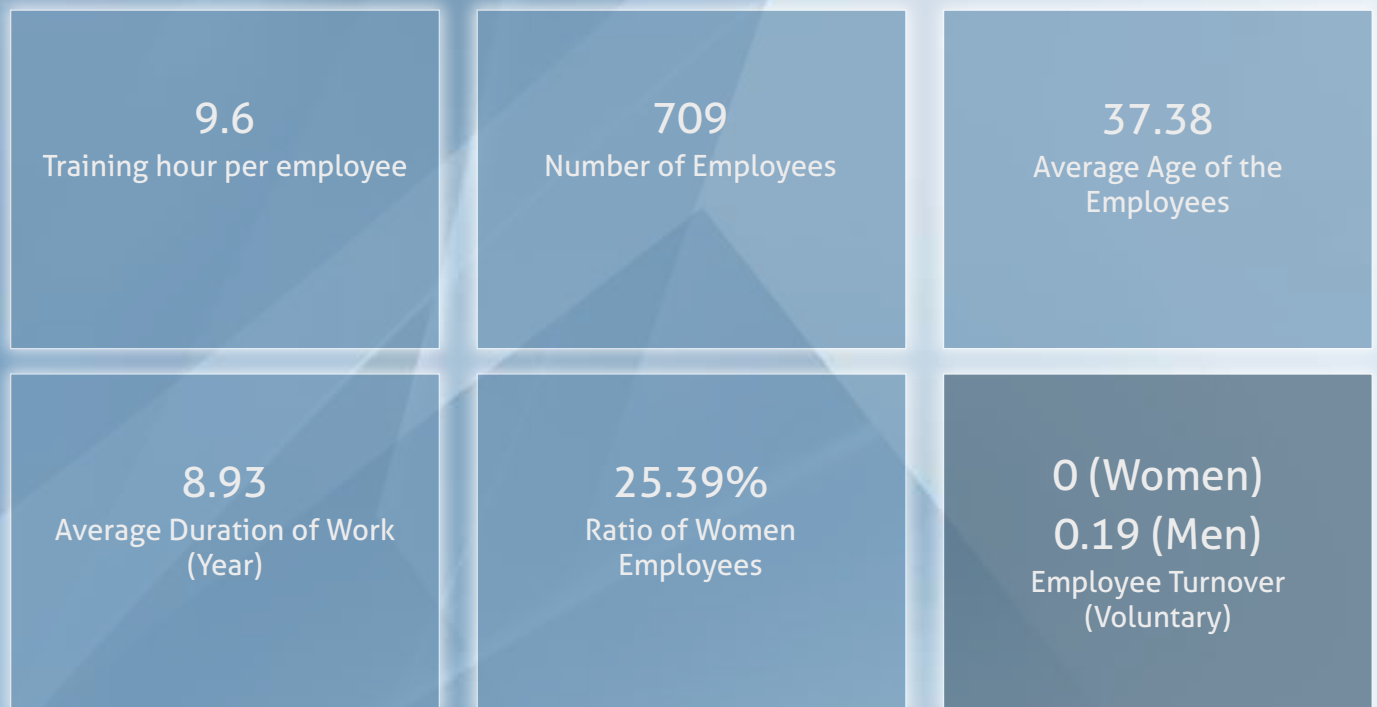
The mentoring practice initiated for new employees continued in 2023.

Training on Information Security and Awareness was provided to all employees.

Training on Occupational Health and Safety, which must be taken every three years in accordance with the legislation in place, was provided to employees whose training renewal was due.

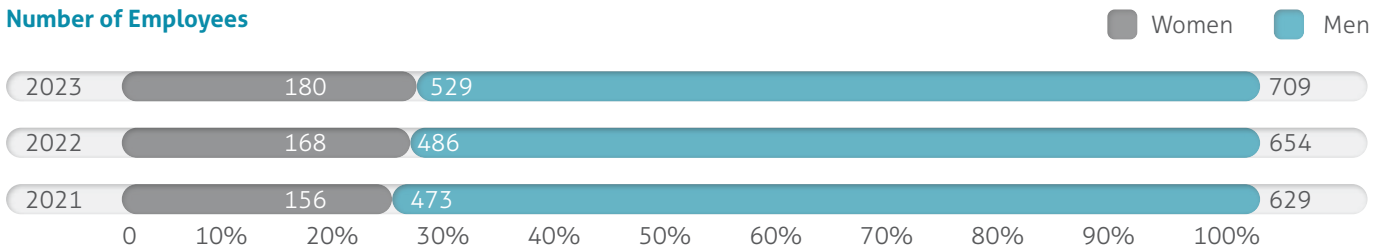
In order to expand the opportunities for training and development, training was planned by taking the needs for training into consideration. Additionally, over 18,000 training courses are offered on the E-Academy online education platform.

For specified professional certificates, if the certification process is completed and the employee meets the criteria specified in the procedure, the certification fee is refunded to the relevant employee.

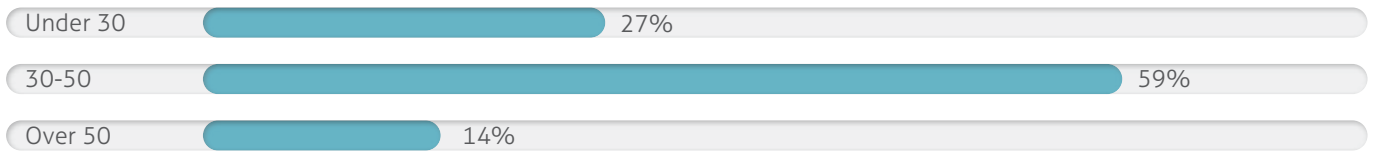


## STAKEHOLDERS

### Number of Employees



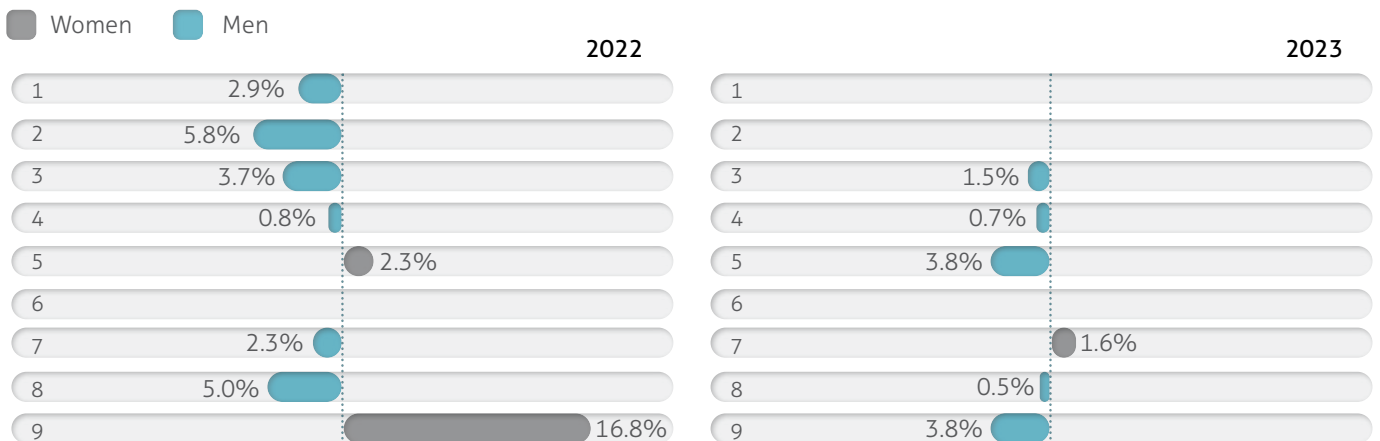
### Age Diversity



### Analysis of male/ female remuneration

Pay is not determined by gender at Borsa İstanbul. The range of pay offered determined depending on seniority is the same for male and female employees. In addition, 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 and 9 the lowest. Where the bars extend to the left on the graph, men are receiving higher pay; where the bars extend to the right, women are receiving higher pay.



## CORPORATE GOVERNANCE

Borsa İstanbul is a key institution in the Turkish financial markets. It has become a source of capital, valuation and performance benchmarking mechanism for companies. At the same time, the markets operated by Borsa İstanbul play a vital role in transferring savings to the real economy and spreading capital to a wider base of people.

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

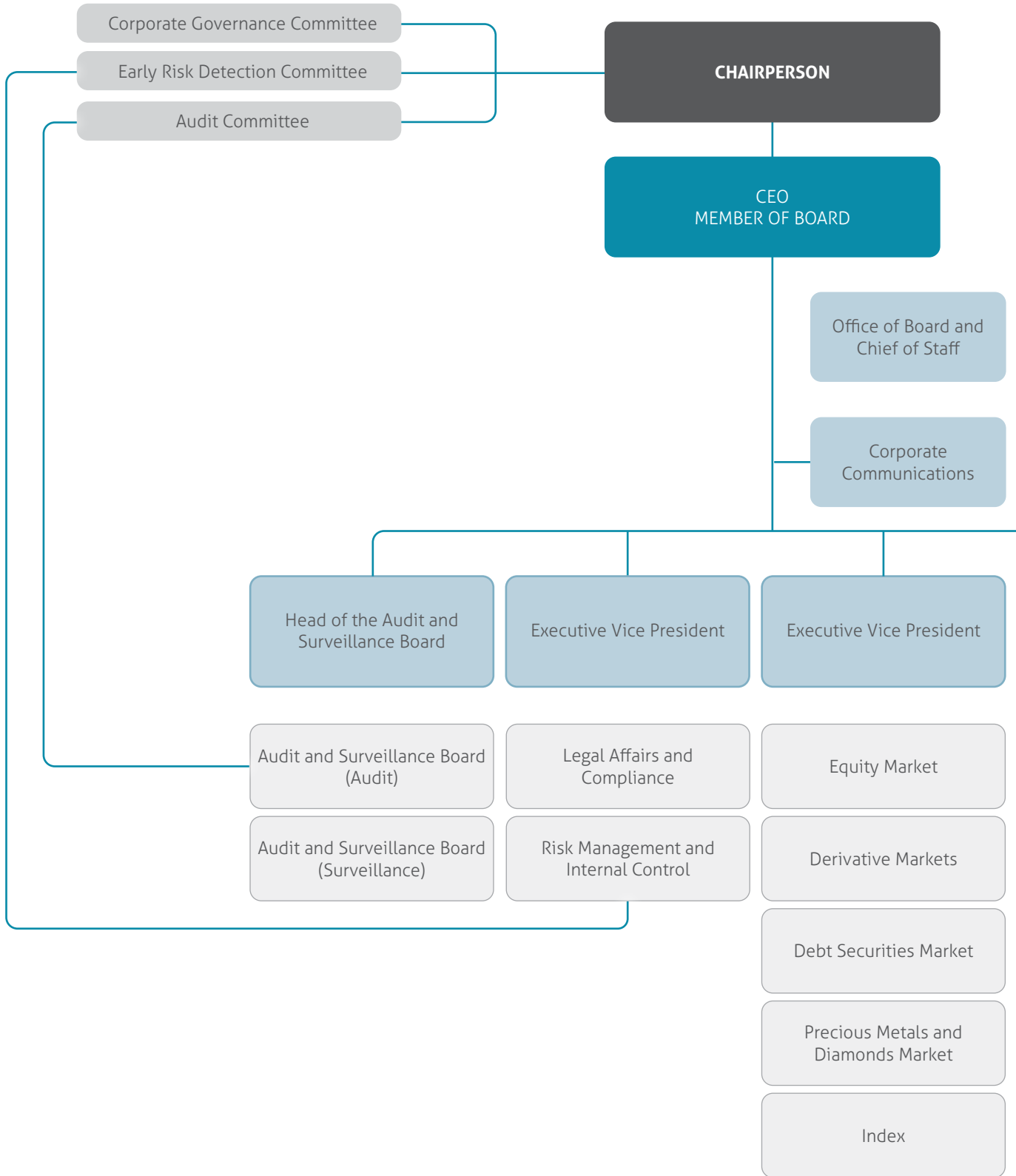
The Corporate Governance Compliance Report Format (CRF) and the "Corporate Governance Information Form" (CGIF) templates were used in order to report compliance with the voluntary principles in the Corporate Governance Communiqué No. II-17.1 published by the Capital Markets Board, and they were published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

### **BORSA İSTANBUL'S APPROACH TO CORPORATE GOVERNANCE**

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

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

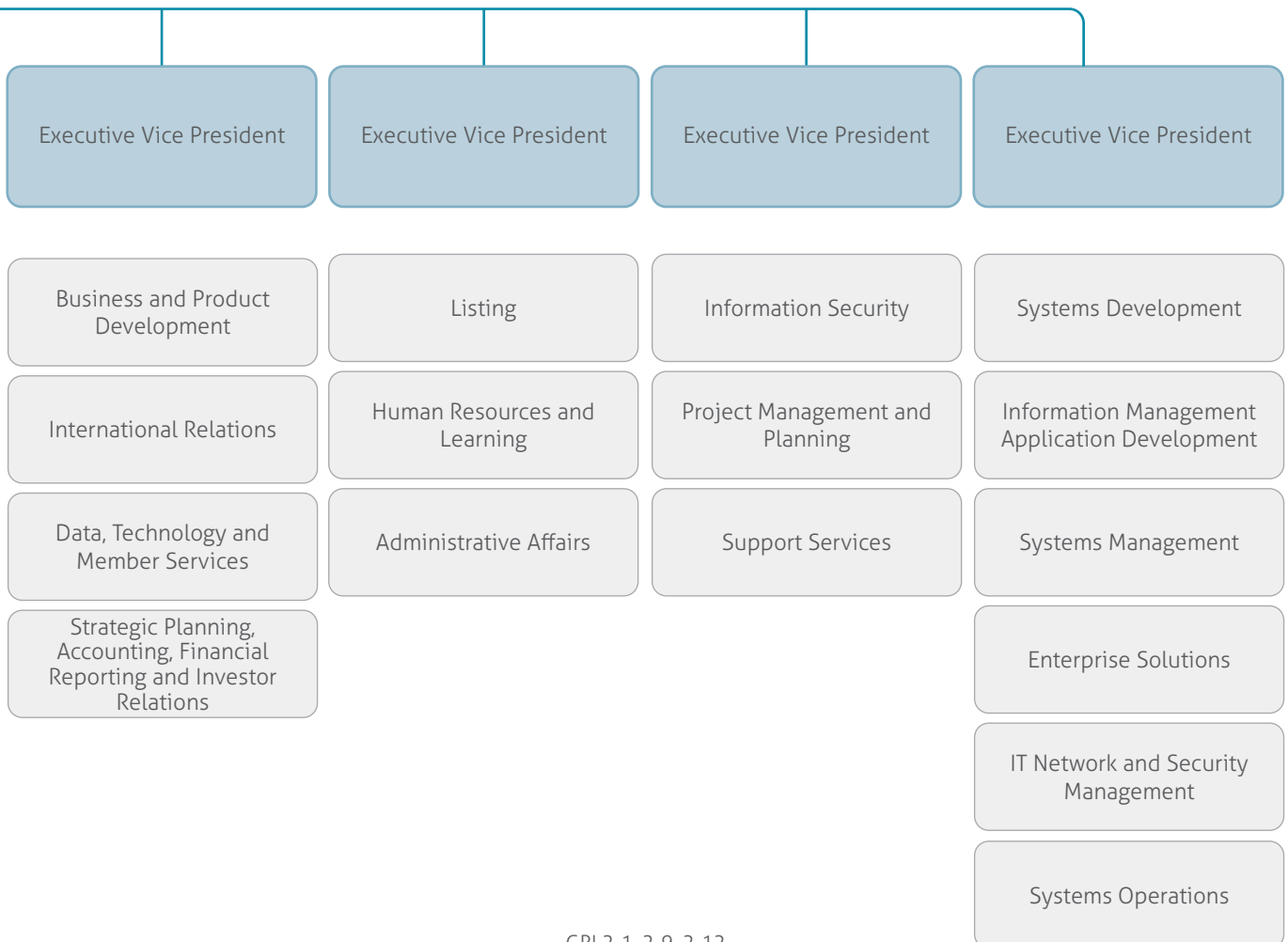
## ORGANIZATIONAL STRUCTURE



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

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

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



## BOARD OF DIRECTORS

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

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



**Prof. Dr. Eriřah ARICAN**  
Chairperson

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



**Salih TANRIKULU**  
Independent Board Member & Deputy Chairperson

Independent Board Member & Deputy Chairperson

Salih Tanrıku was born in 1974, in Ankara. He earned his bachelor's degree in Public Administration from Ankara University Faculty of Political Sciences in 1996, and his master's degree in Economics from the University of Illinois at Urbana-Champaign. Mr. Tanrıku began his professional career as an Assistant Expert at the Prime Ministry in 1997. Since 1998, he served as Revenue Controller at the Ministry of Finance, Head of Group at the Revenue Administration, Chief Tax Inspector and the Deputy Chairman of the Tax Inspection Board at the Ministry of Finance. He also served as Financial Advisor to the Permanent Delegation of Türkiye to the European Union (Brussels) and Member of the International Board of Auditors for NATO (IBAN) from 2013 to 2015. He was appointed as Board Member to the Presidency State Supervisory Council in 2015, and he also served as Chairman of the Inquiry Commission on the State of Emergency Measures between 2017 and 2023. Following his appointment as Deputy Chairman of Presidency State Supervisory Council, he was elected Board Member of Borsa İstanbul on November 2, 2023. He speaks English and French and is married with three children.

**Metin KIRATLI**  
**Board Member**

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

**Prof. Dr. Fahrettin ALTUN**  
**Board Member**

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



## BOARD OF DIRECTORS



**Ahmed Ali AL-HAMMADI**  
Board Member

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



**Işınsu KESTELLİ**  
Independent Board Member

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



**Prof. Dr. Cem DEMİROĞLU**  
Independent Board Member

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



**Tevfik ERASLAN**  
**Independent Board Member**

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

**Korkmaz ERGUN**  
**Board Member**

Korkmaz Ergun earned his undergraduate degree at Ankara University Faculty of Political Science, Department of Business Administration and started his career at Borsa İstanbul the same year. He completed his masters' degree and Ph.D. at Marmara University, Faculty of Economics. Having 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

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

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

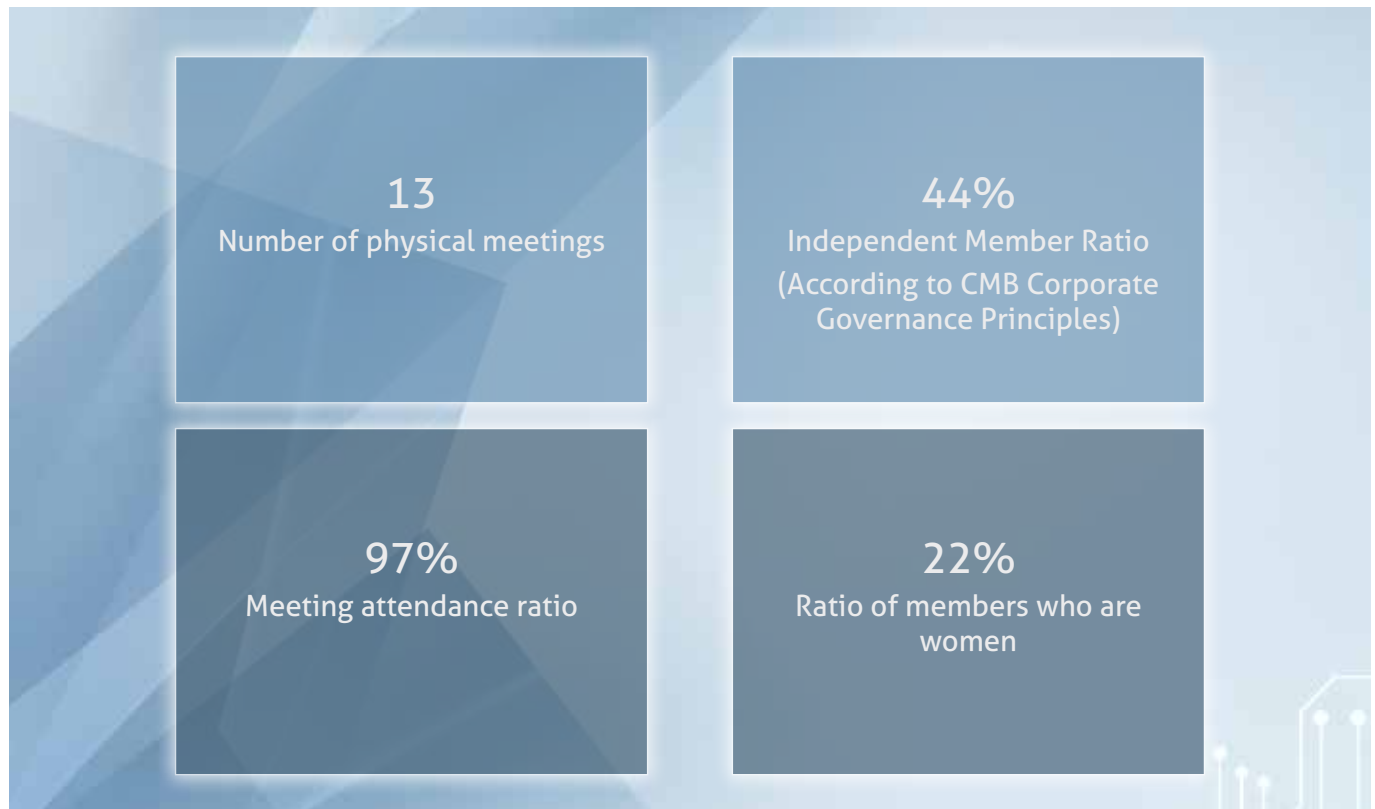
The Board of Directors convened 13 times in 2023 and took decisions without holding a meeting when necessary.

### Financial Rights

In 2023, the total of remuneration and similar benefits paid to the Borsa İstanbul Group companies' (Borsa İstanbul, Takasbank, MKK) Board of Directors members and senior executives stood at TL 42.8 million (31 December 2022: TL 24.1 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 Risk Detection Committee have been helping the Board to perform its duties and responsibilities in an effective and transparent manner, in compliance with regulations.

### CORPORATE GOVERNANCE COMMITTEE

#### Purpose

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

#### Members

Prof. Cem DEMİROĞLU (President)

Tevfik ERASLAN (Member)

Ahmed Ali AL-HAMMADI (Member)

#### Activities in 2023

The Corporate Governance Committee convened 3 times in 2023. The Committee's activities are summarized below:

- The Committee prepared the Corporate Governance Reports for 2023 (Corporate Governance Compliance Report Format and Corporate Governance Informing Form) and submitted these to the Board of Directors for approval.
- The Committee evaluated the corporate performance results for 2023. It prepared its proposal on the senior management performance bonuses and submitted it to the Board of Directors for approval.
- The Committee evaluated the salaries of senior managers, and prepared its proposal for submission to the approval of the Board of Directors.
- 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

Salih TANRIKULU (President)

Tevfik ERASLAN (Member)

Prof. Cem DEMİROĞLU (Member)

#### Activities in 2023

The Audit Committee convened 8 times in 2023. The committee's activities are summarized as below:

- Examination and evaluation of Borsa İstanbul's 2023 interim consolidated financial statements, and the independent audit reports which were prepared.

## BOARD OF DIRECTORS COMMITTEES

- The Audit Committee approved the annual internal audit plan for 2023 set out by the Auditing Department and the Supervisory Board. The Audit Committee was informed of the internal audit process carried out during the year. The internal audit and examination reports are approved by the Committee. Those responsible for the processes and the related departments were duly informed of the approval.
- Information regarding Borsa İstanbul's financial statements has been collected regularly by the Audit 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

#### Purpose

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

#### Members

Tevfik ERASLAN (President)

Metin KIRATLI (Member)

İşinsu KESTELLİ (Member)

#### Activities in 2023

The Early Risk Detection Committee convened 8 times in 2023. The Committee's activities are summarized below:

- The Committee carried out the supervision of the risk management system during its meetings and obtained information from the Risk Management and Internal Control Directorate regarding the risks which may affect Borsa İstanbul's activities and the actions taken to mitigate these risks.
- While the level of risk awareness at Borsa İstanbul has been evaluated as being high, the senior management monitors risks closely and action plans are carried out without delay.
- As a result of the evaluations conducted by the Committee, the relevant units took or scheduled actions in mitigating risk as deemed necessary by the Risk Management and Internal Control Directorate, and there was no delay in the scheduled actions.
- The Committee informed the Board of Directors of its activities and assessments regarding the risk management system in 2023.

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

### OTHER COMMITTEES

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

## SENIOR MANAGEMENT

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

	Mission	Education	Work Experience
Korkmaz ERGUN	Chief Executive Officer	Ankara University, Business Administration	25 years of experience in the capital markets
	Board Member	Marmara University, Department of Economics, (MA and PHD)	
Atila TÜRELİ	Executive Vice President	Istanbul University, Law	30 years of experience in law and capital markets
		Bahçeşehir University, European Union Public Law and Integration Master's Degree	
Arif Tuncay ERSÖZ	Head of the Audit and Surveillance Board	İstanbul Technical University, Management Engineering	31 years of auditing experience in the Borsa Istanbul
Erdoğan TUTAM	Executive Vice President	Yıldız Technical University, Mathematics Engineering	22 years of experience in IT
Güzhan GÜLAY	Executive Vice President	İstanbul University, Business Administration	30 years of experience in banking and stock trading
		Marmara University, Banking (MA and PhD)	
Murat BULUT	Executive Vice President	Ankara University, Business Administration	26 years of experience in stock trading
Necdet KARDAN	Executive Vice President	Augsburg University, Computer Engineering / Visual Communication Design	31 years of experience in software and IT management
		Donau University, IT Asset & Inventory Management (MA)	
Şenol DUMAN	Executive Vice President	Ankara University, Public Administration	30 years of experience in public and private sector management
		Carnegie Mellon University, Public Administration (MA)	
		Pittsburgh University, Public Administration and International Relations (PhD)	



# SUSTAINABILITY

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

## SUSTAINABILITY APPROACH

Through the sustainability reports prepared in 2015 and 2016 and the annual integrated reports prepared since 2017, Borsa İstanbul has set out the positive impacts that it strives to create for the economy, society and the environment, which are the three critical dimensions of sustainable development, to its stakeholders. This report aims to transparently present Borsa's performance in the field of sustainability. The report presents how sustainability principles are integrated into the business model and strategy and the activities carried out within the framework of responsibility to stakeholders and society.

The report was prepared in accordance with reporting standards published by the IIRC and GRI. At the same time, the report sets out the relationship between Borsa İstanbul's activities and the United Nations Sustainable Development Goals. The report's compliance with the Sustainability Principles Compliance Outline, which had been published by the CMB in 2020 and which publicly-held corporations are expected to declare when reporting their environmental, social and corporate management activities, was also taken into consideration.

### Sustainability and Climate Governance

Borsa İstanbul recruits competent human resources to work with a focus on sustainability-related issues, manage risks, seize opportunities that may arise and understand the associated impact on Borsa İstanbul and the capital markets in a broader context. Capacity in relation to sustainability is developed through training activities for employees. Each year, decisions are taken on whether the necessary skills and competencies are present and whether they will be developed in order to review and update the strategy, which is designed to manage sustainability-related risks and opportunities and take steps for them.

Borsa İstanbul has established a specialised unit to approach sustainability-related issues in a holistic and effective manner, to monitor sustainability strategy and performance and to carry out work on integrating sustainability into decision-making mechanisms and business models. The unit's responsibilities include the following:

- Creating Borsa's sustainability strategy,
- Improving the implementation and execution of the sustainability strategy integrated into the corporate strategy,
- Interacting and collaborating with internal and external stakeholders to advance sustainability issues and the environmental, social and governance performance,
- Coordinating sustainability efforts within the institution,
- Monitoring sustainability-related legislation, standards and examples of good practice. Observing and monitoring Borsa İstanbul's compliance,
- Representing Borsa İstanbul on local and international platforms with regard to sustainability, participating in related activities and
- Raising awareness of sustainability among stakeholders, especially publicly traded companies, and preparing a guide.

The unit authorized for sustainability issues takes account of sustainability-related risks and opportunities into consideration in its activities, which it performs in line with the evaluations of the senior management and aims to achieve the following goals, which form the two basic pillars of Borsa's sustainability strategy,

1. To set an example by aligning its own activities with sustainability principles and
2. To create an impact by organizing events aimed at raising awareness, preparing content and developing products and services required by the market

Sustainability-related issues are brought to the agenda in consultations with the senior management throughout the year. In addition, the inventory of risks and opportunities is updated annually and presented to the board of directors for their information and approval through the strategic plan.



In addition to this unit, a risk management unit is in place consisting of specialists assigned to measure, monitor and report these risks in order to carry out effective risk management regarding strategic, financial, operational and other risks that may endanger the existence and development of Borsa Istanbul.

In order to address sustainability-related risks and opportunities more comprehensively, a Sustainability Committee was established, which includes representatives from different units. The committee has a dynamic structure consisting of managers of relevant units and representatives deemed appropriate by the managers. The committee reports to the CEO, thus ensuring that sustainability issues and trade-offs are monitored by the senior management. The unit responsible for the sustainability, including a team of specialists in the field of sustainability, is responsible for the coordination of the committee.

Bonuses are regulated under the remuneration policy and other internal regulations, and are determined on the basis of key performance metrics determined annually. These performance metrics include the criteria of employee satisfaction, and progress is monitored annually.

### **The Role of the Board of Directors in Sustainability Governance**

The Board of Directors at Borsa Istanbul decides on strategies and policies regarding the management of risks faced by Borsa Istanbul. It takes the necessary precautions to manage risks effectively.

The Corporate Governance Committee (CGC) consists of three members of the Board of Directors, two of whom are independent. The Committee determines whether or not the corporate governance principles have been implemented and issues recommendations to the Board of Directors. The Committee also works on regulating relations with shareholders and other stakeholders and developing suggestions with the aim of increasing communication and cooperation.

The Borsa Istanbul sustainability strategy was updated as a result of the evaluation made within the CGC in 2022. It was approved by the Board of Directors. The basic topics of the sustainability strategy are included in the Strategic Plan approved by the Board of Directors in 2023.

The Early Risk Detection Committee consists of three independent members of the Board of Directors. It is responsible for carrying out work on the early diagnosis of risks, taking the necessary precautions regarding the detected risks and managing the risks. This committee examines the risks related to the company's activities and conveys its views regarding these to the Board of Directors. RESK reviews risk management systems at least once a year.

All of Borsa Istanbul's policies were approved by the Board of Directors. Among these, those related to sustainability include the following:

- Donation Policy
- Information Policy
- Environment Policy
- Human Resources Policy
- Occupational Health and Safety Policy
- Corporate Social Responsibility Policy
- Responsible Gold Sourcing Policy
- Sponsorship Policy
- Remuneration Policy

## SUSTAINABILITY APPROACH

The Donation Policy, which is one such policy, outlines the framework of the donations that the company will provide throughout the year. The Information Policy regulates the company's written and verbal communication and includes the issues of what information will be disclosed to the public and how it will be disclosed and by what means, apart from information covered by the legislation. The Environmental Policy includes how environmental issues are handled within the organization and Borsa Istanbul's commitments in this area. Performance indicators related to environmental issues and which are addressed within the scope of the policy are monitored and improvement activities carried out. The Human Resources Policy draws a general framework for relations between the company and its employees. The policy covers areas such as the principles and objective criteria in which recruitment is realized. The Occupational Health and Safety Policy was created to create a culture of occupational health and safety, raise and spread awareness among employees and to prevent work accidents and occupational diseases.

In addition to these policies, there are also in-house regulations on sustainability, which are also approved by the Board of Directors. The Environmental Management System Directive, which entered force in 2015, determined the procedures and principles regarding compliance with environmental regulations and the execution, monitoring, audit and review of environmental policy. The Code of Ethics Directive sets out ethical principles with which managers and employees should comply in carrying out Borsa Istanbul's activities, the procedures and principles regarding the measures to be taken to deal with possible conflicts of interest that may arise between Borsa Istanbul, market operators, shareholders and other stakeholders, and the measures to be taken to tackle bribery and corruption.

### OVERVIEW OF RISKS AND OPPORTUNITIES RELATED TO STRATEGY AND SUSTAINABILITY

#### Sustainability Related Risks

Borsa Istanbul determines its objectives and the issues it prioritizes in connection with its strategic goals with the principle of double materiality. Under this principle, how sustainability-related risks affect a company's activities, as well as the extent these activities affect these risks, are taken into account. In addition to how Borsa Istanbul, as a key institution in the capital market, is affected by the relevant risks, Borsa Istanbul's impacts on climate change, the environment, society and governance - in other words, its impacts on the sustainability ecosystem, are also taken into account. These impacts play a critical role in strategic decision-making mechanisms.

Borsa Istanbul and its stakeholders, especially listed companies, may face climate and sustainability risks or may face them in the future. Transition risks, which fall under the heading of environmental risks, refer to the risks associated with the transition to a lower-carbon economy of lower greenhouse gas emissions, and the green transformation process. They cover compliance, technology, market and reputation risks. The other dimension of environmental risks, the physical risks, refer to risks resulting from the effects of climate change, including event-driven (acute) risks and the risks resulting from long-term changes in climate patterns (chronic). Social risks include issues such as those in the supply chain, working conditions and occupational safety, while governance risks include issues such as market deterioration actions, compliance and data security.

Borsa Istanbul's strategy is designed to include risks and opportunities related to climate and sustainability. Studies are carried out to respond to these risks and seize opportunities within the scope of the strategic plan. It is thought that the climate and sustainability risks, which are present throughout Borsa Istanbul's value chain, will be increasingly significant over time. However, Borsa Istanbul's business model is considered to be resilient to these risks thanks to its ability to easily adapt to changes. It is also considered that the impact of these risks on Borsa Istanbul's current and predicted financial results will be limited.

Sustainability and climate-related risks and opportunities are evaluated in the short, medium and long term. Borsa Istanbul has defined the short term as covering the period until the end of 2025, the medium term as the period until the end of 2030 and the long term as the period until 2040, in line with its strategic plan and the sustainability-related risks and opportunities' capacity to be integrated into the existing business model.

Transition Risks	Risk Definition	Term	Response Strategies
<b>Compliance</b>	<p><b>Increasing climate reporting requirements</b> Expanding reporting obligations may increase the compliance risks facing Borsa Istanbul and publicly traded companies, raising the need for awareness, guidance and training.</p>	Short Term	Publishing guides in the field of sustainability reporting and provides training to companies.
<b>Technology</b>	<p><b>Transition costs</b> Adoption of new technologies and adaptation efforts for low energy use by publicly traded companies operating in carbon-intensive sectors may create high transition costs.</p> <p><b>Operational challenges</b> For Borsa Istanbul and its stakeholders, the integration of sustainability practices may pose difficulties in operational processes. The establishment of new systems or replacing existing systems may lead to operational risks during the transition period.</p>	Short – Mid Term	<p>Opportunities for the issuance of sustainable and green debt instruments and sukuk are expanding on the Borsa Istanbul. Companies also stand to benefit from other capital market opportunities.</p> <p>Borsa Istanbul plans to save the energy it uses to cool the data center and reduce carbon emissions with projects aimed at increasing efficiency in the servers.</p>
<b>Market</b>	<p><b>Tightening competitive conditions</b> Companies, whose revenues are highly dependent on exports, may fall behind on the competitive playing field due to increasing international regulations, suffer market and revenue losses and see their market value negatively affected by these developments.</p>	Mid Term	<p>The guide content published by Borsa Istanbul encourages companies to take action.</p> <p>With sustainability indices, companies are encouraged to review their activities, adopt better sustainability practices and report the results of their activities in this field.</p>
	<p><b>Changes in investor/consumer preferences</b> The shift in consumer preferences towards green products and services may lead to a loss of income and reputation for companies unable to adapt.</p>	Mid-Long Term	Capital markets provide companies with long-term financing opportunities, enabling them to maintain their competitive clout in the face of increasing costs.
	<p><b>Rising raw material prices and disruption in the supply chain</b> Companies may need to implement changes in their existing supply chains as they seek low-carbon raw materials and may encounter higher costs.</p>	Mid Term	Borsa Istanbul's pioneering sustainability practices set an example for stakeholders.
<b>Reputation</b>	<p><b>Loss of reputation for companies unable to transition to a low carbon economy</b> Loss of reputation may lead to a decrease in operating income, negatively affect investor preferences and result in a fall in the market value of companies.</p> <p><b>Greenwashing</b> Expanding sustainable financing alternatives may bring about greenwashing risks.</p>	Mid-Long Term	<p>Working in collaboration with its key stakeholders, Borsa Istanbul carries out activities and events that will increase the awareness of companies.</p> <p>The range of products is constantly expanded, with special attention placed on the development of products compatible with the sustainability strategies of companies and investors.</p>

## SUSTAINABILITY APPROACH

Physical Risks	Risk Definition	Term	Response Strategies
<b>Acute</b>	<p><b>Increasing incidence of climate disasters</b></p> <p>The increasing incidence of extreme weather events such as storms, floods, and heatwaves may negatively affect the activities of many companies. Borsa Istanbul may also be affected by these developments, directly or indirectly.</p>	Mid-Long Term	<p>Borsa Istanbul took precautions to ensure that basic IT infrastructure, including data centers, is less affected by extreme weather events.</p> <p>Borsa Istanbul maximizes operational flexibility with redundancy systems. It takes the necessary measures to ensure business continuity.</p> <p>Business continuity and emergency plans are in place to minimize the impact on operations in case of acute disaster situations.</p>
<b>Chronic</b>	<p><b>Change in long-term climate conditions</b></p> <p>Adverse changes in average temperatures, precipitation patterns and sea levels may cause companies to relocate in order to adapt to the new conditions and face increased costs.</p> <p>Due to the long-term effects on companies and the value chain, Borsa Istanbul may also be negatively affected by these changes, even if to a more limited extent.</p>	Long Term	Climate-related chronic risks are not expected to have a significant impact on Borsa Istanbul's activities and financial statements.
Social Risks	Risk Definition	Term	Response Strategies
	<p><b>Increasing need for qualified human resources</b></p> <p>The increasing demand for qualified employees may increase competition among employers.</p> <p>Market participants may experience difficulty complying with regulations, loss of productivity and operational disruption where there are shortages of qualified employees.</p>	Mid Term	Borsa Istanbul contributes to seminars, training and workshop activities on sustainability. It supports capacity development with the guide content prepared.
Governance Risks	Risk Definition	Term	Response Strategies
	<p><b>Information security and cybersecurity risks</b></p> <p>The increase in online financial transaction volumes may give rise to an increase in information security risks and cyber attack attempts. Investors may suffer losses if the risk of cyber attacks, theft of social media accounts, data breaches and fraud increases.</p> <p>Through communication networks, activity aimed at market disruption may become widespread.</p>	Short – Mid Term	<p>Activities are prepared to inform investors. The range of educational alternatives offered to investors are expanded in cooperation with brokerage firms.</p> <p>Work is continuing on the establishment of new communication channels that will further facilitate investor access to data and provide the opportunity to obtain data from its source.</p> <p>Effective market surveillance activities will be continue with the aim of eliminating the effects of activity aimed at market disruption. Social media posts which may mislead investors are investigated.</p>

## Sustainability Opportunities

Sustainability-related opportunities are defined, evaluated and reported in line with the Borsa Istanbul Opportunity Evaluation Instruction established in 2023. Opportunities are evaluated at annual meetings attended by the relevant units.

Financial institutions such as Borsa Istanbul are in a position to support sustainable investments by taking on a leadership role in tackling the climate crisis. They may accelerate a green and sustainability-oriented transformation in financial markets and broker the creation of new opportunities.

The change in investor preferences towards green products and services may increase demand for these products and services. At the same time, prioritizing sustainability issues may enhance the reputation of the company among employees, customers and other stakeholders.

Opportunities	Opportunity Definition	Term
<b>Product and Services</b>	<p><b>Change in investor preferences</b></p> <p>The shift in investor preferences to green products and services may step up demand for sustainability-oriented products and services.</p> <p>Sustainability-oriented products may prove attractive to investors seeking to invest on the basis of Environmental, Social and Governance factors. This could expand the investor base.</p> <p>As a result of developments in the field of sustainability, new thematic index calculation requests may come from portfolio management companies. Investment funds based on these indices could potentially be established.</p> <p>More companies would be able to issue green/sustainable bonds/sukuks.</p> <p>Companies operating in sectors which play an important role in the transition to a green economy, such as renewable energy, recycling and innovative technologies may meet their financing needs through the capital market.</p> <p>Providing companies with new products and services such as consultancy and training related to sustainability may be seen as a new initiative for companies entering the transition to green economy and seeking to benefit from the capital market.</p>	Mid Term
<b>Resource Efficiency</b>	<p><b>Reducing resource costs</b></p> <p>Costs may be reduced by achieving savings in the use of resources.</p>	Short Term
<b>Energy Efficiency</b>	<p><b>Reducing energy costs</b></p> <p>Costs may be reduced by saving energy.</p> <p>Generating energy from renewable sources with the Borsa Istanbul Solar Power Plant may yield positive financial results.</p>	Short - Mid Term
<b>Reputation</b>	<p><b>Increasing reputation</b></p> <p>Sustainability-focused work may positively affect the public perception of Borsa Istanbul, increase its reputation and attract investor attention.</p> <p>Work on sustainability may increase employee loyalty and job satisfaction.</p>	Mid Term

## SUSTAINABILITY APPROACH

### Effects of Sustainability-Related Risks and Opportunities on Our Activities and Strategy

The basis of Borsa Istanbul's goal of Business Continuity-Endurance is to assess the risks and opportunities and ensure that transactions are carried out safely and without interruption. Borsa Istanbul aims to increase business efficiency by improving processes and applications and maintaining continuity with development and redundancy plans for both employees and systems.

Borsa Istanbul takes account of climate-related risks, the transition to a green economy and the effects of the sustainable transformation in its strategy, its assumptions for the future period and the design of relevant internal control measures. The evaluations conducted by the Company indicate that climate and other sustainability risks will not have a significant impact on Borsa Istanbul's activities and financial statements.

The rules, methods and principles of application regarding the identification, assessment and monitoring of risks which Borsa Istanbul may be exposed to are determined in the relevant internal procedures. The risk management policy includes the principle of maintaining the balance of risk, sustainable growth and return at an optimal level, and taking strategic decisions with a rational and prudent risk management approach to prioritize Borsa Istanbul's long-term interests. The processes of detecting and defining, measuring and assessment, controlling, mitigating, monitoring and reporting all levels of internal and external risks which threaten the continuity, assets, reputation or financial structure of Borsa Istanbul were defined. The identification, assessment, prioritization and monitoring processes are not separately defined specifically for sustainability-related risks.

On the other hand, the Company evaluated that sustainability-related opportunities, which may include new products and services and create different revenue items, will have positive effects on financial performance and cash flow in the medium term. However, it is not possible to predict the extent of this effect.

### SUSTAINABILITY METRICS, ACTIVITIES AND GOALS

Borsa Istanbul's environmental approach is shaped within the framework of contributing to long-term environmental sustainability. The main goals of this approach are to minimise environmental risks and impacts and generate long-term solutions. In this vein, Borsa Istanbul's annual report includes figures on its environmental performance, such as electricity and water consumption, greenhouse gas emissions, waste and recycling amount on an annual basis with a comparison of previous years. The Company does not currently obtain a verification service for these metrics. In addition to the annual report, environmental information is also disclosed on the corporate website.

Although Borsa Istanbul is not considered a carbon-intensive company due to the nature of its sector, it calculates the amount of greenhouse gases released due to the energy used at its campuses located in Istinye and Kuyumcukent and implements measures to reduce carbon emissions.

As part of the zero waste project launched in 2022, there was an increase in the number of recycling points located on the Istinye campus. Waste collection areas were organized and personnel training activities were completed.

Borsa Istanbul's studies regarding its decarbonization target continue. In addition, the Company is taking measures to save energy and reduce greenhouse gas emissions. LED and efficient fluorescent linear lighting fixtures started to be used throughout the Company. Improvements were carried out in air conditioning systems to reduce the use of electricity and natural gas. Computer deduplication work was completed and cooling systems were renewed to increase the energy use efficiency of the data center, with energy savings achieved.

In 2024, Borsa Istanbul plans to carry out work on directing efforts to reduce greenhouse gas emissions to a net target as part of wider activities which have an important place among our country's climate commitments. Work continues on opening the Borsa Istanbul Solar Power Plant in order to increase renewable energy production.

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

The Physical Contribution to Education Project is one project which stands out in terms of its social impact. The Project, which first started in 1997, is still ongoing. Within the scope of the Project, Borsa financed the construction of 456 school buildings and 181 design skill workshops, carried out the earthquake reinforcement on 21 schools, and repairs of 15 schools which had been damaged by the earthquake in the Van province.

Information activities are carried out to improve capital market literacy. Investor awareness is increased through guides.

In order to support academic studies in the field of finance, the Borsa Istanbul Review magazine, one of the most distinguished publications in its field, is managed and financed by Borsa Istanbul. This completely open access scientific journal is included in leading indices such as Social Science Citation Index and Scopus, thus providing a significant contribution to both the development of financial sciences literature and the promotion of our country's capital markets.

Borsa Istanbul Application and Finance Simulation Laboratories (BISTLAB) have been established at various universities, providing investment experience in a simulation environment and thus supporting the capital market literacy of young people. With the BISTLAB project, finance laboratories are currently operating in 10 universities. Operating in the Konya Science Center, BISTLAB provides applied education opportunities for students at Selçuk University, Necmettin Erbakan University, KTO Karatay University and the Konya Food and Agriculture University, as well as private and public sector investors. Work was completed to establish BISTLAB laboratories at Aksaray University, the Political Sciences Faculty at Ankara University and Istanbul Medeniyet University. BISTLAB laboratories are planned to be opened at Kirsehir Ahi Evran, THK and Nişantaşı Universities in 2024.

Under the BISTCOURSE program, financial literacy and stock market training is provided to university students at Borsa Istanbul. With BISTTOUR, university students are able to visit Borsa Istanbul with students offered the opportunity to learn about areas which interest them first-hand.

Work is carried out to increase employee well-being and improve the workplace culture. Borsa İstanbul places care and attention on providing equal opportunity in the hiring processes.

A line allowing employees to report complaints and an Internal Discipline Board structure have been established.

Some of the practices related to corporate governance principles are set out in the Corporate Governance section of the report.

For internal purposes, the Personal Data Processing and Protection Procedure has been put in place. The Processing and Protection of Special Personal Data Policy and the Personal Data Storage and Destruction Policy were put into effect. Internal documents were prepared for data security, and the Cyber Incident Response Management Procedure and Vulnerability Management Instruction entered force.

The Company plans to restructure the Sustainability Committee in 2024 by taking current requirements into account .

In addition, Borsa aims to promote best practices in the environmental, social and corporate management fields with its sustainability-oriented product and service portfolio. In this vein, companies are offered support in the field of sustainability with various tools such as green finance products, sustainability indices, sustainability, integrated reporting and climate guides and training programs.

Borsa Istanbul is taking action to lead the transition to a low-carbon economy in the capital markets. It organizes training activities, panels and conferences to inform companies so publicly traded companies are kept up to speed on the rapidly developing global sustainability issues and see the reflections of sustainability in the field of finance. It also supports stakeholder initiatives for this purpose. These training activities provided by Borsa Istanbul to publicly traded companies, which are free of charge, have ensured that companies are aware of current developments regarding sustainability. The training activities also provide companies with information that will make it easier for these companies to reach institutional investors who place emphasis on sustainability criteria, and enable them to be included in sustainability indices.

With the Climate Reporting Guide for Companies published by Borsa Istanbul, Borsa Istanbul has provided companies with a valuable resource in Turkish. The Guide, based on the recommendations of the TCFD, aims to help better understand the climate crisis, popularize climate reporting and provide information on how to integrate the effects of the crisis into company strategies and how to report them. In addition to the guide, the CEO also sent a letter to publicly traded companies explaining the importance of the issue.

Borsa Istanbul changed the methodology of Sustainability Index in cooperation with Refinitiv, adding the BIST Participation Sustainability and BIST Sustainability 25 indices to its Sustainability Indices. Futures contracts based on the BIST Sustainability 25 Index were opened for trading at the beginning of 2023.

A 50% quotation discount is provided for bond and sukuk issues which comply with the framework of sustainable debt instruments published by the CMB.

## COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

### SUSTAINABILITY PERFORMANCE

#### ECONOMIC PERFORMANCE INDICATORS

Million	2021		2022		2023	
	TL	USD	TL	USD	TL	USD
<b>Economic Value Generated</b>						
Revenues*	3,758	423	7,019	423	16,429	705
<b>Economic Value Distributed</b>						
Operating Expenses**	324	36	1.201	72	3.640	156
Employee Fees and Benefits	492	55	1.023	62	3.239	139
Payments to Capital Providers***	517	58	669	40	875	38
Payments to Governmental Institutions****	846	95	555	34	1.841	79
<b>Economic Value Retained</b>						
(Revenues - Economic Value Distributed)	1,579	178	3,570	215	6,834	293

Description and notes: Financial information is presented on a consolidated basis. In calculations, the following yearly average USD/TRY rate has been used: 8.8880 for 2021, 16.5744 for 2022, and 23.3110 for 2023.

\* 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* (tonnes CO <sub>2</sub> -equivalent)			
	2021	2022	2023
<b>Scope 1</b>	<b>1,522.1</b>	<b>1,343.1</b>	<b>944.7</b>
Vehicles	155.2	168.0	179.7
F-gases	561.0	561.0	353.9
Fuel used in buildings	765.0	556.0	384.0
Generators (diesel)	40.9	58.1	27.0
<b>Scope 2</b>	<b>6,444.6</b>	<b>7,211.8</b>	<b>6,246.0</b>
Electricity Consumption	6,444.6	7,211.8	6,246.0
<b>Scope 3</b>	<b>182.5</b>	<b>218.9</b>	<b>5,095.0</b>
Employee Transportation - Services	177.0	190.0	116.4
Domestic flights for business purposes	2.7	13.2	791.8
Short-distance flights for business purposes (Europe)	2.8	15.7	2,080.6
Long-distance flights for business purposes	-	-	2,106.2
<b>Grand Total</b>	<b>8,149.2</b>	<b>8,773.8</b>	<b>12,285.7</b>

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

Greenhouse Gas Emissions* (tonnes CO <sub>2</sub> - equivalent)			
	2021	2022	2023
<b>Scope 1 Total</b>	<b>1,522.1</b>	<b>1,343.1</b>	<b>944.7</b>
CO <sub>2</sub>	1,517.0	1,338.5	937.9
CH <sub>4</sub>	2.5	2.2	1.8
N <sub>2</sub> O	2.6	2.3	5.0
<b>Scope 2 Total</b>	<b>6,444.6</b>	<b>7,211.8</b>	<b>6,246.0</b>
CO <sub>2</sub>	6,423.3	7,187.8	6,246.0
CH <sub>4</sub>	2.5	2.8	-
N <sub>2</sub> O	18.9	21.2	-
<b>Scope 3 Total</b>	<b>182.5</b>	<b>218.9</b>	<b>5,095.0</b>
CO <sub>2</sub>	181.9	218.2	5,002.3
CH <sub>4</sub>	0.1	0.1	21.8
N <sub>2</sub> O	0.5	0.6	71.0
<b>Grand Total</b>	<b>8,149.2</b>	<b>8,773.8</b>	<b>12,285.7</b>
CO <sub>2</sub>	8,122.2	8,744.6	12,186.2
CH <sub>4</sub>	3.2	3.4	23.5
N <sub>2</sub> O	23.9	25.8	75.9

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

## COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

## SOCIAL PERFORMANCE INDICATORS

NUMBER OF EMPLOYEES	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Number of employees	156	473	168	486	180	529
Grand Total	629		654		709	

NUMBER OF EMPLOYEES BY CONTRACT TYPE	2021		2022		2023	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	612	17	638	16	675	34

AGE DISTRIBUTION OF EMPLOYEES	2021	2022	2023
Above 50	42	83	98
Between 30-50	434	404	417
Under 30	153	167	194
Number of Total Employees	629	654	709
Average Age of Employees	36.53	37.41	37.38

NUMBER OF EMPLOYEES BY TERM OF EMPLOYMENT	2021	2022	2023
0-5 years	309	270	298
5-10 years	139	163	158
10+ years	181	221	253
Grand Total	629	654	709
Average Term of Employment	8.51	8.87	8.93

DIVERSITY AND EQUALITY OF OPPORTUNITY Distribution of Employees in Senior Management Bodies by Gender and Age (Director and above)	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Above 50	1	9	1	14	1	14
Between 30-50	3	23	3	16	3	14
Under 30	0	0	0	0	0	0

EMPLOYEES ON MATERNITY LEAVE & EMPLOYEES RETURNED TO WORK AFTER MATERNITY LEAVE*	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Employees on maternity leave	10	29	8	15	5	15
Employees returned to work after maternity leave	9	29	5	15	15	15

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

OCCUPATIONAL HEALTH AND SAFETY TRAINING*	2021	2022	2023
Percentage of Training Hours Allocated to Occupational Health and Safety	18%	27%	4%

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

OCCUPATIONAL HEALTH AND SAFETY DATA	2021	2022	2023
Number of employees in Borsa İstanbul	629	654	709
Number of subcontracted employees	59	59	72
Number of fatal accidents (All)	-	-	-
Accident frequency rate (Borsa İstanbul)	-	-	0.62
Accident frequency rate (Subcontractors)	-	-	-
Rate of lost days (Subcontractors)	-	-	-

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

## COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

EMPLOYEE TRAINING	2021	2022	2023
Annual average training hours per employee	24.22	22.90	9.58
Annual average training hours per employee*	23.69	22.83	10.95
Annual average training hours per female employee	24.52	28.98	11.17
Annual average training hours per male employee	24.13	20.61	9.03

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

NUMBER OF NEWLY-RECRUITED EMPLOYEES	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Above 50	0	1	0	0	0	0
Between 30-50	1	15	6	11	1	15
Under 30	11	50	15	27	14	35
Number of newly-recruited employees	12	66	21	38	15	50

NUMBER OF EMPLOYEES LEAVING	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Above 50	0	10	0	0	0	2
Between 30-50	12	24	5	20	0	5
Under 30	2	7	3	5	4	1
Number of employees leaving	14	41	8	25	4	8
Employee Turnover	9.0	8.7	4.8	5.1	2.2	1.5

EMPLOYEES SUBJECT TO PERFORMANCE EVALUATION	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
	130	413	166	486	166	496
Grand Total	543		652		662	

BORSA İSTANBUL A.Ş.

Independent Auditor's Report and Consolidated Financial Statements  
Convenience Translation Into English of Financial Statements  
For the Period 1 January-31 December 2023

(Originally issued in Turkish)

## Independent Auditor's Report

### CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Borsa İstanbul A.Ş.

#### A. Audit of the Consolidated Financial Statements

##### 1. Our Opinion

We have audited the accompanying consolidated financial statements of Borsa İstanbul A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and their financial performance and their cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

##### 2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

##### 3. Matter of Attention

As stated in Footnote 2.1.2, in accordance with the meeting of the Capital Markets Board dated 28 December 2023, it was decided that the Company's financial statements dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of Turkish Accounting Standard (TAS) 29. This matter does not affect the opinion given by us.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="118 562 352 591"><b>Revenue recognition</b></p> <p data-bbox="118 611 820 703">The Group recognized a total of thousand TRY 14,399,391 of income under "revenue" item on its income statement for the period 1 January - 31 December 2023.</p> <p data-bbox="118 723 820 846">The Group's main income sources consist of stock market shares, interest income, securities registration fees, clearing income, securities listing income, data publishing income and custody service income.</p> <p data-bbox="118 866 820 1115">We focused on this area as a key audit matter for the following reasons; the magnitude of revenue in the financial statements, revenue being generated through as a result of multiple transactions, high transaction volume and various methodologies and parameters applied in revenue calculations in the revenue determination processes due to the nature of the Group operations. Additionally, revenue is an important indicator in the Group's performance evaluation.</p> <p data-bbox="118 1135 820 1227">Disclosures and notes related to the revenue are discussed in notes 2.11.1 and 24 of the accompanying financial statements prepared as of 31 December 2023.</p>	<p data-bbox="820 562 1485 1102">Within the scope of our audit procedures related to revenue recognition, we evaluated the compliance of accounting policies determined by Group management regarding revenue recognition with TFRS and the relevant legislation. Furthermore, we understood the Group's revenue process and evaluated the design and operational efficiency of the internal controls applied by the Group management to ensure Takasbank's interest income and custody income recognised in accordance with relevant accounting standards. We tested the transaction details using a selected sample from revenue transactions realized within the period by comparing these transaction details to the relevant supporting documentation to verify that the amounts were recognised properly on a transaction basis. In addition, we evaluated the compliance of the Group's disclosures and notes in the consolidated financial statements regarding revenue with the relevant accounting standards.</p>

#### 4. 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. Key audit matters were addressed in the context of our independent 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.

#### 5. Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 were audited by another independent audit firm that expressed a unqualified opinion in audit report dated 13 February 2023.

## Independent Auditor's Report

### 6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group 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.

### 7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 independent audit conducted in accordance with SIA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.



- Assess the 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 independent 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.

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 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.

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.

## Independent Auditor's Report

### B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

### Additional paragraph for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 Financial Reporting in Hyperinflationary Economies by 31 December 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Zeynep Uras, SMMM  
Independent Auditor

Istanbul, 3 April 2024

## Contents

	<u>Page</u>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>104</b>
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>	<b>107</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>108</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>110</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>111</b>
NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS	111
NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	113
NOTE 3- BUSINESS COMBINATIONS	132
NOTE 4- CASH AND CASH EQUIVALENTS	133
NOTE 5- INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	134
NOTE 6- FINANCIAL INVESTMENTS	135
NOTE 7- TRADE RECEIVABLES AND OTHER RECEIVABLES	136
NOTE 8- OTHER ASSETS	137
NOTE 9- DEFERRED INCOME	138
NOTE 10- PREPAID EXPENSES	138
NOTE 11- INVESTMENT PROPERTIES	139
NOTE 12- PROPERTY AND EQUIPMENT	140
NOTE 13- RIGHT OF USE ASSETS	140
NOTE 14- INTANGIBLE ASSETS	141
NOTE 15- GOVERNMENT GRANTS	141
NOTE 16- TRADE PAYABLES AND OTHER PAYABLES	142
NOTE 17- DERIVATIVE FINANCIAL INSTRUMENTS	142
NOTE 18- SHORT TERM PROVISIONS	142
NOTE 19- SHORT TERM BORROWINGS	143
NOTE 20- LEASE LIABILITIES	143
NOTE 21- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	144
NOTE 22- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS	145
NOTE 23- OTHER LIABILITIES	147
NOTE 24- SHAREHOLDER'S EQUITY	148
NOTE 25- REVENUE AND COST OF SALES	149
NOTE 26- GENERAL ADMINISTRATIVE EXPENSES	150
NOTE 27- OTHER OPERATING INCOME AND EXPENSES	152
NOTE 28- INVESTMENT ACTIVITIES INCOME	152
NOTE 29- FINANCIAL INCOME AND EXPENSES	153
NOTE 30- TAX ASSETS AND LIABILITIES	153
NOTE 31- RELATED PARTY DISCLOSURES	156
NOTE 32- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS	157
NOTE 33- FINANCIAL INSTRUMENTS	162
NOTE 34- SUBSEQUENT EVENTS	164
	103

BORSA İSTANBUL A.Ş.

## Consolidated Statement of Financial Position As at 31 December 2023

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

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

ASSETS	Notes	Audited	Audited
		31 December 2023	31 December 2022
<b>CURRENT ASSETS</b>		<b>124,257,048</b>	<b>88,921,386</b>
Cash and cash equivalents	4	118,332,411	81,449,970
Financial investments	6	2,780,393	3,931,029
- <i>Financial assets measured at amortized cost</i>		2,740,746	2,526,831
- <i>Deposits more than 3 months</i>		-	1,344,566
- <i>Financial assets at fair value through profit or loss</i>		39,647	59,632
Trade receivables		2,710,693	3,260,535
- <i>Trade receivables from related parties</i>	31	74,805	114,285
- <i>Trade receivables from third parties</i>	7	2,635,888	3,146,250
Other receivables		6,140	13,940
- <i>Other receivables from third parties</i>	7	6,140	13,940
Derivative financial instruments	17	55,113	-
Prepaid expenses	10	131,583	67,567
Other current assets	8	240,715	198,345
<b>NON-CURRENT ASSETS</b>		<b>9,264,097</b>	<b>2,789,321</b>
Financial investments	6	1,235,867	512,970
- <i>Financial assets at fair value through other comprehensive income</i>		7,583	7,583
- <i>Financial assets measured at amortized cost</i>		1,228,284	505,387
Investments accounted for under the equity method	5	394,437	238,722
Investment properties	11	394,470	206,630
Property and equipment	12	4,289,587	410,051
Right of use assets	13	3,218	10,883
Intangible assets	14	665,289	416,261
Prepaid expenses	10	65,640	16,407
Deferred tax assets	30	2,210,350	976,865
Other non-current assets	8	5,239	532
<b>TOTAL ASSETS</b>		<b>133,521,145</b>	<b>91,710,707</b>

The accompanying notes between pages 111 and 164 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

## Consolidated Statement of Financial Position As at 31 December 2023

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

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

LIABILITIES	Notes	Audited	
		31 December 2023	31 December 2022
<b>CURRENT LIABILITIES</b>		<b>117,358,148</b>	<b>82,130,329</b>
Short term borrowings	19	5,651,092	7,028,263
Lease liabilities	20	1,486	7,390
Trade payables		16,394,296	3,683,084
- Trade payables to related parties	31	30,979	73,990
- Trade payables to third parties	16	16,363,317	3,609,094
Liabilities for employee benefits	22	87,022	31,665
Other payables		1,560,884	38,811
- Other payables to related parties	31	1,500,000	-
- Other payables to third parties	16	60,884	38,811
Deferred income	9	12,669	6,245
Current income tax liabilities	30	1,084,214	329,607
Short term provisions		975,090	255,032
- Provisions for employee benefits	22	952,965	232,207
- Other short term provisions	18	22,125	22,825
Other current liabilities		91,591,395	70,750,232
- Other current liabilities to related parties	31	5,792,036	2,655,609
- Other current liabilities to third parties	23	85,799,359	68,094,623
<b>NON-CURRENT LIABILITIES</b>		<b>220,379</b>	<b>125,584</b>
Lease liabilities	20	1,589	5,164
Deferred income	9	3,905	1,847
Long term provisions		192,217	102,767
- Provisions for employee benefits	22	192,217	102,767
Other non-current liabilities	23	22,668	15,806

The accompanying notes between pages 111 and 164 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

## Consolidated Statement of Financial Position As at 31 December 2023

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

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

LIABILITIES	Notes	Audited	Audited
		31 December 2023	31 December 2022
<b>SHAREHOLDER'S EQUITY</b>		<b>15,942,618</b>	<b>9,454,794</b>
<i>Equity holders of the parent</i>	24	13,163,873	7,746,523
Share capital		423,234	423,234
Share premium		12,418	12,418
Treasury shares		(101,070)	(101,070)
Other comprehensive income/expense not to be reclassified to profit or loss		(58,410)	(23,216)
- <i>Revaluation reserve</i>		13,677	13,677
- <i>Losses on remeasurements of defined benefit plans</i>		(72,087)	(36,893)
Other comprehensive income/expense to be reclassified to profit or loss		17,170	9,392
- <i>Currency translation differences</i>		17,170	9,392
Restricted reserves		861,576	710,292
Retained earnings		5,689,074	3,131,896
Net profit for the period		6,319,881	3,583,577
<i>Non-controlling interests</i>		2,778,745	1,708,271
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>133,521,145</b>	<b>91,710,707</b>

The accompanying notes between pages 111 and 164 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2023

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

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

	Notes	Audited	Audited
		1 January - 31 December 2023	1 January - 31 December 2022
Revenue	25	14,784,406	6,371,770
Cost of sales (-)	25	(762,543)	(186,946)
<b>Gross profit</b>		<b>14,021,863</b>	<b>6,184,824</b>
General administrative expenses (-)	26	(6,325,087)	(1,913,707)
Other operating income	27	261,184	13,047
Other operating expenses (-)	27	(524,307)	(538,140)
<b>Operating profit</b>		<b>7,433,653</b>	<b>3,746,024</b>
Investment activities income	28	187,970	122,594
Share of profit/(loss) of investments accounted for under the equity method	5	152,562	80,042
<b>Profit before financial income/(expense)</b>		<b>7,774,185</b>	<b>3,948,660</b>
Financial income	29	1,315,549	552,580
Financial expenses (-)	29	(3,361)	(7,318)
<b>Profit before tax</b>		<b>9,086,373</b>	<b>4,493,922</b>
Income tax expense (-)	30	(2,593,100)	(1,097,048)
Deferred tax income/(expense)	30	1,216,020	841,844
<b>PROFIT FOR THE PERIOD</b>		<b>7,709,293</b>	<b>4,238,718</b>
<b>Profit attributable to:</b>			
- Non-controlling interests		1,389,412	655,141
- Equity holders of the parent		6,319,881	3,583,577
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other comprehensive income not to be reclassified to profit or loss</b>		<b>(40,752)</b>	<b>(30,307)</b>
Gains/losses on remeasurements of defined benefit plans	22	(58,217)	(40,409)
- Deferred tax income/(expense)	30	17,465	10,102
<b>Other comprehensive income to be reclassified to profit or loss</b>		<b>7,778</b>	<b>2,962</b>
- Currency translation differences	5	7,778	2,962
<b>Other comprehensive income/(expense)</b>		<b>(32,974)</b>	<b>(27,345)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7,676,319</b>	<b>4,211,373</b>
- Non-controlling interests		1,383,854	651,113
- Equity holders of the parent		6,292,465	3,560,260

The accompanying notes between pages 111 and 164 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 2023

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

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

Statement of changes in shareholders' equity						
	Share capital	Share premium	Treasury shares	Revaluation reserve	Remeasurement of defined benefit obligations	Currency translation differences
<b>1 January 2022</b>	<b>423,234</b>	<b>12,418</b>	<b>(101,070)</b>	<b>13,677</b>	<b>(10,614)</b>	<b>6,430</b>
Net profit for the period	-	-	-	-	-	-
Other comprehensive income/ (expense)	-	-	-	-	(26,279)	2,962
<b>Total comprehensive income/ (expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,279)</b>	<b>2,962</b>
Transfers	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
<b>31 December 2022</b>	<b>423,234</b>	<b>12,418</b>	<b>(101,070)</b>	<b>13,677</b>	<b>(36,893)</b>	<b>9,392</b>
<b>1 January 2023</b>	<b>423,234</b>	<b>12,418</b>	<b>(101,070)</b>	<b>13,677</b>	<b>(36,893)</b>	<b>9,392</b>
Net profit for the period	-	-	-	-	-	-
Other comprehensive income/ (expense)	-	-	-	-	(35,194)	7,778
<b>Total comprehensive income/ (expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,194)</b>	<b>7,778</b>
Transfers	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
<b>31 December 2023</b>	<b>423,234</b>	<b>12,418</b>	<b>(101,070)</b>	<b>13,677</b>	<b>(72,087)</b>	<b>17,170</b>

The accompanying notes between pages 111 and 164 are an integral part of these consolidated financial statements.



## Statement of changes in shareholders' equity

Restricted reserves	Retained earnings	Net profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
<b>610,680</b>	<b>2,145,269</b>	<b>1,754,959</b>	<b>4,854,983</b>	<b>1,218,660</b>	<b>6,073,643</b>
-	-	3,583,577	3,583,577	655,141	4,238,718
-	-	-	(23,317)	(4,028)	(27,345)
-	-	<b>3,583,577</b>	<b>3,560,260</b>	<b>651,113</b>	<b>4,211,373</b>
99,612	1,655,347	(1,754,959)	-	-	-
-	(668,720)	-	(668,720)	(161,502)	(830,222)
<b>710,292</b>	<b>3,131,896</b>	<b>3,583,577</b>	<b>7,746,523</b>	<b>1,708,271</b>	<b>9,454,794</b>
<b>710,292</b>	<b>3,131,896</b>	<b>3,583,577</b>	<b>7,746,523</b>	<b>1,708,271</b>	<b>9,454,794</b>
-	-	6,319,881	6,319,881	1,389,412	7,709,293
-	-	-	(27,416)	(5,558)	(32,974)
-	-	<b>6,319,881</b>	<b>6,292,465</b>	<b>1,383,854</b>	<b>7,676,319</b>
151,284	3,432,293	(3,583,577)	-	-	-
-	(875,115)	-	(875,115)	(313,380)	(1,188,495)
<b>861,576</b>	<b>5,689,074</b>	<b>6,319,881</b>	<b>13,163,873</b>	<b>2,778,745</b>	<b>15,942,618</b>

BORSA İSTANBUL A.Ş.

## Consolidated Financial Statement of Cash Flows For the Year Ended 31 December 2023

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

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

		Audited	Audited
		1 January -	1 January -
	Notes	31 December 2023	31 December 2022
<b>Net profit for the period</b>		<b>7,709,293</b>	<b>4,238,718</b>
<b>Adjustments for:</b>			
Tax expense	30	1,377,080	255,204
Depreciation expense	12, 13	111,555	54,240
Amortization expense	14	62,992	46,605
Change in provision for employment termination benefits	22	36,254	18,342
Change in personnel bonus provision	22	904,754	179,531
Change in valuation of investment properties	11	(187,840)	(122,455)
Change in unused vacation liability	22	76,245	31,563
Change on law suit provision	18	(700)	(3,368)
Expense accrual for Capital Markets Board share	27	463,609	300,080
Provisions no longer required	27	(68,696)	(6,183)
Decrease/(increase) in derivative financial instruments		(55,113)	-
Share of (profit)/loss of investments accounted for under the equity method	5	(152,562)	(80,042)
Financial income, net	29	(1,312,188)	(545,262)
Provisions for doubtful receivables	7	1,085	398
Unrealized exchange (gain)/loss		(581,692)	(418,888)
<b>Cash flows from operating activities before working capital changes</b>		<b>8,384,076</b>	<b>3,948,483</b>
Increase/(decrease) in short-term borrowings		(1,377,171)	3,392,800
Decrease/(increase) in trade receivables		589,661	(2,327,300)
Decrease/(increase) in other receivables		7,800	(723)
Decrease/(increase) in prepaid expenses		(113,249)	(28,879)
Decrease/(increase) in other current assets		(42,370)	350,611
Decrease/(increase) in other non-current assets		(4,707)	(4,303)
Increase/(decrease) in liability for employee benefits		55,357	(6,405)
Increase/(decrease) in trade payables		12,705,962	1,535,477
Increase/(decrease) in other payables		1,522,073	243
Increase/(decrease) in deferred income		8,482	136,124
Increase/(decrease) in other current liabilities		20,746,330	34,148,758
Increase/(decrease) in other non-current liabilities		6,862	4,063
Increase/(decrease) in lease liabilities		5,250	12,122
Taxes paid		(1,838,493)	(984,008)
Employment termination benefits paid	22	(5,021)	(2,907)
Capital Markets Board share paid		(300,080)	(165,795)
Personnel bonus paid	22	(258,179)	(2,980)
Unused vacation paid	22	(2,062)	(1,560)
Collection of doubtful receivables	7	625	145
<b>Net cash (used in)/generated from operating activities</b>		<b>31,707,070</b>	<b>36,055,483</b>
Proceed from sale of property and equipment	12	6,447	6,255
Purchase of property and equipment	12	(4,165,937)	(241,457)
Proceed from sale of intangible assets	14	-	396
Purchase of intangible assets	14	(137,110)	(65,961)
Purchase of financial asset measured at amortized cost		(6,747,327)	(6,261,666)
Sale of financial asset measured at amortized cost		5,810,515	8,567,783
Financial asset (purchase/sale) at fair value through profit or loss		683,059	(59,632)
Deposits more than 3 months		1,344,566	(1,344,566)
Lease payments		(17,494)	(5,702)
Interests received		300,312	442,287
Dividend received from financial investments	27	130	139
<b>Net cash (used in)/generated from investment activities</b>		<b>(2,922,839)</b>	<b>1,037,876</b>
Dividend paid		(1,188,495)	(830,222)
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,188,495)</b>	<b>(830,222)</b>
<b>Net increase in cash and cash equivalents</b>		<b>35,979,812</b>	<b>40,211,620</b>
Effects of currency translation on cash and cash equivalents		581,692	418,888
Cash and cash equivalents at the beginning of the period	4	81,356,309	40,725,801
<b>Cash and cash equivalents at the end of the period</b>	4	<b>117,917,813</b>	<b>81,356,309</b>

The accompanying notes between pages 111 and 164 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 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Borsa İstanbul Anonim Şirketi ("BİST" or "the Company") was founded in order to engage in stock exchange operations as per Article 138<sup>th</sup> 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 2<sup>nd</sup> of Article 138<sup>th</sup> 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 4<sup>th</sup> and 5<sup>th</sup> 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 ("IAB"), established as per article 40/A of repealed Law No, 2499, have been terminated, and for these two institutions all kinds of assets, payables and receivables, rights and obligations, records and other documents (including those on electronic media) have been transferred to BİST in their entirety, with those exceptions required by law, with no further action needed, on the date of the registration of the Articles of Association of BİST. All actions of BİST as at this date were recognized upon the acceptance of 3 April 2013 as the establishment date of the Company.

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

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

As at 31 December 2023, BİST have 709 employees (31 December 2022: 654) and the Group have 1,372 employees (31 December 2022: 1,230). BİST is located in Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No:4, Sarıyer/İstanbul.

The Company's controlling shareholder is Türkiye Wealth Fund. As at 31 December 2023 and 31 December 2022, the Company's shareholder structure and is as follows:

	31 December 2023		31 December 2022	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Türkiye Wealth Fund	341,127	80.60	341,127	80.60
Qh Oil Investments	42,323	10.00	42,323	10.00
Borsa İstanbul A.Ş.	9,809	2.32	9,809	2.32
Turkish Capital Markets Association	5,502	1.30	5,502	1.30
Other	24,473	5.78	24,473	5.78
<b>Total</b>	<b>423,234</b>	<b>100.00</b>	<b>423,234</b>	<b>100.00</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### Subsidiaries

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

Subsidiaries	Country	Area of activity
İstanbul Takas ve Saklama Bankası A.Ş.	Türkiye	Bank
Merkezi Kayıt Kuruluşu A.Ş.	Türkiye	Custodian
MKK Gayrimenkul Bilgi Merkezi A.Ş.	Türkiye	Analysis reporting on real estate valuations

#### İstanbul Takas ve Saklama Bankası A.Ş.

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

#### Merkezi Kayıt Kuruluşu A.Ş.

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

#### MKK Gayrimenkul Bilgi Merkezi A.Ş.

MKK Gayrimenkul Bilgi Merkezi A.Ş. (GABİM) was established to generate and publish data analysis reports on real estate values regionally and nationwide. Within the scope of the share transfer agreement signed on 28 September 2020, all shares were transferred to Merkezi Kayıt Kuruluşu A.Ş.

#### Associates

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

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

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

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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### Associates (Continued)

*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.

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

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

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

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

### NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of presentation

##### 2.1.1 Preparation of financial statements

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

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

These consolidated financial statements are prepared according to the Türkiye Financial Reporting Standards ("TFRS"). These consolidated financial statements are prepared on historical cost basis, except for significant items in the table below.

The following items are measured on an fair value basis at the reporting date.

	<b>Measurement base</b>
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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.1 Basis of presentation (Continued)

##### 2.1.1 Preparation of financial statements (Continued)

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.

Due to the earthquake disaster that occurred in Kahramanmaraş and surrounding provinces in February 2023, aid was provided to the region. The effects of the earthquake disaster have been reviewed and it has been evaluated that has not impact on going concern on the financial statements.

The Board of Directors has decided to make a cash donation of 2 millions TL during the extraordinary period experienced due to the huge earthquake disaster that occurred in Kahramanmaraş on 6 February 2023. The donations are recognized for as advertising expenses under general administrative expenses.

##### 2.1.2 Financial reporting in hyperinflationary economies

On 23 November 2023, POA announced that, entities reporting under the TFRS should begin implementing "TAS 29 Financial Reporting in Hyperinflationary Economies" standard in their financial statements, from periods ending on and after 31 December 2023. Besides, regulatory and auditing bodies that are authorized in their respective areas have flexibility to determine alternative transition dates for the application of TAS 29. In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023. CMB has decided among other issues, that the Group's financial statements dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. Based on this, TAS 29 was not applied and no inflation adjustment was made in the financial statements dated 31 December 2023.

#### 2.2 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements As at 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as at 1 January 2023. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

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

#### 2.2 The new standards, amendments and interpretations (Continued)

##### *Standards, amendments, and interpretations applicable as of 31 December 2023*

- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to TAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to TAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.
- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

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

##### *Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023*

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.

- **Amendment to TAS 1 - Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **Amendment to IFRS 16 - Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to TAS 7 and IFRS 7 on Supplier finance arrangements; ;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.2 The new standards, amendments and interpretations (Continued)

##### *Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023(Continued)*

- **Amendments to TAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **TSRS 1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **TSRS 2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The amendments do not have a significant impact on the 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 at 31 December 2023, the Group has prepared the consolidated statement of financial position, consolidated profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow comparatively.

#### 2.4 Offsetting

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

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

#### 2.5 Going concern

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

#### 2.6 Financial statements of subsidiaries operating in foreign countries

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



BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.6 Financial statements of subsidiaries operating in foreign countries (Continued)

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 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 2023 and 31 December 2022, 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 2023	31 December 2022
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 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.7 Consolidation principles (Continued)

##### 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.

##### Associates

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

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

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

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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.7 Consolidation principles (Continued)

##### Associates (Continued)

As at 31 December 2023 and 31 December 2022, 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 2023		31 December 2022	
	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:

GRI 2-21, 201-3

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.10 Significant accounting judgments, estimates and assumptions (Continued)

##### *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 m<sup>2</sup> ground in İstanbul/Beşiktaş, Nispetiye Mahallesi 83/1 E3 Blok 10 floor. According to a licensed real estate valuation firm report which is dated 21 December 2023, Akmerkez office was evaluated by market value approach and the fair value amount is TL 150,000.

##### **Şişli Service Building**

Şişli building, investment property is located on the parcel of 29 in İstanbul province, Şişli district, Şişli street, 159 section, 1,042 city block, is located on 4,354 m<sup>2</sup> ground. According to a licensed real estate valuation firm report which is dated 29 December 2023, Şişli service building evaluated by market value approach and the fair value amount is TL 244,470.

##### **Provisions for employment termination benefits**

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

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

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

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

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

Main assumptions that are used in the provision for employee termination benefits are estimated employee turnover rate and discount factor.

##### **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.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies

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

##### *Related parties*

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

##### **2.11.1 Service revenue**

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

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

Revenue has been disclosed by offsetting, discounts, returns, taxes related with sales and the elimination of the transaction within the Group. The main income items in the Group's service income are; trading fees, interest revenue, securities registration fees, listing fees, data vending and custody income.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.1 Service revenue (Continued)

###### *Debt securities trading revenues*

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

###### *Equity market trading revenue*

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

###### *Derivatives trading revenue*

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

###### *Precious metals and diamond market trading revenue*

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

###### *Takasbank money market*

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

###### *Security registration income*

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

###### *Listing income*

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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.1 Service revenue (Continued)

###### *Custody and custody related operating revenue*

Custody and custody related operating revenue consist of custody fees accrued for in the private pension fund shares, precious metals and securities. Custody and custody related commissions obtained from the guarantees are accounted under this account.

###### *Data vending revenue*

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

###### *Takasbank interest income*

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

###### *Technology income*

It consist of income received from the colocation, PTRM, OUCH, time server, data center ve other technology services.

###### *Account management fee*

It consist of income obtained from opening of member accounts for investors and for their partners defined in their own system with the same account numbers in the central depository system, and identifying the accounts with identity information of investors.

###### *Derivative transaction income/expense*

Derivative transaction consist of derivative instruments profit/loss and currency differences arising from these transactions. Derivative instruments are remeasured at fair value after initial recognition. Differences in the fair value are recognized on a net basis.

##### 2.11.2 Property and equipment

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

###### *Depreciation*

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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.2 Property and equipment (Continued)

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.

##### *Reclassification to investment property*

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

##### 2.11.3 Investment properties

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

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

##### 2.11.4 Government grants

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



BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.5 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:

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

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

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

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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.7 Financial instruments

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

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

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

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

*"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.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.7 Financial instruments (Continued)

"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

IFRS 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 IFRS 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.

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

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

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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.8 Impairment of financial assets (Continued)

##### 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.

##### 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.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.11 Non-derivative financial liabilities (Continued)

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

##### 2.11.12 Payables to members

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

##### 2.11.13 Deposits and guarantees received

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

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

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

##### 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.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.17 Capital reserves

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

##### 2.11.18 Share premium

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

##### 2.11.19 Treasury shares

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

##### 2.11.20 Earnings per share

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

##### 2.11.21 Provisions, contingent liabilities and assets

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

##### 2.11.22 Lease transactions

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

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

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

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.23 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.

GRI 207-1, 207-4

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

#### 2.11 Summary of significant accounting policies (Continued)

##### 2.11.25 Taxation

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

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

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

### NOTE 3- BUSINESS COMBINATIONS

None.



BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 4- CASH AND CASH EQUIVALENTS

As at 31 December 2023 and 31 December 2022, the details of cash and cash equivalents are as follows:

	31 December 2023	31 December 2022
Cash	88	21
Banks - time deposits	113,207,662	80,516,807
Banks - demand deposits	4,603,651	720,749
Reverse repo receivables	10	47
Investment funds	521,000	212,346
<b>At the statement of financial position</b>	<b>118,332,411</b>	<b>81,449,970</b>
Accruals on cash and cash equivalents	(537,414)	(185,251)
Expected credit loss allowance	122,816	91,590
<b>At the statement of cash flows</b>	<b>117,917,813</b>	<b>81,356,309</b>

As at 31 December 2023, there is no restricted deposits (31 December 2022: None).

#### Banks-Time deposits

As at 31 December 2023 and 31 December 2022, the details of time deposits are as follows:

31 December 2023	Amount (TL)	Effective interest rate (%)	Maturity date
TL	87,731,549	42.84	28 March 2024
USD	16,656,295	6.97	2 January 2024
EUR	8,819,818	4.97	2 January 2024
<b>Total</b>	<b>113,207,662</b>		
31 December 2022	Amount (TL)	Effective interest rate (%)	Maturity date
TL	62,110,155	11.07	31 March 2023
USD	13,015,421	5.94	6 January 2023
EUR	5,391,231	3.73	1 January 2023
<b>Total</b>	<b>80,516,807</b>		

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 5- INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

As at 31 December 2023 and 31 December 2022, summary of financial information for equity accounted investments are as follows:

31 December 2023	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	594,262	87,280	506,982	174,256	53,725	156,307
Sermaye Piy. Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	41.00	34.27	135,540	15,240	120,300	50,851	20,849	49,323
Montenegro Stock Exchange	24.43	24.43	83,913	391	83,522	1,180	288	20,408
Türkiye Ürün İhtisas Borsası A.Ş.	25.00	21.80	509,462	73,901	435,561	197,536	49,384	108,890
JCR Avrasya Derecelendirme A.Ş.	18.50	18.50	377,204	87,281	289,923	153,062	28,316	59,509
<b>Total</b>							<b>152,562</b>	<b>394,437</b>
31 December 2022	Directly and indirectly rate %	Effective rate %	Total assets	Total liabilities	Net assets	Net profit/loss	BİST's shares in profit/loss	BİST's share in net assets
Enerji Piyasaları İşletme A.Ş.	30.83	30.83	426,341	93,615	332,726	42,584	13,129	102,582
Sermaye Piy. Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	41.00	34.27	75,508	6,059	69,449	18,756	7,690	28,474
Montenegro Stock Exchange	24.43	24.43	50,568	60	50,508	1,010	247	12,341
Türkiye Ürün İhtisas Borsası A.Ş.	25.00	21.80	278,148	40,123	238,025	160,354	40,089	59,506
JCR Avrasya Derecelendirme A.Ş.	18.50	18.50	193,460	31,599	161,861	102,094	18,887	35,819
<b>Total</b>							<b>80,042</b>	<b>238,722</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

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

For the year ended 31 December 2023 and 2022, subsidiaries that are accounted by equity method are as stated below:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Beginning balance</b>	<b>238,722</b>	<b>170,400</b>
Dividends received	(4,625)	(14,682)
Income and expenses	152,562	80,042
Currency translation differences	7,778	2,962
<b>Ending balance</b>	<b>394,437</b>	<b>238,722</b>

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 2023 and 31 December 2022, the details of short term financial investments are as follows:

	31 December 2023	31 December 2022
Financial assets measured at amortized cost	2,740,746	2,526,831
Deposits more than 3 months	-	1,344,566
Financial assets at fair value through profit or loss	39,647	59,632
<b>Total</b>	<b>2,780,393</b>	<b>3,931,029</b>

As at 31 December 2023 and 31 December 2022, the details of long term financial investments are as follows:

	31 December 2023	31 December 2022
Financial assets at fair value through other comprehensive income	7,583	7,583
Financial assets measured at amortized cost	1,228,284	505,387
<b>Total</b>	<b>1,235,867</b>	<b>512,970</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 6- FINANCIAL INVESTMENTS (Continued)

As at 31 December 2023 and 31 December 2022, the details of financial assets measured at amortized cost are as follows:

	31 December 2023	31 December 2022
Bonds	437,714	444,854
Eurobonds	3,442,371	2,521,911
Asset backed securities	-	39,819
Sukuk	124,333	83,921
Mutual fund	4,259	1,345
Time deposits	-	1,344,566
<b>Total</b>	<b>4,008,677</b>	<b>4,436,416</b>

As at 31 December 2023 and 31 December 2022, there are no financial assets at fair value through other comprehensive income subject to repurchase agreements and given as collateral. As at 31 December 2023 and 31 December 2022, the details of financial assets at fair value through other comprehensive income are as follows:

	31 December 2023			31 December 2022		
	Directly and indirectly rate %	Effective rate %	Carrying value	Directly and indirectly rate %	Effective rate %	Carrying value
Kyrgyz Stock Exchange	16.33	16.33	467	22.86	22.86	467
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	21.45	19.98	3,320	21.45	19.98	3,320
Sarajevo Stock Exchange	19.91	16.70	799	19.91	16.70	799
Baku Stock Exchange	4.76	4.76	157	4.76	4.76	157
Birleşik İpotek Finansmanı A.Ş.	5.00	5.00	2,500	5.00	5.00	2,500
Other	<0,01	<0,01	340	<0,01	<0,01	340
<b>Total</b>			<b>7,583</b>			<b>7,583</b>

### NOTE 7- TRADE RECEIVABLES AND OTHER RECEIVABLES

As at 31 December 2023 and 31 December 2022, the details of trade receivables from third parties are as follows:

	31 December 2023	31 December 2022
Receivables from members <sup>(*)</sup>	762,321	354,989
Loans given	1,718,384	2,530,226
Custody and commission receivables	166,195	271,698
Doubtful receivables	634	523
Expected credit loss	(11,646)	(11,186)
<b>Total</b>	<b>2,635,888</b>	<b>3,146,250</b>

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

As at 31 December 2023 and 31 December 2022, remaining maturities are less than 3 months.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 7- TRADE RECEIVABLES AND OTHER RECEIVABLES (Continued)

#### Expected credit loss

For the year ended 31 December 2023 and 2022, the movements of expected credit loss are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Beginning balance</b>	<b>(11,186)</b>	<b>(10,933)</b>
Provisions during the period	(1,085)	(398)
Reversal of provision during the period	625	145
<b>Ending balance</b>	<b>(11,646)</b>	<b>(11,186)</b>

#### Other receivables

As at 31 December 2023 and 31 December 2022, the details of short term other receivables from third parties are as follows:

	31 December 2023	31 December 2022
Other receivables	6,140	13,940
<b>Total</b>	<b>6,140</b>	<b>13,940</b>

### NOTE 8- OTHER ASSETS

#### Other current assets

As at 31 December 2023 and 31 December 2022, the details of other current assets are as follows:

	31 December 2023	31 December 2022
Receivables from derivatives collateral	161,158	137,513
Deferred VAT	27,721	39,951
Job advances given to personnel	10,515	8,190
Deposits and guarantees given	317	355
Other current assets	41,004	12,336
<b>Total</b>	<b>240,715</b>	<b>198,345</b>

#### Other non-current assets

As at 31 December 2023 and 31 December 2022, the details of other non-current assets are as follows:

	31 December 2023	31 December 2022
Job advances	5,126	-
Deposits and guarantees given	113	532
<b>Total</b>	<b>5,239</b>	<b>532</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 9- DEFERRED INCOME

#### Short term deferred income

As at 31 December 2023 and 31 December 2022, the details of short term deferred income are as follows:

	31 December 2023	31 December 2022
Deferred income	12,669	6,245
<b>Total</b>	<b>12,669</b>	<b>6,245</b>

#### Long term deferred income

As at 31 December 2023 and 31 December 2022, the details of long term deferred income are as follows:

	31 December 2023	31 December 2022
Deferred income	3,905	1,847
<b>Total</b>	<b>3,905</b>	<b>1,847</b>

### NOTE 10- PREPAID EXPENSES

#### Short term prepaid expenses

As at 31 December 2023 and 31 December 2022, the details of short term prepaid expenses are as follows:

	31 December 2023	31 December 2022
Prepaid expenses	131,583	67,567
<b>Total</b>	<b>131,583</b>	<b>67,567</b>

#### Long term prepaid expenses

As at 31 December 2023 and 31 December 2022, the details of long term prepaid expenses are as follows:

	31 December 2023	31 December 2022
Prepaid expenses	65,640	16,407
<b>Total</b>	<b>65,640</b>	<b>16,407</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 11- INVESTMENT PROPERTIES

For the year ended 31 December 2023 and 2022, the movements of the investment properties are as follows:

	Valuation method	1 January 2023	Increase in value	Decrease in value	31 December 2023
Akmerkez Office	Market value	65,000	85,000	-	150,000
Şişli Service Building	Market value	141,630	102,840	-	244,470
<b>Total</b>		<b>206,630</b>	<b>187,840</b>	<b>-</b>	<b>394,470</b>
	Valuation method	1 January 2022	Increase in value	Decrease in value	31 December 2022
Akmerkez Office	Market value	37,925	27,075	-	65,000
Şişli Service Building	Market value	46,250	95,380	-	141,630
<b>Total</b>		<b>84,175</b>	<b>122,455</b>	<b>-</b>	<b>206,630</b>

As at 31 December 2023, there are investment properties of Group in İstanbul Akmerkez Shopping Center and İstanbul Şişli. The fair value of Akmerkez Shopping Center is TL 150,000 and the fair value of Şişli Service Building is TL 244,470 according to independent valuation report authorized by the Capital Markets Board ("CMB").

For the year ended 31 December 2023 and 2022, rental income from investment properties is amounting to TL 1,485 and TL 914.

As at 31 December 2023, the significant estimates and assumptions used in determining the fair value of the investment properties are as follows:

Investment property	Valuation method	Report date	m <sup>2</sup> value
Akmerkez Office	Market value	21 December 2023	152.280
Şişli Service Building	Market value	29 December 2023	56.150

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 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 12- PROPERTY AND EQUIPMENT

For the year ended 31 December 2023 and 2022, the movements of the property and equipment are as follows:

	Building	Machinery and equipment	Vehicles	Furnitures and fixtures	Leasehold improvement	Construction in progress	Total
<b>1 January 2023</b>							
Opening balance	25,726	61,403	1,178	142,048	147,538	32,158	410,051
Additions	974	109,915	128,601	110,038	1,410	3,814,999	4,165,937
Disposals	-	(5,903)	-	(544)	-	-	(6,447)
Transfers	-	-	-	-	-	(180,807)	(180,807)
Current depreciation	(597)	(39,472)	(5,214)	(46,310)	(7,554)	-	(99,147)
<b>31 December 2023</b>	<b>26,103</b>	<b>125,943</b>	<b>124,565</b>	<b>205,232</b>	<b>141,394</b>	<b>3,666,350</b>	<b>4,289,587</b>

	Building	Machinery and equipment	Vehicles	Furnitures and fixtures	Leasehold improvement	Construction in progress	Total
<b>1 January 2022</b>							
Opening balance	26,307	415	301	53,456	155,411	11,968	247,858
Additions	-	79,136	1,044	110,856	-	50,421	241,457
Disposals	-	(585)	(87)	(49)	(62)	(5,472)	(6,255)
Transfers	-	-	-	-	-	(24,759)	(24,759)
Current depreciation	(581)	(17,563)	(80)	(22,215)	(7,811)	-	(48,250)
<b>31 December 2022</b>	<b>25,726</b>	<b>61,403</b>	<b>1,178</b>	<b>142,048</b>	<b>147,538</b>	<b>32,158</b>	<b>410,051</b>

For the year ended 31 December 2023 and 2022, there are no mortgages or pledges over property and equipment.

The total transfers amounting to TL 180,807 have been made from property, plant equipment to intangible assets (31 December 2022: 24,759 TL) (Note 14).

### NOTE 13- RIGHT OF USE ASSETS

For the year ended 31 December 2023 and 2022, the movements of the right of use assets are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Opening balance</b>	<b>10,883</b>	<b>4,830</b>
Additions	5,250	12,122
Disposals	(507)	(79)
Current depreciation	(12,408)	(5,990)
<b>Total</b>	<b>3,218</b>	<b>10,883</b>



BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 14- INTANGIBLE ASSETS

For the year ended 31 December 2023 and 2022, the movements of the intangible assets are as follows:

	Rights	Software licenses	Development costs	Construction in progress	Total
<b>1 January 2023</b>					
Opening balance	306,857	48,395	61,009	-	416,261
Additions	33,879	10,164	93,067	-	137,110
Disposals	-	-	-	-	-
Transfers	-	-	50,155	130,652	180,807
Current amortisation	(27,193)	(7,755)	(33,941)	-	(68,889)
<b>31 December 2023</b>	<b>313,543</b>	<b>50,804</b>	<b>170,290</b>	<b>130,652</b>	<b>665,289</b>
	Rights	Software licenses	Development costs	Construction in progress	Total
<b>1 January 2022</b>					
Opening balance	292,660	47,772	37,323	-	377,755
Additions	38,215	6,571	21,175	-	65,961
Disposals	(396)	-	-	-	(396)
Transfers	-	-	24,759	-	24,759
Current amortisation	(23,622)	(5,948)	(22,248)	-	(51,818)
<b>31 December 2022</b>	<b>306,857</b>	<b>48,395</b>	<b>61,009</b>	<b>-</b>	<b>416,261</b>

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 2023, TL 5,897 depreciation expense is reserved for the projects developed within the scope of the R&D Center (31 December 2022: TL 5,213).

### 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 2023, research and development tax deduction amounting to TL 217,396 is considered as deduction in corporate tax calculation (31 December 2022: TL 71,985).

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 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 16- TRADE PAYABLES AND OTHER PAYABLES

#### Short term trade payables

As at 31 December 2023 and 31 December 2022, the details of trade payables to third parties are as follows:

	31 December 2023	31 December 2022
Payables to members <sup>(*)</sup>	16,231,525	3,512,953
Payables to suppliers	131,792	96,141
<b>Total</b>	<b>16,363,317</b>	<b>3,609,094</b>

(\*) The regarding payables consist of the members' accounts opened in Takasbank by brokerage firms, banks, leasing companies, factoring companies and funding companies, which desire to perform transactions in organized markets, to make a down payment, pay swap liabilities and wire cash to customers.

#### Short term other payables

As at 31 December 2023 and 31 December 2022, the details of other payables are as follows:

	31 December 2023	31 December 2022
Other payables	60,884	38,811
<b>Total</b>	<b>60,884</b>	<b>38,811</b>

### NOTE 17- DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2023 and 31 December 2022, the details of derivatives are as follows:

	31 December 2023	31 December 2022
Swap transactions	55,113	-
<b>Total</b>	<b>55,113</b>	<b>-</b>

### NOTE 18- SHORT TERM PROVISIONS

As at 31 December 2023 and 31 December 2022, the details of lawsuit provisions are as follows:

	31 December 2023	31 December 2022
Lawsuit provisions	22,125	22,825
<b>Total</b>	<b>22,125</b>	<b>22,825</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 18- SHORT TERM PROVISIONS (Continued)

For the year ended 31 December 2023 and 2022, the movements of lawsuit provisions are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Opening balance</b>	<b>22,825</b>	<b>26,193</b>
Increase during the period	4,095	3,649
Used during the period	(4,795)	(7,017)
<b>Ending balance</b>	<b>22,125</b>	<b>22,825</b>

### NOTE 19- SHORT TERM BORROWINGS

As at 31 December 2023 and 31 December 2022, the details of the short-term borrowings are as follows:

31 December 2023	Weighted average effective interest rate %	Currency	Original amount	TL equivalent
Short term borrowings	5.49	USD	167,076	4,918,430
	4.16	EUR	18,506	602,826
	41.00	TL	129,836	129,836
				<b>5,651,092</b>

31 December 2022	Weighted average effective interest rate %	Currency	Original amount	TL equivalent
Short term borrowings	4.46	USD	186,551	3,488,183
	1.95	EUR	167,218	3,333,477
	9.00	TL	206,603	206,603
				<b>7,028,263</b>

As at 31 December 2023 and 31 December 2022, remaining maturities are less than 3 months.

### NOTE 20- LEASE LIABILITIES

As at 31 December 2023 and 31 December 2022, the details of lease liabilities are as follows:

	31 December 2023	31 December 2022
Up to 1 year	1,486	7,390
1-5 years	1,589	5,164
<b>Total</b>	<b>3,075</b>	<b>12,554</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 21- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

#### Provision for legal cases

There are several lawsuits in favour and against of the Group. These lawsuits consist of reemployment and disagreements with market members. The Group management evaluates the possible results and financial effects of these lawsuits and necessary provisions are recognized due to possible liabilities. As at 31 December 2023, provision for lawsuits amounting to TL 22,125 (31 December 2022: TL 22,825).

#### Guarantees

Guarantees given to Takasbank Money Market, Securities Lending Market, Debt Securities Market, Over the Counter Market, BİAŞ Money Market, Equity Market, Derivatives Market and Swap Market. As at 31 December 2023, total guarantees amounting to TL 34,383,116 (31 December 2022: TL 90,147,147).

#### 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 2023, total commitments amounting to TL 876,122 (31 December 2022: TL 817,532).

#### Collaterals

As at 31 December 2023 and 31 December 2022, market collaterals are as follows:

	31 December 2023	31 December 2022
Takasbank Market	192,051,645	66,968,507
Equity Market	12,960,593	8,890,570
Debt Securities	3,688,854	4,445,011
Precious Metal and Diamond Market	1,640,908	966,000
Derivatives Market	2,848,594	2,731,955
Other	54,367,483	12,020,529
<b>Total</b>	<b>267,558,077</b>	<b>96,022,572</b>

As at 31 December 2023 and 31 December 2022, collaterals received from suppliers are as follows:

	31 December 2023	31 December 2022
TL	24,365	20,043
USD	62,316	34,275
EUR	3,846	1,927
<b>Total</b>	<b>90,527</b>	<b>56,245</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 21- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

#### Assets under custody

	31 December 2023	31 December 2022
Physical Contribution to Education Project <sup>(*)</sup>	78,147	58,174
<b>Total</b>	<b>78,147</b>	<b>58,174</b>

<sup>(\*)</sup> In accordance with the decision of İMKB's Board of Directors in 1997, made a contribution to "Physical Contribution to Education Project (EFİKAP)" amounting to TL 32,000. Within the framework of the General Assembly and Board of Directors resolutions, it is collected under time deposits held by public banks and managed by İMKB, that allocated for the construction of primary schools. It was previously accounted under İMKB's assets and liabilities until 1999 and after this date, it is followed in the off-balance sheet accounts. As at 31 December 2023, principal amount of EFİKAP is TL 78,147 (31 December 2022: TL 58,174).

There are the investment securities held in custody amounting to TL 7,295,420,807 within the framework of area of the activity (31 December 2022: TL 5,845,604,285).

### NOTE 22- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS

#### Short term employee benefits

As at 31 December 2023 and 31 December 2022, the details of liabilities for employee benefits are as follows:

	31 December 2023	31 December 2022
Social security premium	83,298	30,171
Payables to personnel	3,724	1,494
<b>Total</b>	<b>87,022</b>	<b>31,665</b>

As at 31 December 2023 and 31 December 2022, the details of short term provisions for employee benefits are as follows:

	31 December 2023	31 December 2022
Unused vacation liability	129,839	55,656
Personnel bonus provision	823,126	176,551
<b>Total</b>	<b>952,965</b>	<b>232,207</b>

#### Unused vacation liability

In accordance with the Labor Law in Türkiye, the Group provides provision for the unused portion of annual paid vacations of the employees with service terms over one year, including the trial period, calculated for the non-current periods.

GRI 2-21, 201-3

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 22- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS (Continued)

#### Unused vacation liability (Continued)

For the year ended 31 December 2023 and 2022, the movements of unused vacation liability is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Opening balance</b>	<b>55,656</b>	<b>25,653</b>
Payment during the period	(2,062)	(1,560)
Increase during the period	76,245	31,563
<b>Ending balance</b>	<b>129,839</b>	<b>55,656</b>

#### Personnel bonus provision

For the year ended 31 December 2023 and 2022, the movements of personnel bonus provisions is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Opening balance</b>	<b>176,551</b>	-
Payment during the period	(258,179)	(2,980)
Increase during the period	904,754	179,531
<b>Ending balance</b>	<b>823,126</b>	<b>176,551</b>

#### Long term employee benefits

As at 31 December 2023 and 31 December 2022, the details of long term employee benefits provisions are as follows:

	31 December 2023	31 December 2022
Provision for employee termination benefits	192,217	102,767
<b>Total</b>	<b>192,217</b>	<b>102,767</b>

#### Provision for employee termination benefits

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). After the change in regulation, on 23 May 2002, several articles related the transition process before retirement have been removed.

As at 31 December 2023, the amount payable consists of one month's salary limited to a maximum of full TL 23,489.8 for each year of service (31 December 2022: full TL 15,371.4). 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.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 22- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS (Continued)

#### Provision for employee termination benefits (Continued)

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 2023	31 December 2022
Discount rate	2.73%	3.11%
Estimated employee turnover rate	97.58%	97.19%

For the year ended 31 December 2023 and 2022, the movements of provision for employee termination benefits are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Opening balance</b>	<b>102,767</b>	<b>46,923</b>
Interest cost	20,611	8,851
Service cost	15,643	9,491
Payment during the period	(5,021)	(2,907)
Actuarial gains/losses	58,217	40,409
<b>Ending balance</b>	<b>192,217</b>	<b>102,767</b>

### NOTE 23- OTHER LIABILITIES

#### Other current liabilities

As at 31 December 2023 and 31 December 2022, the details of other current liabilities are as follows:

	31 December 2023	31 December 2022
Deposits and guarantees received	85,132,347	67,537,466
Expense accrual for CMB share	463,609	300,080
Taxes and duties payable	173,880	173,889
Expected credit loss	4,474	63,619
Other	25,049	19,569
<b>Total</b>	<b>85,799,359</b>	<b>68,094,623</b>

#### Other non-current liabilities

As at 31 December 2023 and 31 December 2022, the details of other non-current liabilities are as follows:

	31 December 2023	31 December 2022
Deposits and guarantees received	22,668	15,806
<b>Total</b>	<b>22,668</b>	<b>15,806</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 24- 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 478<sup>th</sup> 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 2023 and 31 December 2022, the Company's shareholding structure as follows:

	31 December 2023		31 December 2022	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Türkiye Wealth Fund	341,127	80.60	341,127	80.60
Qh Oil Investments	42,323	10.00	42,323	10.00
Borsa İstanbul A.Ş.	9,809	2.32	9,809	2.32
Turkish Capital Markets Association	5,502	1.30	5,502	1.30
Other	24,473	5.78	24,473	5.78
<b>Total</b>	<b>423,234</b>	<b>100.00</b>	<b>423,234</b>	<b>100.00</b>

#### 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 2023, retained earnings is amounting to TL 5,689,074 (31 December 2022: TL 3,131,896). It was decided in General Assembly dated 2 August 2023 dividend distribution of TL 2.12 gross dividend per share for TL 1 nominal value to shareholders who are eligible to receive dividend.

#### Revaluation reserve

The revaluation reserve relates to the revaluation of property and equipment immediately before its reclassification as investment property.

#### Losses on remeasurements of defined benefit plans

As at 31 December 2023, actuarial loss recognized under shareholder's equity in the statement of financial position amounting to TL 72,087 (31 December 2022: TL 36,893).

#### Currency translation differences

It consist of foreign currency exchange differences arising from the translation of the financial statements of the Group's foreign operations into the presentation currency. For the investments accounted for under the equity method and other subsidiaries subject to consolidation, equities are translated based on closing rates, income and expense items are translated based on average rates. Exchange differences amounting to TL 17,170 are recognized in the "Currency translation differences" (31 December 2022: TL 9,392).



BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 25- REVENUE AND COST OF SALES

For the year ended 31 December 2023 and 2022, the details of gross profit are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Service revenue	14,787,592	6,374,444
Less: Sales discounts	(3,186)	(2,674)
<b>Revenue</b>	<b>14,784,406</b>	<b>6,371,770</b>
Cost of sales	(762,543)	(186,946)
<b>Gross profit</b>	<b>14,021,863</b>	<b>6,184,824</b>

For the year ended 31 December 2023 and 2022, the details of service revenue are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Takasbank interest income	4,972,918	1,686,940
Trading revenues	4,119,917	2,005,452
<i>Debt securities</i>	491,202	218,622
<i>Equity market</i>	1,830,174	893,172
<i>Derivatives</i>	789,048	535,063
<i>Takasbank money market</i>	643,608	188,821
<i>Precious metals and diamond market</i>	272,771	141,980
<i>Takasbank security lending market</i>	5,925	8,415
<i>Turkey electronic fund purchase and sale platform</i>	87,189	19,379
Custody and custody related operating income	2,363,909	1,056,034
Listing income	466,852	196,405
Settlement and clearing income	769,584	470,622
Data vending income	764,655	388,331
Security registration income	153,409	44,458
Technology income	283,751	141,788
Additional terminal fee	127,265	62,534
Money transfer service income	99,913	46,024
Membership fee	62,608	28,075
Account management fee	270,890	61,984
License income	68,192	33,957
Technology implementation and consultancy income	91,257	79,102
Gain/loss on valuation of securities	-	10,191
Other service income	172,472	62,547
<b>Total</b>	<b>14,787,592</b>	<b>6,374,444</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 25- REVENUE AND COST OF SALES (Continued)

For the year ended 31 December 2023 and 2022, the details of cost of sales are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Takasbank interest expense	272,626	121,465
Fees and commissions	123,460	65,481
Derivative transaction net expense	344,952	-
Gain/loss on valuation of securities (net)	21,505	-
<b>Total</b>	<b>762,543</b>	<b>186,946</b>

### NOTE 26- GENERAL ADMINISTRATIVE EXPENSES

For the year ended 31 December 2023 and 2022, the details of general administrative expenses are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel fees and expenses	3,238,911	1,023,231
Depreciation and amortization expenses	174,547	100,845
Maintenance and repairment expenses	130,430	69,646
Taxes and other legal expenses	139,834	94,627
Revenue sharing expenses	48,241	27,726
Electricity, water and natural gas expenses	45,382	42,185
Communication expenses	30,397	17,239
Subcontractor expenses	32,852	14,055
Insurance expenses	12,983	8,489
Advertising expenses <sup>(*)</sup>	2,350,118	452,966
Travel expenses	17,988	8,464
Consultancy expenses	27,803	11,226
Rent expenses	10,575	4,983
Other expenses	65,026	38,025
<b>Total</b>	<b>6,325,087</b>	<b>1,913,707</b>

<sup>(\*)</sup> It includes the cash donation TL 2,000,000 for affected by the earthquakes centered by Kahramanmaraş.

For the year ended 31 December 2023 and 2022, personnel expenses are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Gross salaries	1,725,108	604,155
Social benefits	361,583	96,744
Social security contribution	205,882	82,411
Health care expenses	104,946	40,876
Other expenses	841,392	199,045
<b>Total</b>	<b>3,238,911</b>	<b>1,023,231</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 26- GENERAL ADMINISTRATIVE EXPENSES (Continued)

#### Expenses by nature

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel fees and expenses	3,238,911	1,023,231
Takasbank interest expense	272,626	121,465
Depreciation and amortization expenses	174,547	100,845
Maintenance and repairment expenses	130,430	69,646
Taxes and other legal expenses	139,834	94,627
Fees and commissions	123,460	65,481
Revenue sharing expenses	48,241	27,726
Electricity, water and natural gas expenses	45,382	42,185
Communication expenses	30,397	17,239
Subcontractor expenses	32,852	14,055
Insurance expenses	12,983	8,489
Advertising expenses	2,350,118	452,966
Travel expenses	17,988	8,464
Consultancy expenses	27,803	11,226
Rent expenses	10,575	4,983
Derivative transaction net expense	344,952	-
Gain/loss on valuation of securities (net)	21,505	-
Other expenses	65,026	38,025
<b>Total</b>	<b>7,087,630</b>	<b>2,100,653</b>

#### 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 2023	1 January - 31 December 2022
Independent audit fee	3,744	1,024
Tax consulting fee	-	-
Other service fee apart from audit	-	-
Other assurance services fee	2,631	403
<b>Total</b>	<b>6,375</b>	<b>1,427</b>

The fees above have been determined by including the legal audit and other related service fees of all subsidiaries.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 27- OTHER OPERATING INCOME AND EXPENSES

For the year ended 31 December 2023 and 2022, the details of other operating expenses are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Capital Markets Board provision	463,609	300,080
Provision expenses	56,585	226,630
Other expense	4,113	11,430
<b>Total</b>	<b>524,307</b>	<b>538,140</b>

For the year ended 31 December 2023 and 2022, the details of other operating income are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Provision no longer required	68,696	6,183
Rental income	2,114	2,393
Foreign exchange gain	158,524	1,914
Other income	31,850	2,557
<b>Total</b>	<b>261,184</b>	<b>13,047</b>

### NOTE 28- INVESTMENT ACTIVITIES INCOME

For the year ended 31 December 2023 and 2022, the details of investment activities income are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Increase in fair value of investment properties	187,840	122,455
Dividend income	130	139
<b>Total</b>	<b>187,970</b>	<b>122,594</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 29- FINANCIAL INCOME AND EXPENSES

For the year ended 31 December 2023 and 2022, the details of financial income are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income	652,475	552,580
Gain on fair value of securities	663,074	-
<b>Total</b>	<b>1,315,549</b>	<b>552,580</b>

For the year ended 31 December 2023 and 2022, the details of financial expenses are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Rediscount expense	-	6,902
Other	3,361	416
<b>Total</b>	<b>3,361</b>	<b>7,318</b>

### NOTE 30- TAX ASSETS AND LIABILITIES

Dividends paid to non-resident corporations, which have a place of business in Türkiye, or resident corporations are not subject to withholding tax. Otherwise, while dividends paid are subject to withholding tax at the rate of 15%, this rate has been changed to 10% published in the Official Gazette dated 22 December 2021 and numbered 31697. An increase in capital via issuing bonus shares is not considered as a profit distribution.

In accordance with the Law No. 7440 on the "Restructuring of Certain Receivables and Amending Certain Laws" published in the Official Gazette on 12 March 2023, with the exceptions and deductions subject to deduction from corporate income in accordance with the Law No. 5520 and the regulations in other laws, by being shown in the corporate tax return for the year 2022. An additional tax - will be charged based on reduced corporate tax. Some exceptions and discounts listed in the Law No. 7440 are outside the scope of additional tax. Corporate tax liability affected by Kahramanmaraş earthquake will be exempt from the additional tax. As of 31 December 2023, related tax amounts are recognized in the financial statements.

As a result of the amendment made in the "The Law on Imposing Additional Motor Vehicles Tax for Compensation for Economic Losses Caused by Earthquakes Occurred on 6 February 2023 and Amending Certain Laws and Decree Law No. 375" published in the Official Gazette dated 15 July 2023, starting from the declarations that must be submitted as of 1 October 2023, the corporate tax rate has been increased from 25% to 30%.

According to the Communiqué No. 32415 (2nd. Repetition) dated 30 December 2023 of the Tax Procedure Law, the balance sheet dated 31 December 2023, prepared in accordance with the Tax Procedure Law, has been corrected within the scope of inflation accounting application by using the Producer Prices General Indices ("PPI") published by the Turkish Statistical Institute.

Corporations are required to pay advance corporation tax quarterly over the rate determined by law. Advance tax is to be declared by the 14<sup>th</sup> day of the second month following each calendar quarter end and is payable by the 17<sup>th</sup> 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.

GRI 207-1, 207-4

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 30- TAX ASSETS AND LIABILITIES (Continued)

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25<sup>th</sup> 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.

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 2023 and 31 December 2022, the details of current tax assets and liabilities are as follows:

	31 December 2023	31 December 2022
Provision for corporate tax	2,593,100	1,097,048
Prepaid tax	(1,508,886)	(767,441)
<b>Current income tax liabilities</b>	<b>1,084,214</b>	<b>329,607</b>

For the year ended 31 December 2023 and 2022, the details of tax expenses in profit or loss are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Income tax expense	2,593,100	1,097,048
Deferred tax expense/(income)	(1,216,020)	(841,844)
<b>Total tax expense</b>	<b>1,377,080</b>	<b>255,204</b>

For the year ended 31 December 2023 and 2022, reconciliation is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Profit before tax</b>	<b>9,086,373</b>	<b>4,493,922</b>
Income tax charge at effective tax rate	2,725,912	1,123,481
Income from tax exemptions	(920,868)	(127,350)
Non-deductible expenses	733,411	110,564
Temporary differences recognised	(17,786)	-
Effect of changes in tax rate	(203,454)	-
Effect of inflation adjustments according to legal regulation <sup>(*)</sup>	(928,004)	(798,331)
Other	(12,131)	(53,160)
<b>Tax expense</b>	<b>1,377,080</b>	<b>255,204</b>

<sup>(\*)</sup> Arises from the deferred tax effect of temporary differences created by the adjustments made to inflation accounting in accordance with the Communiqué No. 32415 (2nd. Repetition) dated 30 December 2023 of the Tax Procedure Law.

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 30- TAX ASSETS AND LIABILITIES (Continued)

#### Deferred tax assets and liabilities

The Group and its subsidiaries calculate deferred tax assets and liabilities considering the effects of the temporary differences arising from the different valuations between the TFRS and the tax financial statements of the balance sheet items. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of different companies subject to consolidation. However, consolidated net deferred tax assets and liabilities in the consolidated without offsetting assets and liabilities are shown separately in the financial statements arising from different companies that are subject to consolidation in the financial statements.

	31 December 2023		31 December 2022	
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Property and equipment, intangible assets and investment properties	5,499,413	1,649,824	2,945,032	736,258
Expense accrual for CMB share	463,609	139,083	300,080	75,020
Provision for TFRS 9	138,324	41,497	166,759	41,690
Provision for employee termination benefits	192,217	57,665	102,767	25,692
Lawsuit provision	22,125	6,638	22,825	5,706
Personnel bonus provision	823,126	246,938	176,551	44,138
Provision for unused vacation liabilities	129,839	40,281	55,656	13,914
Financial instruments valuation difference	20,597	6,179	-	-
Deferred income	(16,337)	(4,901)	-	-
Other	90,487	27,146	137,788	34,447
<b>Toplam</b>		<b>2,210,350</b>		<b>976,865</b>

As at 31 December 2023, deferred tax asset amounting to TL 2,210,350 (31 December 2022: TL 976,865) is reflected to the Group's financial statements and there is no deferred tax liability (31 December 2022: None).

For the year ended 31 December 2023 and 2022, the movements of net deferred tax assets/(liabilities) are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Beginning balance</b>	<b>976,865</b>	<b>124,919</b>
Deferred tax income/(expense)	1,216,020	841,844
Other comprehensive income tax that will never be reclassified to profit or loss	17,465	10,102
<b>Ending balance</b>	<b>2,210,350</b>	<b>976,865</b>

GRI 207-1, 207-4

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 31- RELATED PARTY DISCLOSURES

#### Key management personnel compensation

For the year ended 31 December 2023 and 2022, salaries and similar benefits provided to members of key management are amounting to TL 42,833 and TL 24,071.

#### Trade receivables from related parties

	31 December 2023	31 December 2022
Halk Yatırım Menkul Değerler A.Ş.	14,713	8,584
T.C. Ziraat Bankası A.Ş.	9,322	3,579
Türkiye Halk Bankası A.Ş.	19,058	10,020
Ziraat Yatırım Menkul Değerler A.Ş.	21,551	86,869
Other	10,161	5,233
<b>Total</b>	<b>74,805</b>	<b>114,285</b>

#### Trade payables to related parties

	31 December 2023	31 December 2022
Halk Yatırım Menkul Değerler A.Ş.	3,468	9,920
Türkiye Halk Bankası A.Ş.	4,863	17,986
Türkiye Hayat ve Emeklilik A.Ş.	51	13
Ziraat Yatırım Menkul Değerler A.Ş.	9,558	37,175
Other	13,039	8,896
<b>Total</b>	<b>30,979</b>	<b>73,990</b>

#### Other payables to related parties

	31 December 2023	31 December 2022
Türkiye Wealth Fund	1,500,000	-
<b>Total</b>	<b>1,500,000</b>	<b>-</b>

#### Other current liabilities to related parties

	31 December 2023	31 December 2022
Botaş A.Ş.	1,276,700	1,075,778
Halk Faktoring A.Ş.	250,056	75,975
Halk Yatırım Menkul Değerler A.Ş.	1,520,241	373,355
Türkiye Halk Bankası A.Ş.	70,092	25,597
Türkiye Hayat ve Emeklilik A.Ş.	101,225	6,321
Ziraat Yatırım Menkul Değerler A.Ş.	1,099,598	907,736
Other	1,474,124	190,847
<b>Total</b>	<b>5,792,036</b>	<b>2,655,609</b>



BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 31- RELATED PARTY DISCLOSURES (Continued)

#### Related party transactions

1 January - 31 December 2023	Sales	Purchases	Financial income
Halk Yatırım Menkul Değerler A.Ş.	162,448	-	1,913
Superonline İletişim Hizmetleri AŞ	20	4,209	-
T.C. Ziraat Bankası A.Ş.	366,355	30,630	244,794
Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş.	66	-	-
Türkiye Halk Bankası A.Ş.	1,930,031	-	210,337
Ziraat Yatırım Menkul Değerler A.Ş.	252,747	-	-
Türkiye Varlık Fonu	-	3,201,480	-
Other	600,066	54,406	29,399
<b>Total</b>	<b>3,311,733</b>	<b>3,290,725</b>	<b>486,443</b>

#### Related party transactions

1 January - 31 December 2022	Sales	Purchases	Financial income
Halk Yatırım Menkul Değerler A.Ş.	59,729	-	-
Superonline İletişim Hizmetleri AŞ	5	3,366	-
T.C. Ziraat Bankası A.Ş.	41,942	804	42,595
Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş.	134	1,834	-
Türkiye Halk Bankası A.Ş.	662,546	-	229,912
Ziraat Yatırım Menkul Değerler A.Ş.	78,716	-	-
Other	82,865	11,946	30,196
<b>Total</b>	<b>925,937</b>	<b>17,950</b>	<b>302,703</b>

### NOTE 32- 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 2023

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

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

### NOTE 32- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 32.1 Credit risk

As at 31 December 2023 and 31 December 2022, credit risk exposure of the Group in terms of financial instruments are as follows:

	Trade receivables	Other receivables	Cash and cash equivalents	Financial investments	Derivative instrument
<b>31 December 2023</b>					
<b>Exposure to maximum credit risk as at reporting date (A+B+C+D)</b>	<b>2,710,693</b>	<b>6,140</b>	<b>118,332,323</b>	<b>4,008,677</b>	<b>55,113</b>
- Guaranteed part of maximum credit risk with collaterals etc	-	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	2,721,705	6,140	118,455,139	4,008,677	55,113
B. Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-
C. Net carrying value of impaired assets	-	-	-	-	-
- Overdue (Gross book value)	634	-	-	-	-
- Impairment (-)	(634)	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-	-
D. Expected credit losses	(11,012)	-	(122,816)	-	-
<b>31 December 2022</b>					
<b>Exposure to maximum credit risk as at reporting date (A+B+C+D)</b>	<b>3,260,535</b>	<b>13,940</b>	<b>81,449,949</b>	<b>4,436,416</b>	<b>-</b>
- Guaranteed part of maximum credit risk with collaterals etc	-	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	3,271,198	13,940	81,541,539	4,436,416	-
B. Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-
C. Net carrying value of impaired assets	-	-	-	-	-
- Overdue (Gross book value)	523	-	-	-	-
- Impairment (-)	(523)	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-	-
D. Expected credit losses	(10,663)	-	(91,590)	-	-

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 32- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 32.2 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 2023 and 31 December 2022, the table below represents the gross amount of un-discounted cash flows related to financial liabilities based on the remaining maturities:

31 December 2023	Carrying value	Contractual cash flows	Up to 3 months	3-12 months	1-5 years
<b>Current liabilities</b>					
Short term borrowings	5,651,092	5,651,092	5,651,092	-	-
Lease liabilities	1,486	1,542	481	1,061	-
Trade and other payables	17,955,180	17,955,180	17,955,180	-	-
Other current liabilities	91,591,395	91,591,395	91,591,395	-	-
<b>Non-current liabilities</b>					
Lease liabilities	1,589	2,582	-	-	2,582
Other non-current liabilities	22,668	22,668	-	-	22,668
<b>Total</b>	<b>115,223,410</b>	<b>115,224,459</b>	<b>115,198,148</b>	<b>1,061</b>	<b>25,250</b>
31 December 2022	Carrying value	Contractual cash flows	Up to 3 months	3-12 months	1-5 years
<b>Current liabilities</b>					
Short term borrowings	7,028,263	7,028,263	7,028,263	-	-
Lease liabilities	7,390	8,545	2,097	6,448	-
Trade and other payables	3,721,895	3,728,797	3,728,797	-	-
Other current liabilities	70,750,232	70,750,232	70,750,232	-	-
<b>Non-current liabilities</b>					
Lease liabilities	5,164	10,153	-	-	10,153
Other non-current liabilities	15,806	15,806	-	-	15,806
<b>Total</b>	<b>81,528,750</b>	<b>81,541,796</b>	<b>81,509,389</b>	<b>6,448</b>	<b>25,959</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 32- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 32.3 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 2023 and 31 December 2022, the foreign exchange rates used by the Group for translation of the transactions in foreign currencies are as follows:

	31 December 2023		31 December 2022	
	Asset	Liability	Asset	Liability
USD	29.4382	29.4913	18.7029	18.7366
EUR	32.5739	32.6326	19.9806	20.0166

While converting the foreign currency transactions of Takasbank, one of the subsidiaries of the Group, the foreign exchange buying rates of the Central Bank of the Republic of Türkiye on 29 December 2023 were used as a base (29.4382 for the USD and 32.5739 for the EUR).

As at 31 December 2023 and 31 December 2022, 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 2023			31 December 2022		
	TL	USD	EUR	TL	USD	EUR
Cash and cash equivalents	29,902,615	707,119	278,944	19,032,965	723,967	275,698
Trade receivables	38,367	1,303	-	15,986	853	1
Financial investments	3,379,883	114,813	-	2,521,911	28,178	100,078
Other current assets	34,934	992	176	10,824	386	181
<b>Total assets</b>	<b>33,355,799</b>	<b>824,227</b>	<b>279,120</b>	<b>21,581,686</b>	<b>753,384</b>	<b>375,958</b>
Short term borrowings	5,521,256	167,076	18,506	6,821,660	186,551	167,218
Other current liabilities	17,990,467	389,589	200,211	12,279,923	444,601	198,978
Trade payables	13,604,689	401,949	54,397	2,377,918	118,910	7,746
<b>Total liabilities</b>	<b>37,116,412</b>	<b>958,614</b>	<b>273,114</b>	<b>21,479,501</b>	<b>750,062</b>	<b>373,942</b>
Derivative financial instruments	(4,415,730)	(150,000)	-	-	-	-
<b>Net exposure</b>	<b>655,117</b>	<b>15,613</b>	<b>6,006</b>	<b>102,185</b>	<b>3,322</b>	<b>2,016</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

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

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

### NOTE 32- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### Exposure to foreign currency risk

For the year ended 31 December 2023 and 2022, 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
<b>31 December 2023</b>				
<b>Increase/(decrease) 10% of USD</b>				
1- USD net asset/liability	45,962	(45,962)	45,962	(45,962)
2- Hedged portion of USD amounts (-)	-	-	-	-
<b>3- Net effect of USD (1+2)</b>	<b>45,962</b>	<b>(45,962)</b>	<b>45,962</b>	<b>(45,962)</b>
<b>Increase/(decrease) 10% of EURO</b>				
4- EURO net asset/liability	19,564	(19,564)	19,564	(19,564)
5- Hedged portion of EURO amounts (-)	-	-	-	-
<b>6- Net effect of EURO (4+5)</b>	<b>19,564</b>	<b>(19,564)</b>	<b>19,564</b>	<b>(19,564)</b>
<b>TOTAL (3+6)</b>	<b>65,526</b>	<b>(65,526)</b>	<b>65,526</b>	<b>(65,526)</b>
<b>31 December 2022</b>				
<b>Increase/(decrease) 10% of USD</b>				
1- USD net asset/liability	6,213	(6,213)	6,213	(6,213)
2- Hedged portion of USD amounts (-)	-	-	-	-
<b>3- Net effect of USD (1+2)</b>	<b>6,213</b>	<b>(6,213)</b>	<b>6,213</b>	<b>(6,213)</b>
<b>Increase/(decrease) 10% of EURO</b>				
4- EURO net asset/liability	4,028	(4,028)	4,028	(4,028)
5- Hedged portion of EURO amounts (-)	-	-	-	-
<b>6- Net effect of EURO (4+5)</b>	<b>4,028</b>	<b>(4,028)</b>	<b>4,028</b>	<b>(4,028)</b>
<b>TOTAL (3+6)</b>	<b>10,241</b>	<b>(10,241)</b>	<b>10,241</b>	<b>(10,241)</b>

BORSA İSTANBUL A.Ş.

## Notes to the Consolidated Financial Statements For the Year Ended 31 December 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 32- 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 2023 and 31 December 2022, the Group's interest rate sensitive financial instruments' allocation are presented below:

	31 December 2023	31 December 2022
<b>Financial assets</b>		
Bank deposits	113,207,662	81,861,373
Reverse repo receivables	10	47
Financial assets measured at amortized cost	3,969,030	3,032,218
Deposits more than 3 months	-	1,344,566
Financial assets at fair value through profit or loss	39,647	59,632
Derivative financial instruments	55,113	-
<b>Financial liabilities</b>		
Short term borrowings	5,651,092	7,028,263
Lease liabilities	3,075	12,554

### NOTE 33- FINANCIAL INSTRUMENTS

#### Fair value of financial instruments

Fair value is the price for which an asset could be exchanged on the date of valuation between a willing parties in a current transaction.

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 2023

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

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

### NOTE 33- FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Carrying value	Fair value
<b>Financial assets</b>		
Cash and cash equivalents	118,332,411	118,332,411
Trade and other receivables	2,716,833	2,716,833
Derivative financial instruments	55,113	55,113
Financial assets measured at amortized cost	3,969,030	3,969,030
Financial assets at fair value through profit or loss	39,647	39,647
<b>Financial liabilities</b>		
Borrowings	5,651,092	5,651,092
Lease liabilities	3,075	3,075
Trade and other payables	17,955,180	17,955,180
<b>31 December 2022</b>		
<b>Financial assets</b>		
Cash and cash equivalents	81,449,970	81,449,970
Trade and other receivables	3,274,475	3,274,475
Financial assets measured at amortized cost	3,032,218	3,032,218
Deposits more than 3 months	1,344,566	1,344,566
Financial assets at fair value through profit or loss	59,632	59,632
<b>Financial liabilities</b>		
Borrowings	7,028,263	7,028,263
Lease liabilities	12,554	12,554
Trade and other payables	3,721,895	3,721,895

As at 31 December 2023 and 31 December 2022, 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 2023

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)  
(Convenience translation of a report and consolidated financial statements originally issued in turkish)

### NOTE 33- 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 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investment funds	521,000	-	-	521,000
Derivative financial instruments	-	55,113	-	55,113
Financial assets at fair value through other comprehensive income	-	-	7,583	7,583
<b>Total</b>	<b>521,000</b>	<b>55,113</b>	<b>7,583</b>	<b>583,696</b>
31 December 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investment funds	212,346	-	-	212,346
Derivative financial instruments	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	7,583	7,583
<b>Total</b>	<b>212,346</b>	<b>-</b>	<b>7,583</b>	<b>219,929</b>

#### Explanations of non-financial assets and liabilities at fair value

As at 31 December 2023 and 31 December 2022, 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 394,470 is determined using the market value approach as stated in the valuation reports (31 December 2022: TL 206,630). Related valuation methods and accounting policies are explained in Note 2.10.

### NOTE 34- SUBSEQUENT EVENTS

None.



## TCFD DISCLOSURE TABLE

TOPIC	RECOMMENDED DISCLOSURES	REFERENCE LINKS
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities.	The Role of the Board of Directors in Sustainability Governance, p. 85
	Describe management's role in assessing and managing climate-related risks and opportunities.	Material Issues, p. 38-43 Sustainability and Climate Governance, p. 84-85
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Material Issues, p. 38-43 Sustainability and Climate Governance, p. 28-29 Sustainability Related Risks, p. 86-88 Sustainability Opportunities, p. 89
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Strategy, p.30, Strategic Themes, p.31 Effects of Sustainability-Related Risks and Opportunities on Our Activities and Strategy, p. 90
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Strategic Themes, p. 31 Business Continuity-Endurance, p. 34 Sustainability and Climate Governance, p 84
<b>Risk Management</b>	Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management, p. 50-51
	Describe the organization's processes for managing climate-related risks.	Risk Management, p. 52
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Appetite, p. 52-53
<b>Metrics and Targets</b>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability Metrics, Activities and Goals, p. 90-91 Environment Performance Indicators, p.93
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environment Performance Indicators, p. 93
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Sustainability Metrics, Activities and Goals, p. 90-91 Environment Performance Indicators, p. 93

## GRI CONTENT INDEX



For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

<b>STATEMENT OF USE</b>	Borsa İstanbul A.Ş. has reported in accordance with the GRI Standards for the period 01.01.2023-31.12.2023.	
<b>GRI 1 USED</b>	GRI 1: Foundation 2021	
<b>APPLICABLE GRI SECTOR STANDARD(S)</b>	N/A	
<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION</b>
<b>GENERAL DISCLOSURES</b>		
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	2-1 Organizational details	Borsa İstanbul A.Ş. Borsa İstanbul Group, Inner cover Organization Structure, Page: 72-73 <a href="https://borsaistanbul.com/en/sayfa/2096/about-us">https://borsaistanbul.com/en/sayfa/2096/about-us</a> <a href="https://borsaistanbul.com/en/sayfa/3753/legal-framework">https://borsaistanbul.com/en/sayfa/3753/legal-framework</a>
	2-2 Entities included in the organization's sustainability reporting	About the Report, Page: 2
	2-3 Reporting period, frequency and contact point	About the Report, Page: 2 Annual.
	2-4 Restatements of information	There is no restated information provided in previous reports.
	2-5 External assurance	The report did not receive external assurance.
	2-6 Activities, value chain and other business relationships	Borsa İstanbul Group, Inner cover <a href="https://borsaistanbul.com/en/sayfa/2096/about-us">https://borsaistanbul.com/en/sayfa/2096/about-us</a> <a href="https://borsaistanbul.com/en/sayfa/2426/markets">https://borsaistanbul.com/en/sayfa/2426/markets</a>
	2-7 Employees	Stakeholder, Page: 67-70 Social Performance Indicators, Page: 94-96
	2-8 Workers who are not employees	Social Performance Indicators, Page: 94-96 There are no workers who are not employees of the company.
	2-9 Governance structure and composition	Organization Structure, Page: 72-73 Board of Directors, Page: 74-78 Senior Management, Page: 81 Board of Directors Committees, Page: 79-80 Corporate Governance, Page: 71 <a href="https://borsaistanbul.com/en/sayfa/2393/corporate-governance">https://borsaistanbul.com/en/sayfa/2393/corporate-governance</a>
	2-10 Nomination and selection of the highest governance body	Corporate Governance, Page: 71 Board of Directors, Page: 74
	2-11 Chair of the highest governance body	Board of Directors, Page: 74-78

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	2-12 Role of the highest governance body in overseeing the management of impacts	Responsibility of the Board of Directors regarding tje Annual Report, Page: 3 Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Risk Management, Page: 50-57 Corporate Governance, Page: 71 Organization Structure, Page: 72-73 <a href="https://borsaistanbul.com/en/sayfa/2393/corporate-governance">https://borsaistanbul.com/en/sayfa/2393/corporate-governance</a> <a href="https://borsaistanbul.com/files/bias-internal-directive-on-the-working-principles-and-procedures-of-gen-ass.pdf">https://borsaistanbul.com/files/bias-internal-directive-on-the-working-principles-and-procedures-of-gen-ass.pdf</a>
	2-13 Delegation of responsibility for managing impacts	Sustainability Approach, Page: 84-86
	2-14 Role of the highest governance body in sustainability reporting	Responsibility of the Board of Directors regarding tje Annual Report, Page: 3 Strategy/Sustainability, Page: 35 Risk Management, Page: 50-57
	2-15 Conflicts of interest	Board of Directors Committees, Page: 79-80 <a href="https://borsaistanbul.com/en/sayfa/2393/corporate-governance">https://borsaistanbul.com/en/sayfa/2393/corporate-governance</a> <a href="https://borsaistanbul.com/en/sayfa/4885/ethical-principles">https://borsaistanbul.com/en/sayfa/4885/ethical-principles</a> <a href="https://www.borsaistanbul.com/en/sayfa/4025/directive">https://www.borsaistanbul.com/en/sayfa/4025/directive</a>
	2-16 Communication of critical concerns	Corporate Governance, Page: 71
	2-17 Collective knowledge of the highest governance body	Board of Directors, Page: 74-78
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, Page: 71 Board of Directors, Page: 74-78
	2-19 Remuneration policies	<a href="https://borsaistanbul.com/en/sayfa/4920/remuneration-policy">https://borsaistanbul.com/en/sayfa/4920/remuneration-policy</a>
	2-20 Process to determine remuneration	Stakeholders/Remuneration, Page: 68-70 Board of Directors Committees, Page: 79-80
	2-21 Annual total compensation ratio	Consolidated Financial Statements, Page: 120, 131, 146-147
	2-22 Statement on sustainable development strategy	Responsibility of the Board of Directors regarding tje Annual Report, Page: 3 Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Sustainability Approach, Page: 84-86
	2-23 Policy commitments	Risk Management, Page: 50-57 <a href="https://borsaistanbul.com/en/sayfa/4885/ethical-principles">https://borsaistanbul.com/en/sayfa/4885/ethical-principles</a>
	2-24 Embedding policy commitments	Risk Management, Page: 50-57 <a href="https://borsaistanbul.com/en/sayfa/6882/policies">https://borsaistanbul.com/en/sayfa/6882/policies</a>
	2-25 Processes to remediate negative impacts	Stakeholder, Page: 63 Sustainability Approach, Page: 84-91 <a href="https://www.borsaistanbul.com/en/sayfa/4028/procedures">https://www.borsaistanbul.com/en/sayfa/4028/procedures</a>
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder, Page: 63 Sustainability Approach, Page: 91 <a href="https://www.borsaistanbul.com/en/sayfa/4028/procedures">https://www.borsaistanbul.com/en/sayfa/4028/procedures</a> <a href="https://borsaistanbul.com/files/complaint-procedure-for-financial-benchmarks.pdf">https://borsaistanbul.com/files/complaint-procedure-for-financial-benchmarks.pdf</a> <a href="https://www.borsaistanbul.com/en/sayfa/9/contact">https://www.borsaistanbul.com/en/sayfa/9/contact</a>

## GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	2-27 Compliance with laws and regulations	Sustainability Approach, Page: 84-91 <a href="https://borsaistanbul.com/en/sayfa/2393/corporate-governance">https://borsaistanbul.com/en/sayfa/2393/corporate-governance</a> <a href="https://borsaistanbul.com/en/sayfa/4885/ethical-principles">https://borsaistanbul.com/en/sayfa/4885/ethical-principles</a> <a href="https://www.borsaistanbul.com/en/sayfa/4025/directive">https://www.borsaistanbul.com/en/sayfa/4025/directive</a>
	2-28 Membership associations	<a href="https://borsaistanbul.com/en/sayfa/2209/international-memberships">https://borsaistanbul.com/en/sayfa/2209/international-memberships</a>
	2-29 Approach to stakeholder engagement	Material Issues, Page: 38-43 Stakeholder, Page: 60-70
	2-30 Collective bargaining agreements	Stakeholder, Page: 68
<b>MATERIAL TOPICS</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-1 Process to determine material topics	Material Issues, Page: 38-43
	3-2 List of material topics	Material Issues, Page: 38
<b>DEVELOPING AND DEEPENING MARKETS/TECHNOLOGY AND INNOVATION</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Material Issues, Page: 38-43
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>	201-1 Direct economic value generated and distributed	Financial and Operational Performance in 2023, Page: 10-12 Value Generation, Page: 44-45 Business Model, Page: 46-47 Economic Performance Indicators, Page: 92
	201-3 Defined benefit plan obligations and other retirement plans	Consolidated Financial Statements, Page: 120, 131, 146-147
	201-4 Financial assistance received from government	Business Model, Page: 46-47 Consolidated Financial Statements, Page: 141
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>	203-1 Infrastructure investments and services supported	2023 Performance, Page: 14-25 Value Generation, Page: 44-45 Business Model, Page: 46-47
	203-2 Significant indirect economic impacts	Material Issues, Page: 38-43 Value Generation, Page: 44-45 Business Model, Page: 46-47
<b>GRI 207: TAX 2019</b>	207-1 Approach to tax	Value Generation, Page: 44-45 Business Model, Page: 46-47 Consolidated Financial Statements, Page: 132, 153-156
	207-4 Country-by-country reporting	Consolidated Financial Statements, Page: 132, 153-156
<b>BUSINESS CONTINUITY AND RISK MANAGEMENT</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Material Issues, Page: 38-43 Risk Management, Page: 50-57

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 205: ANTI-CORRUPTION 2016</b>	205-1 Operations assessed for risks related to corruption	Risk Management, Page: 50-57 <a href="https://borsaistanbul.com/en/sayfa/4885/ethical-principles">https://borsaistanbul.com/en/sayfa/4885/ethical-principles</a>
	205-2 Communication and training about anti-corruption policies and procedures	<a href="https://borsaistanbul.com/en/sayfa/4885/ethical-principles">https://borsaistanbul.com/en/sayfa/4885/ethical-principles</a>
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="https://borsaistanbul.com/en/sayfa/2393/corporate-governance">https://borsaistanbul.com/en/sayfa/2393/corporate-governance</a>
<b>SUSTAINABILITY</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Material Issues, Page: 38-43 Sustainability Approach, Page: 84-91 <a href="https://borsaistanbul.com/en/sayfa/2412/sustainability">https://borsaistanbul.com/en/sayfa/2412/sustainability</a> <a href="https://borsaistanbul.com/en/sayfa/2251/environmental-management">https://borsaistanbul.com/en/sayfa/2251/environmental-management</a>
<b>GRI 302: ENERGY 2016</b>	302-1 Energy consumption within the organization	Business Model, Page: 46-47
<b>GRI 305: EMISSIONS 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environmental Performance Indicators, Page: 93
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance Indicators, Page: 93
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance Indicators, Page: 93
<b>GRI 306: WASTE 2020</b>	306-3 Waste generated	Business Model, Page: 46-47
	306-5 Waste directed to disposal	Business Model, Page: 46-47
<b>STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Material Issues, Page: 38-43 Sustainability Approach, Page: 84-91
<b>GRI 418: CUSTOMER PRIVACY 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no substantiated complaints concerning breaches of customer privacy and losses of customer data during reporting period.

## GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
<b>EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Material Issues, Page: 38-43 Sustainability Approach, Page: 84-91 <a href="https://www.borsaistanbul.com/en/sayfa/2357/training-at-borsa-istanbul">https://www.borsaistanbul.com/en/sayfa/2357/training-at-borsa-istanbul</a>
<b>GRI 401: EMPLOYMENT 2016</b>	401-1 New employee hires and employee turnover	Social Performance Indicators, Page: 94-96
	401-3 Parental leave	Social Performance Indicators, Page: 94-96
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>	403-1 Occupational health and safety management system	Stakeholders/Employees, Page: 67-70
	403-5 Worker training on occupational health and safety	Social Performance Indicators, Page: 94-96
	403-9 Work-related injuries	Social Performance Indicators, Page: 94-96
	403-10 Work-related ill health	Social Performance Indicators, Page: 94-96
<b>GRI 404: TRAINING AND EDUCATION 2016</b>	404-1 Average hours of training per year per employee	Stakeholders/Employees, Page: 67-70 Social Performance Indicators, Page: 94-96
	404-2 Programs for upgrading employee skills and transition assistance programs	Stakeholders/Employees, Page: 67-70 Social Performance Indicators, Page: 94-96
	404-3 Percentage of employees receiving regular performance and career development reviews	Stakeholders/Employees, Page: 67-70 Social Performance Indicators, Page: 94-96
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>	405-1 Diversity of governance bodies and employees	Stakeholders/Employees, Page: 67-70 Board of Directors, Page: 76 Social Performance Indicators, Page: 94-96
	405-2 Ratio of basic salary and remuneration of women to men	Stakeholders/Employees, Page: 67-70 Social Performance Indicators, Page: 94-96
<b>GRI 406: NON-DISCRIMINATION 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Stakeholders/Employees, Page: 67-70

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There are no operations at Borsa İstanbul in which the right to freedom of association and collective bargaining may be at risk.
<b>GRI 408: CHILD LABOR 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Borsa İstanbul does not employ child labor.
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No significant risk of forced or compulsory labor was observed in Borsa İstanbul.
<b>INVESTOR PROTECTION AND FINANCIAL LITERACY</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Material Issues, Page: 38-43 Sustainability Approach, Page: 84-91
<b>INTERNATIONAL RELATIONS AND COLLABORATIONS</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Chairman's Assessment, Page: 4-5 CEO's Assessment, Page: 6-7 Strategy, Page: 30-37 Material Issues, Page: 38-43 Sustainability Approach, Page: 84-91

## 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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