BIST-KYD INDICES METHODOLOGY

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1. INTRODUCTION AND PURPOSE

1.1. Introduction

Borsa İstanbul has full control over all indices calculated under this Methodology and is responsible for all processes related to the creation, calculation and publication of these indices and their compliance with the "Principles for Financial Benchmarks" of the International Organization of Securities Commissions (IOSCO). Information on the compliance of the Financial Benchmarks calculated by Borsa İstanbul with the principles of IOSCO can be accessed from the Borsa İstanbul corporate website, Indices - Compliance with IOSCO Principles page. Borsa İstanbul Index Directorate carries out the works and operations to ensure the continuity of BIST-KYD Indices.

Lists of constituent securities in the indices are determined and used in the index calculations by Borsa İstanbul according to the Methodology. If the securities to be included in the indices cannot be determined due to lack of data or in case of unusual market conditions, the indices continue to be calculated with the current list. In case of the absence of any constituent for any of indices, indices are continued with the latest recorded value.

1.1.1. Financial Benchmarks Committee

Financial Benchmarks Committee formed and appointed by Borsa İstanbul for the sake of development of opinions and proposals on all and any issues that may be included in the scope of control and oversight of Financial Benchmarks, in order to perform the control and oversight functions described in Article 8 "Control Framework" and Article 9 "Internal Oversight" of Borsa İstanbul A.Ş. Directive on Financial Benchmarks Compliant with IOSCO Principles.

Financial Benchmarks Committee provides governance and internal oversight in regarding all aspects of Financial Benchmark determination activity. Duties and responsibilities of the Financial Benchmarks Committee are basically comprised of determination and announcement of Financial Benchmarks, and creation of Financial Benchmarks, and determination of Methodology, and calculation of Financial Benchmarks, and publishing and dissemination of Financial Benchmarks, and conduct of related operations for reporting and submission to the Decision-making Body referred to in Article 4 of Borsa İstanbul A.Ş. Financial Benchmarks Management Procedure. The Committee gathers at least once every four months. Duties, responsibilities and the membership structure of Financial Benchmarks Committee are stated in Article 5 of Borsa İstanbul A.Ş. Financial Benchmarks Management Procedure. All practices can be accessed from the Borsa İstanbul corporate website, Indices - Compliance with IOSCO Principles page.

1.1.2. BIST-KYD Indices Committee

BIST-KYD Indices Committee (the Committee) was established to oversee the activities for the calculation and continuity of BIST-KYD Indices, and to make the necessary changes in the Methodology, including creating new indices or terminating the calculation of some existing indices, taking into account the developments in the market, emerging new needs and requests. The decisions taken by the Committee are advisory, taken by majority vote and finalized with the approval of Borsa İstanbul Management.

The Committee is composed of 6 members in total; 3 members each from Borsa İstanbul A.Ş. and 3 members each from Turkish Institutional Investment Managers' Association (KYD). The Committee gathers at least twice a year on the dates to be determined by the Committee members. Additional meetings may be held if deemed necessary by the Committee members.

1.1.3. Changes to the Index Methodology

The Methodology is regularly reviewed by Financial Benchmarks Committee and BIST KYD Indices Committee to ensure that it continues to best reflect the change that each index aims to measure.

Needs for revision in the Methodology may arise as a result of change requests from Subscribers or Stakeholders and periodic or non-periodic reviews within the scope of the oversight of the Financial Benchmarks. Borsa İstanbul has implemented a governance and oversight structure with committees and policies to review the Methodology and conduct consultations with Stakeholders as needed.

All changes that are decided to be made in the Methodology are made publicly available on Borsa İstanbul corporate website, Indices - Methodologies and Changes page, accompanied by the relevant explanations and rationale for the revision, before being implemented.

All practices about the Methodology are established and announced by Borsa İstanbul Management with Financial Benchmarks Committee's and BIST-KYD Indices Committee's advice.

1.2. Purpose

BIST–KYD Indices are created in order to measure the daily returns of a variety of financial instruments such as debt securities, lease certificates, repo, gold, bank deposit rates, profit share rates, and mutual and exchange traded funds.

2. ABBREVIATIONS AND DEFINITIONS

2.1. Abbreviations

Included in this Methodology;

- BIST TLREF Index: BIST TLREF Index calculated to follow the TLREF return,
- BVAL: "Bloomberg Valuation Service" offered by the company Bloomberg Finance L.P.,

- Borsa, Borsa İstanbul: Borsa İstanbul A.Ş.,

- CBRT: Central Bank of the Republic of Türkiye,

- DSM: Debt Securities Market,

- EDDS: Electronic Data Distribution System,

- EUR: Euro

- GDS: Turkish Government Domestic Debt Securities issued in the domestic market by the Ministry of Treasury and Finance of Türkiye,

- HMB: Republic of Türkiye Ministry of Treasury and Finance,

- HMVKŞ: Republic of Türkiye Ministry of Treasury and Finance Asset Leasing Company,

- ISIN: International Securities Identification Number,

- KYD: Turkish Institutional Investment Managers' Association

- LBMA: London Bullion Market Association,

- Methodology: BIST-KYD Indices Methodology,

- PMD: Precious Metals and Diamond Market,

- Takasbank: Takasbank A.Ş.,

- TKBB: Participation Banks Association of Türkiye,

- TLREF: Turkish Lira Overnight Reference Rate,

- TRY: Turkish Lira,

- USD: American Dollar,

expresses.

2.2. Definitions

Included in this Methodology;

- Accrued Interest: The amount of interest accrued on a bond between the last coupon date and the index date,

- Actual/Actual Day Convention: Uses actual day counting in interest calculations. The actual number of days in each month and year,

- Clean Price: The price of the security that does not include accrued interest,

- Coupon Rate: The interest rate paid by fixed income securities such as bonds or bonds in certain periods,

- CPI Indexed Government Bonds: Coupon bonds that guarantee a fixed real return determined by the Ministry of Treasury and Finance on the Consumer Price Index (CPI) throughout their maturity,

- Daily Return: The return of an asset or investment on a specific day,

- Dated Date: The date on which interest accrued on debt instruments begins to accrue,

- Day Count Convention: The calendar conventions used to calculate accrued interest or other cash flow analytics for a given security.

- Default: Default refers to the situation where the security is not paid when the coupon or principal payment date arrives.

- Deposit Interest Rate: The interest rate applied by banks to deposit accounts,

- Dirty Price: The price of the security, including accrued interest,

- Eurobond: A debt instrument issued in a foreign country, generally in foreign currency, and traded in international markets,

- Fixing: The pricing process in which the value of a particular financial instrument is fixed, usually with reference to a certain time of day,

- Floating Rate Debt Instrument: A debt instrument that pays interest according to a variable reference rate,

- Fund Unit Share Price: The value of a unit share of an investment fund,

- Index: It refers to indicators which are regularly determined and published or made available by application of a specific formula or another calculation method or by assessment through use of certain assets, prices, returns or rates included therein (also including estimated prices or interest rates, standing orders or other values or observations),

- Initial Public Offering: Opening a company or asset to the public and offering it for sale to general investors,

- Lease Certificates: Securities issued by the asset leasing company in order to provide financing of all kinds of assets and rights, and which enable the owners to have rights in proportion to their shares of the income obtained from this asset or right,

- Macaulay Duration: A measure of the weighted average time to maturity for an investor to obtain the cash flows at the present value of a bond,

- Maturity: Maturity refers to a finite period at the end of which the instrument will no longer exist and the principal is repaid with interest.

- Nominal Amount: The nominal value written on a financial instrument, its principal,

- Redemption: Redemption is the repayment of the accrued interest and principal of the security on the maturity date determined at the time of issue of the security.

- Repo: Repo is the sale of a security with the promise of repurchase at the starting value, and the repurchase of the security at the ending value.

- Reverse repo, reverse repurchase agreement, (RRP): Reverse repo means purchasing a security with the promise of resale at the starting value, and selling the security back at the ending value

- ROT: Non-competitive offer,

- Settlement Price: Settlement price is the price used in calculating the clearing amount of the transaction

- T+0: The day a financial transaction occurs,

- T+1: It refers to the first business day following the day a financial transaction occurs. The effective date of the transaction is the next business day,

- Yield to Maturity (YTM): Internal rate of return calculated assuming a bond will be held until maturity,

- Zero Coupon Debt Instrument: Fixed income debt instrument that is sold at a discounted price on the issue date, does not have any coupon payment throughout its maturity and makes principal payment on the maturity date,

- 30/360: It is a day counting method used in interest calculations. A system in which each month is considered to have 30 days and each year to have 360 days

expresses.

3. CALCULATED INDICES

3.1. BIST-KYD Debt Securities Indices

3.1.1. BIST–KYD GDS Indices

Purpose: BIST–KYD GDS Indices are created to measure the return of zero coupon and fixed-rate coupon GDS issued in TRY by HMB and traded in DSM for several maturity bands. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: Zero coupon and fixed-rate coupon GDS's issued in TRY by HMB are included in the indices, while special category state domestic borrowing notes issued by HMB are not included. Only GDS's which include both the face value and stripped coupons, if exists any, are included in the indices.

Value Dates of the Indices: BIST–KYD GDS Indices have two different versions with T+0 and T+1 value date prices, these versions are given in Annex-1 Index List.

Maturity Breakdown of Indices: Indices are categorized mainly into two groups based on the number of remaining days to the maturity. The first group consists of 91 Days, 182 Days, 365 Days, 547 Days, ALL indices

which are calculated for short term maturity lengths. The second group consists of Short, Medium, Long indices which are calculated for relatively longer-term maturity lengths. Maturity length classification of the indices is shown in Annex-1 Index List. In the calculation of the maturities of GDS with coupons, the maturities found by "Macaulay Duration" formula is taken into account.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices, the weighted average settlement prices of transactions announced in DSM Outright Purchases and Sales Normal Orders Market and Watchlist Market are taken into considerations. In this context, cross trades, trade report transactions, non cleared transactions, and cancelled trades are excluded from the index calculations. In the indices calculated by using T+0 value prices, cancellations made after the session affect prices used in the index calculations and therefore, they are taken into account in index calculations.

If a security in the indices does not have any same day settled transaction on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions, in order to find the forward carried weighted average settlement price, the last settled weighted average settlement price is carried forward under the assumption that yield will stay same until the maturity.

Prices Used When Including Securities in Indices: Securities are added to indices with auction prices in the indices with T+0 value date prices and with one business day carried forward auction prices in the indices with T+1 value date prices on the first settlement date. Return of the security starts to be reflected on the indices effective from the next business day after the first settlement date. If the corresponding security is not traded throughout the business day, it is valued with one business day forward price in the indices with T+0 value date prices and with two business days forward price in the indices with T+1 value date prices carried from the auction price valid on the first settlement date.

Weighting Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+0 value date prices, debt securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount. For the indices calculated by using T+1 value date prices, debt securities remain in the indices for the last time at the previous business day of maturity date with the face amount (Coupon payment, if any).

Nominal Amounts: The total nominal amount of GDS is the total issued amount in HMB's auctions. This amount includes the sales to the public and market makers with noncompetitive bids, sales after an auction, buyback auctions, sales with exchange auctions and sales with a public offering. Nominal amounts of reissues

of GDS are effective at the first settlement date. In buyback auctions, the nominal amount of the securities is decreased by the buyback amount effective from the value date of the buyback.

3.1.2. BIST-KYD GDS Floating Rate Indices

Purpose: BIST-KYD GDS Floating Rate Indices are created to measure the return of floating rate coupon GDS issued in TRY by HMB traded in the DSM and the return of GDS whose coupon is calculated based on the return of the BIST TLREF Index as whole. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: Floating rate coupon GDS issued in TRY by HMB and the return of GDS whose coupon is calculated based on the return of the BIST TLREF Index are included in the indices, while special category state domestic borrowing notes issued by HMB are not included. Only GDS's which include both the face value and stripped coupons, if exists any, are included in the indices.

Value Dates of the Indices: BIST–KYD GDS Floating Indices have two different versions with T+0 and T+1 value date prices, these versions are given in Annex-1 Index List.

Maturity Breakdown of Indices: There is no distinction between the indices in terms of maturity lengths.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices, the weighted average settlement prices of transactions announced in DSM Outright Purchases and Sales Normal Orders Market and Watchlist Market are taken into considerations. In this context, cross trades, trade report transactions, non cleared transactions, and cancelled trades are excluded from the index calculations. In the indices calculated by using T+0 value prices, cancellations made after the session affect prices used in the index calculations and therefore, they are taken into account in index calculations.

If a security in the indices does not have any same day settled transaction on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions, in order to find the forward carried weighted average settlement price, the last settled weighted average settlement price is carried forward under the assumption that yield will stay same until the maturity.

For GDS, whose coupon rate is based on the return of the BIST TLREF Index, coupon amount is calculated as specified in Article "5.1. Coupon Calculation Method for securities whose coupon is calculated based on the return of the BIST TLREF Index" In yield to maturity calculations, this coupon amount is taken into account in bonds' cash flows based on the assumption that coupon amounts will remain the same for future undetermined coupon amounts. For other GDS whose coupon rates are not calculated based on the return of the BIST TLREF Index, the most recent finalized coupon rate is taken into account in bonds' cash flows based on the assumption that coupon amounts will remain the same for future undetermined coupon amounts, if there exists any, in yield to maturity calculations.

For GDS, whose coupon rate is calculated based on the return of the BIST TLREF Index and has not any same day settled transaction on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions, in order to find forward carried weighted average settlement price as specified in Article "5.1. Coupon Calculation Method for securities whose coupon is calculated based on the return of the BIST TLREF Index", last settled weighted average settlement price carried forward under the assumption that yield will stay same until the maturity by using daily estimated periodic coupon amount.

Prices Used When Including Securities in Indices: Securities are added to indices with auction prices in the indices with T+0 value date prices and with one business day carried forward auction prices in the indices with T+1 value date prices on the first settlement date. Return of the security starts to be reflected on the indices effective from the next business day after the first settlement date. The most recent coupon rate calculated as specified in Article "5.1. Coupon Calculation Method for securities whose coupon is calculated based on the return of the BIST TLREF Index" is used on the calculation of forward price for GDS whose coupon rates are determined by the return of the BIST TLREF Index in case corresponding security is not traded throughout the business day.

Weighting Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+0 value date prices, debt securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount. For the indices calculated by using T+1 value date prices, debt securities remain in the indices for the last time at the previous business day of maturity date with the face amount (Coupon payment, if any).

Nominal Amounts: The total nominal amount of GDS is the total issued amount in HMB's auctions. This amount includes the sales to the public and market makers with noncompetitive bids, sales after an auction, buyback auctions, sales with exchange auctions and sales with a public offering. Nominal amounts of reissues of GDS are effective at the first settlement date. In buyback auctions, the nominal amount of the securities is decreased by the buyback amount effective from the value date of the buyback.

3.1.3. BIST-KYD CPI Indexed Government Bond Indices

Purpose: BIST-KYD CPI Indexed Government Bond Indices are created to measure the returns of CPI Indexed GDS issued in TRY by HMB and traded in DSM as a whole. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: CPI Indexed GDS's issued in TRY by HMB are included in the indices, while special category state domestic borrowing notes issued by HMB are not included.

Value Dates of the Indices: BIST-KYD CPI Indexed Government Bond Indices have two different versions with T+0 and T+1 value date prices, these versions are given in Annex-1 Index List.

Maturity Breakdown of Indices: There is no distinction between the indices in terms of maturity lengths.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices, the weighted average settlement prices of transactions announced in DSM Outright Purchases and Sales Normal Orders Market and Watchlist Market are taken into considerations. In this context, cross trades, trade report transactions, non-cleared transactions, and cancelled trades are excluded from the index calculations. In the indices calculated by using T+0 value prices, cancellations made after the session affect prices used in the index calculations and therefore, they are taken into account in index calculations.

Carried forward prices of CPI Indexed GDS are calculated by using yield to maturity based on dirty prices on the condition that the securities do not have any same day settled transaction in on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions. CPI carried forward average settlement price is calculated by multiplying carried forward dirty prices with that day's reference indices announced for CPI Indexed GDS (inflation coefficient), announced by HMB, in the indices that are calculated by using T+0 value date prices and with next business day inflation rate in the indices that are calculated by using T+1 value date prices.

Prices Used When Including Securities in Indices: Securities are added to indices with auction prices in the indices with T+0 value date prices and with one business day carried forward auction prices in the indices with T+1 value date prices on the first settlement date. Return of the security starts to be reflected on the indices effective from the next business day after the first settlement date. If the corresponding security is not traded throughout the business day, it is valued with one business day forward price in the indices with T+0 value date prices and with two business days forward price in the indices with T+1 value date prices carried from the auction price valid on the first settlement date.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+0 value date prices, debt securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount. For the indices calculated by using T+1 value date prices, debt securities remain in the indices for

the last time at the previous business day of maturity date with the face amount (With coupon payment, if any, and multiplied by inflation coefficient if it is indexed to CPI).

Nominal Amounts: The total nominal amount of GDS is the total issued amount in HMB's auctions. This amount includes the sales to the public and market makers with noncompetitive bids, sales after an auction, buyback auctions, sales with exchange auctions and sales with a public offering. Nominal amounts of reissues of CPI Indexed GDS are effective at the first settlement date. In buyback auctions, the nominal amount of the securities is decreased by the buyback amount effective from the value date of the buyback.

3.1.4. BIST-KYD Corporate Bond Indices

Purpose: BIST-KYD Corporate Bond Indices are created to measure the returns of corporate bonds issued through a public offering or sold to qualified investors by Turkish companies in TRY and traded in DSM. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: BIST-KYD Corporate Bond Fixed Rate and BIST-KYD Corporate Bond Fixed Rate T1 Indices consist of zero coupon and fixed rate coupon corporate bonds, BIST-KYD Corporate Bond Floating Rate and BIST-KYD Corporate Bond Floating Rate T1 Indices consist of floating rate coupon corporate bonds and corporate bonds whose coupon rate is calculated based on the return of the BIST TLREF Index. Only the corporate bonds whose outstanding amount is at least TRY 500 million and principal value is paid as a lump sum on the maturity date and cannot be redeemed early by the issuer, are included in the indices.

CPI Indexed corporate bonds, asset backed securities, structured bonds, Tier 2 capital issues, convertible bonds, any other fixed income security which include option, securities whose next coupon rate is unclear on the dated date or coupon date and determined with doing return comparison or have minimum/maximum limits for coupon amount or spread are excluded from the indices. Among the securities whose coupon is calculated based on the return of the BIST TLREF Index and next coupon rate is unclear on its dated date or its coupon date, only securities whose day count convention is Actual/365, don't have any coupon date on weekends or public holidays, are included in the indices.

Value Dates of the Indices: BIST-KYD Corporate Bond Indices have two different versions with T+0 and T+1 value date prices, these versions are given in Annex-1 Index List.

Maturity Breakdown of Indices: There is no distinction between the indices in terms of maturity lengths.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices, the weighted average settlement prices of transactions announced in DSM Outright Purchases and Sales Normal Orders Market and Watchlist Market are taken into considerations. In this context, cross trades, trade report transactions, non cleared transactions, and cancelled trades are excluded from the index calculations. In the indices

calculated by using T+0 value prices, cancellations made after the session affect prices used in the index calculations and therefore, they are taken into account in index calculations.

If a security in the indices does not have any same day settled transaction on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions, in order to find the forward carried weighted average settlement price, the last settled weighted average settlement price is carried forward under the assumption that yield will stay same until the maturity.

For securities which are included in BIST-KYD Corporate Bond Floating Rate Indices and whose coupon rate is calculated based on the return of the BIST TLREF Index, the coupon amount is calculated as specified in Article "5.1. Coupon Calculation Method for securities whose coupon is calculated based on the return of the BIST TLREF Index". This coupon amount is taken into account in bonds' cash flows based on the assumption that coupon amounts will remain the same for the future coupon amounts in yield to maturity calculation. In yield to maturity calculation of other floating rate coupon corporate bonds whose coupon rates are not calculated based on the return of the BIST TLREF Index, last unpaid coupon amount is taken into account in bonds' cash flows based on the assumption that coupon amounts will remain the same for future undetermined coupon amounts, if there exists any.

For GDS, whose coupon rate is calculated based on the return of the BIST TLREF Index and has not any same day settled transaction on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions, in order to find forward carried weighted average settlement price as specified in Article "5.1. Coupon Calculation Method for securities whose coupon is calculated based on the return of the BIST TLREF Index", last settled weighted average settlement price carried forward under the assumption that yield will stay same until the maturity by using daily estimated periodic coupon amount.

Prices Used When Including Securities in Indices: Securities are included in the indices on the first settlement date with the issue price in the indices with T+0 value date prices and with one business day carried forward issue price in the indices with T+1 value date prices. The bonds, which have no issue information as of their issue dates, are included in the indices with a price that is calculated separately for the indices with T+0 and T+1 value date prices by carrying forward its issue price to the previous business day of the day on which issue data is available. This means that their returns are taken into account in the index calculations as from the day on which issue information is available. This means that their returns are taken into account in the index calculations as from the day on which issue information is available. The most recent coupon rate calculated as specified in Article "5.1. Coupon Calculation Method for securities whose coupon is calculated based on the return of the BIST TLREF Index" is used on the calculation of forward price which is effective from a date when issue information is available with using issue price for securities whose coupon rates are determined by the return of the BIST TLREF Index. Return of the security starts to be reflected on the indices

effective from the next business day after the first settlement date. If a bond has no transaction throughout the business day, it is valued with the forward T+0 and T+1 prices carried from the issue price valid on the first settlement date.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+0 value date prices, debt securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount. For the indices calculated by using T+1 value date prices, debt securities remain in the indices for the last time at the previous business day of maturity date with the face amount. (Coupon payment, if any)

Constituent debt securities and lease certificates of BIST-KYD Corporate Bond Fixed Rate, BIST-KYD Corporate Bond Floating Rate or BIST-KYD Corporate Lease Certificates Indices which fail to make their coupon or principal payments:

- are excluded from the indices with "zero" value, effective from their delisting date if they are delisted due to not making a debt restructuring or not meeting the trading requirements in Borsa İstanbul markets despite the debt restructuring,

- remain in the indices with their latest value if they make debt restructuring and meet the trading requirements in Borsa İstanbul markets. Within this context, securities or lease certificates which trade in Borsa İstanbul Outright Purchases and Sales Market or Watchlist Market with new ISIN code (due to restructuring) or old ISIN code will remain in the Indices as long as it fulfills other Index rules.

Nominal Amounts: Nominal amounts of reissues of corporate bonds are effective at the first settlement date. In buyback auctions of a security, the nominal amount of the security is decreased by the buyback amount effective from the value date of the buyback.

3.1.5. BIST-KYD Government Eurobond Indices

Purpose: BIST-KYD Government Eurobond indices are created to measure the daily returns of USD and EUR denominated eurobonds issued abroad by HMB and their TRY denominated returns calculated with indicative forex buying rates determined by the CBRT at 15:30. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: USD denominated eurobonds issued abroad by HMB are included in USD indices and EUR denominated eurobonds issued abroad by HMB are included in EUR indices.

Value Dates of the Indices: Indices are calculated with T+0 value date prices.

Maturity Breakdown of Indices: There is no distinction between BIST-KYD GOVERNMENT EUROBOND USD, BIST-KYD GOVERNMENT EUROBOND EUR and TRY versions of these indices in terms of maturity lengths. In addition to these indices which have no distinction in terms of maturity lengths, there are three different versions of USD denominated government eurobonds indices based on maturities according to the remaining days to maturity and the return versions of these three indices, along with TRY versions of these via conversion by using the CBRT benchmark forex buying rates announced at 15:30 started to be calculated. Maturity length classification of the indices is shown in Annex-1 Index List.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of indices dirty prices are used. Accrued interest is added over BVAL Mid Prices determined at London 12:00 pm fixing time (for half days determined at Tokyo 05:00 pm fixing time) obtained through Bloomberg Valuation Services (BVAL) in order to find dirty prices.

If the BVAL prices of the securities used in the indices remain the same or cannot be reached due to the existence of unusual market conditions, the indices continue to be calculated with the prices found by adding accrued interest to the latest BVAL mid prices.

Prices Used When Including Securities in Indices: Government eurobonds are included in the indices on the first settlement date with the auction prices. Returns of eurobonds are reflected on the next business day after the first settlement date.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: Securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount (with coupon payment, if any).

Nominal Amounts: The nominal amount of reissued government eurobonds is increased by the nominal amount sold on the first settlement date. In buyback auctions, the total nominal amount of the auctioned security is decreased by the nominal amount of the buyback effective from the settlement date.

Day Count Convention: 30/360 day count convention is used for USD denominated eurobonds and Actual/Actual day convention is used for EUR denominated eurobonds in accrued interest calculations.

3.1.6. BIST-KYD Corporate Eurobond Indices

Purpose: BIST-KYD Corporate Eurobond Indices are created to measure the daily USD denominated returns on USD denominated eurobonds issued abroad by Turkish companies and their TRY denominated returns

calculated with indicative forex buying rates determined by the CBRT at 15:30. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: Eurobonds issued with only REG S sales method or eurobonds issued with both Reg S sales and 144A methods which have REG S characteristics whose outstanding amount is at least $300 million and classified as bullet bonds (principal value is paid all at once on the maturity date and cannot be redeemed early by an issuer) are included in the indices. USD denominated lease certificates issued by Turkish companies in foreign markets, subordinated debt instruments, defaulted (fail to pay coupon or principal payment) debt instruments and eurobonds without Bloomberg BVAL pricing are not included in the corresponding indices. For eurobonds issued with both 144A and REG S sales methods, the total nominal amount in circulation is taken into account regardless of the sales methods.

If the eurobonds (with permanent ISIN code) in the indices have additional eurobonds (with temporary ISIN code) issued in order to increase their nominal amount, these temporary ISIN's are included in the indices during Periodic Index Review regardless of their nominal amount.

Periodic Index Review: BIST-KYD Corporate Eurobond Indices have four index periods, January-March, April-June, July-September and October-December. Results of the periodic reviews on indices will be effective from the first trading day of the following index period. In periodic reviews, debt securities which are issued in respect of 7th business day evening prior to the next index period are taken into consideration. These changes are announced at least three days prior to the first trading day of each index period on Borsa İstanbul corporate website.

Value Dates of the Indices: Indices are calculated with T+0 value date prices.

Maturity Breakdown of Indices: There is no distinction between the indices in terms of maturity lengths.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of indices dirty prices are used. Accrued interest is added over BVAL Mid Prices determined at London 12:00 pm fixing time (for half days determined at Tokyo 05:00 pm fixing time) obtained through Bloomberg Valuation Services (BVAL) in order to find dirty prices. For securities issued with Rule 144A and REG S sales methods, the BVAL price of the ISIN with REG S feature is used.

If the BVAL prices of the securities used in the indices remain the same or cannot be reached due to the existence of unusual market conditions, the indices continue to be calculated with the prices found by adding accrued interest to the latest BVAL mid prices.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: Securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount (with coupon payment, if any).

Defaulted eurobonds are excluded from BIST-KYD Corporate Eurobond Indices effective from their default date. Even if their default situation disappears, they are not included in indices until the next index period. If a constituent eurobond in BIST-KYD Corporate Eurobond Indices matures, it is excluded from the indices and no new security is included instead of it. Inclusion in the indices will only be effective with the results of quarterly periodic reviews.

If there exists a partial redemption for a constituent included in BIST-KYD Corporate Eurobond Indices through buyback auctions and whose nominal amount decreases under $300 million, partially called or repurchased eurobonds are removed from the indices on the first next quarterly periodic review.

Nominal Amounts: The nominal amount of reissued ~~and~~ or partially redeemed corporate eurobonds are determined in the quarterly periodic reviews and changed to be effective as of the first trading day of next index period.

In the index calculations on the day of the merger of additional eurobonds (temporary ISIN) issued in order to increase the nominal amounts of the eurobonds (permanent ISIN) included in the indices, the security with temporary ISIN is revalued with the price of the security with permanent ISIN. The nominal amount of the temporary ISIN is added to the nominal amount of the permanent ISIN to be taken into account starting from the next day's index calculations. This completes merging for index calculations.

Day Count Convention: In accrued interest calculations 30/360 day count convention is used.

3.2. BIST-KYD Lease Certificates Indices

3.2.1. BIST KYD Government Lease Certificates Indices

Purpose: BIST-KYD Government Lease Certificates Indices are created in order to measure the returns of lease certificates issued by HMVKŞ in TRY traded in DSM as a whole. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: Lease certificates (including zero coupon and fixed rate coupon certificates, excluding CPI Indexed Lease Certificates) which are issued by HMVKŞ through an auction or direct sale (excluding special category state domestic borrowing notes) are included in the scope of the indices.

Value Dates of the Indices: BIST-KYD Government Lease Certificates Indices have two different versions with T+0 and T+1 value date prices, the codes and the names of the indices are stated in Annex-1 Index List.

Maturity Breakdown of Indices: In addition to BIST-KYD Government Lease Certificates Indices, which have no distinction in terms of maturity, in order to measure the returns of government lease certificates in three different maturity lengths that are issued in TRY and traded in DSM, three additional indices are calculated. The maturity length classification of the indices is shown in the Annex-1 Index List. In calculating the maturities of lease certificates for which maturity distinctions are made, the maturity is calculated using the "Macaulay Duration" formula.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices, the weighted average settlement prices of transactions announced in DSM Outright Purchases and Sales Normal Orders Market and Watchlist Market are taken into considerations. In this context, cross trades, trade report transactions, non cleared transactions, and cancelled trades are excluded from the index calculations. In the indices calculated by using T+0 value prices, cancellations made after the session affect prices used in the index calculations and therefore, they are taken into account in index calculations.

If a security in the indices does not have any same day settled transaction on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions, in order to find the forward carried weighted average settlement price, the last settled weighted average settlement price is carried forward under the assumption that yield will stay same until the maturity.

Prices Used When Including Securities in Indices: Securities are added to indices with auction prices in the indices with T+0 value date prices and with one business day carried forward auction prices in the indices with T+1 value date prices on the first settlement date. Return of the security starts to be reflected on the indices effective from the next business day after the first settlement date. If the corresponding security is not traded throughout the business day, it is valued with one business day forward price in the indices with T+0 value date prices and with two business days forward price in the indices with T+1 value date prices carried from the auction price valid on the first settlement date.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+0 value date prices, debt securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount. For the indices calculated by using T+1 value date prices, debt securities remain in the indices for the last time at the previous business day of maturity date with the face amount. (With coupon payment, if any)

Nominal Amounts: Nominal amounts of reissues of Government Lease Certificates are effective at the first settlement date. In buyback auctions, the nominal amount of the securities is decreased by the buyback amount effective from the value date of the buyback.

3.2.2. BIST KYD Corporate Lease Certificates Indices

Purpose: BIST-KYD Corporate Lease Certificates Indices are created in order to measure the returns of lease certificates issued by Turkish companies in TRY traded in DSM as a whole. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: Lease certificates (including zero coupon and fixed rate coupon certificates, excluding CPI Indexed Lease Certificates) issued by Turkish companies through a public offering or sold to qualified investors and whose outstanding amount is at least TRY 500 million are included in the scope of the indices.

Value Dates of the Indices: BIST-KYD Corporate Lease Certificates Indices have two different versions with T+0 and T+1 value date prices, the codes and the names of the indices are stated in Annex-1 Index List.

Maturity Breakdown of Indices: There is no distinction in the BIST-KYD Corporate Lease Certificates Indices in terms of maturity lengths.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices, the weighted average settlement prices of transactions announced in DSM Outright Purchases and Sales Normal Orders Market and Watchlist Market are taken into considerations. In this context, cross trades, trade report transactions, non cleared transactions, and cancelled trades are excluded from the index calculations. In the indices calculated by using T+0 value prices, cancellations made after the session affect prices used in the index calculations and therefore, they are taken into account in index calculations.

If a security in the indices does not have any same day settled transaction on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions, in order to find the forward carried weighted average settlement price, the last settled weighted average settlement price is carried forward under the assumption that yield will stay same until the maturity.

Prices Used When Including Securities in Indices: Securities are included in the indices on the first settlement date with the issue price in the indices with T+0 value date prices and with one business day carried forward issue price in the indices with T+1 value date prices. The bonds, which have no issue information as of their issue dates, are included in the indices with a price that is calculated separately for the indices with T+0 and T+1 value date prices by carrying forward its issue price to the previous business day of the day on which issue data is available. This means that their returns are taken into account in the index calculations as from

the day on which issue information is available. This means that their returns are taken into account in the index calculations as from the day on which issue information is available.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+0 value date prices, debt securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount. For the indices calculated by using T+1 value date prices, debt securities remain in the indices for the last time at the previous business day of maturity date with the face amount (With coupon payment, if any).

BIST-KYD Corporate Lease Certificates Indices which fail to make their coupon or principal payments:

- are excluded from the indices with "zero" value, effective from their delisting date if they are delisted due to not making a debt restructuring or not meeting the trading requirements in Borsa İstanbul markets despite the debt restructuring,

- remain in the indices with their latest value if they make debt restructuring and meet the trading requirements in Borsa İstanbul markets. Within this context, securities or lease certificates which trade in Borsa İstanbul Outright Purchases and Sales Market or Watchlist Market with new ISIN code (due to restructuring) or old ISIN code will remain in the Indices as long as it fulfills other Index rules.

Nominal Amounts: Nominal amounts of reissues of Corporate Lease Certificates are effective at the first settlement date. In buyback auctions, the nominal amount of the securities is decreased by the buyback amount effective from the value date of the buyback.

3.2.3. BIST KYD CPI Government Lease Certificates Indices

Purpose: BIST-KYD CPI Government Lease Certificates Indices are created in order to measure the returns of CPI Government Lease Certificates in TRY traded in DSM as a whole. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: While CPI Government Lease Certificates issued by HMVKŞ in TRY are included in the scope of the indices, special category state domestic borrowing notes on loan are not included in the scope of the indices.

Value Dates of the Indices: BIST-KYD CPI Corporate Lease Certificates Indices have two different versions with T+0 and T+1 value date prices, the codes and the names of the indices are stated in Annex-1 Index List.

Maturity Breakdown of Indices: There is no distinction between the indices in terms of maturity lengths.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices, the weighted average settlement prices of transactions announced in DSM Outright Purchases and Sales Normal Orders Market and Watchlist Market are taken into considerations. In this context, cross trades, trade report transactions, non cleared transactions, and cancelled trades are excluded from the index calculations. In the indices calculated by using T+0 value prices, cancellations made after the session affect prices used in the index calculations and therefore, they are taken into account in index calculations.

Carried forward prices of CPI Lease Certificates are calculated by using yield to maturity based on dirty prices on the condition that the securities do not have any same day settled transaction in on any day or the prices of the securities used in the indices cannot be reached due to the existence of unusual market conditions. CPI carried forward average settlement price is calculated by multiplying carried forward dirty prices with that day inflation rate, announced by HMB, in the indices that are calculated by using T+0 value date prices and with next business day inflation rate in the indices that are calculated by using T+1 value date prices.

Prices Used When Including Securities in Indices: Securities are added to indices with auction prices in the indices with T+0 value date prices and with one business day carried forward auction prices in the indices with T+1 value date prices on the first settlement date. Return of the security starts to be reflected on the indices effective from the next business day after the first settlement date. If the corresponding security is not traded throughout the business day, it is valued with one business day forward price in the indices with T+0 value date prices and with two business days forward price in the indices with T+1 value date prices carried from the auction price valid on the first settlement date.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+0 value date prices, debt securities remain in the indices for the last time at the maturity date, or if it is a holiday, then the next business day with the face amount. For the indices calculated by using T+1 value date prices, debt securities remain in the indices for the last time at the previous business day of maturity date with the face amount (With coupon payment, if any).

Nominal Amounts: Nominal amounts of reissues of CPI Government Lease Certificates are effective at the value date. In buyback auctions, the nominal amount of the securities is decreased by the buyback amount effective from the value date of the buyback.

3.2.4. BIST-KYD Government Lease Certificates USD Indices

Purpose: BIST-KYD Government Lease Certificates USD Indices are created to measure the daily USD denominated returns of lease certificates issued abroad by HMB in and their TRY denominated returns calculated with indicative forex buying rates determined by the CBRT at 15:30. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: US Dollar denominated lease certificates issued in foreign markets by HMVKŞ is included in the Indices.

Value Dates of the Indices: Accrued interest of Government Lease Certificates USD denominated is calculated with T+1 value date prices.

Maturity Breakdown of Indices: There is no distinction between the indices in terms of maturity lengths.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of Indices dirty prices are used. Accrued interest is added over BVAL Mid Prices determined at London 12:00 pm fixing time (for half days determined at Tokyo 05:00 pm fixing time) obtained through Bloomberg (BVAL) in order to find dirty prices.

If the BVAL prices of the securities used in the indices remain the same or cannot be reached due to the existence of unusual market conditions, the indices continue to be calculated with the prices found by adding accrued interest to the latest BVAL mid prices.

Prices Used When Including Securities in Indices: USD Government lease certificates with T+1 value date prices are included in the indices with one business day carried forward auction prices on the first settlement date. Returns are reflected on the next business day after the first settlement date.

Weighing Method: Indices are market value weighted indices. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.2. Calculation Method for BIST-KYD Debt Securities and BIST-KYD Lease Certificates Indices" of this Methodology.

Exclusion from Indices: For the indices calculated by using T+1 value date prices, debt securities remain in the indices for the last time at the previous business day of maturity date with the face amount (With coupon payment, if any).

Nominal Amounts: Nominal amounts of reissues of USD Government Lease Certificates are effective at the value date. In buyback auctions, the nominal amount of the securities is decreased by the buyback amount effective from the value date of the buyback.

Day Count Convention: 30/360 day count convention is used.

3.3. BIST-KYD Repo Indices

Purpose: BIST-KYD Repo Indices are calculated in two different types in order to measure gross and net repo returns of overnight repo transactions in DSM Repo-Reverse Repo Market. Since returns of reverse-repo transactions will be realized on the next business day, indices reflect the returns realized on the next business day. The codes and names of these indices are given in Annex-1 Index List.

Prices Used in Index Calculations and Data Hierarchy: In the calculations of BIST-KYD Repo Indices, the weighted average overnight interest rates, in DSM Repo Reverse Repo Normal Orders Market, secured with TRY dominated GDS and whose effective date is same day are used.

If there is no transaction in the related market or the interest rates used in the indices cannot be reached due to the existence of unusual market conditions, the indices continue to be calculated with the latest interest rate used.

Calculation Method of Indices: It is explained in the article "5.3. Calculation Method for BIST-KYD Repo Indices" of this Methodology.

3.4. BIST-KYD Gold Price Indices

Purpose: BIST-KYD Gold Price Indices are calculated in two different types based on the weighted average and trade prices of gold transactions realized in PMD Market. The codes and names of these indices are given in Annex-1 Index List.

Prices Used in Index Calculations and Data Hierarchy: In BIST-KYD Gold Price Indices, TRY/ kg converted weighted average prices and TRY/ kg converted trade prices of same day value USD/ounce gold transactions in PMD which have 995/1000 fineness, London Bullion Market Association (LBMA) in and out, main vault, standard 1 kg bullion gold properties are used. In the calculation of the indices, fixing transactions are not taken into consideration.

If there is no related transaction in the market or the prices used in the indices cannot be reached due to the existence of unusual market conditions, the indices continue to be calculated with the latest prices used.

Calculation Method of Indices: It is explained in the article "5.4. Calculation Method for BIST-KYD Gold Price Indices" of this Methodology.

3.5. BIST-KYD 1 Month Deposit Indices

Purpose: BIST-KYD 1 Month Deposit Indices are calculated in three different types by using ~~gross~~ deposit rates up to 1 month in TRY, USD and EUR. In calculations, "Weighted Average Interest Rates for Deposits (Flow)" announced weekly by the CBRT in EDDS are taken into considerations. It is assumed that the withdrawal of deposits before the maturity date doesn't cause the loss of the interest gained. Indices reflect

the returns realized on the next business day. The codes and names of these indices are given in Annex-1 Index List.

Prices Used in Index Calculations and Data Hierarchy: In BIST-KYD 1 Month Deposit Indices, "Weighted Average Interest Rates for Deposits (Flow)" interest rates for 1 month term deposits in TRY, US Dollar and Euro announced by the CBRT ~~Electronic Data Delivery System (~~EDDS~~)~~ are taken into considerations. Interest rates are announced in weekly periods, so until the announcement of new weekly rates, last announced rates are used in calculations.

Calculation Method of Indices: It is explained in the article "5.5. Calculation Method for BIST-KYD 1 Month Deposit Indices" of this Methodology.

3.6. BIST-KYD 1 Month Profit Share Indices

Purpose: BIST-KYD 1 Month Profit Share Indices are created to measure the return obtained from the gross profit share rates distributed to TRY, USD and EUR participation accounts opened for 1 month maturity. The profit share rates used in calculations are paid out rates, so it is assumed that it will remain the same in calculations. Moreover, it is assumed that withdrawal of money before the maturity date does not cause the loss of the interest gained. The codes and names of these indices are given in Annex-1 Index List.

Prices Used in Index Calculations and Data Hierarchy: Profit share rates used in BIST-KYD 1 Month Profit Share Indices are based on 1 month TRY, USD and EUR profit share rates announced by TKBB. Profit share rates are announced in weekly periods, so until the announcement of new weekly rates, last announced rates are used in calculations.

Calculation Method of Indices: It is explained in the article "5.6. Calculation Method for BIST-KYD 1 Month Profit Share Indices" of this Methodology.

3.7. BIST-KYD Fund Indices

Purpose: BIST-KYD Fund Indices are calculated in two different types, for fixed income funds and equity funds, to measure the return performances of the top 50 funds for each type. Since fund data, which is announced by Takasbank and used in index calculations, is the previous business day's close data, index values show the returns of the previous business day. The codes and names of these indices are given in Annex-1 Index List.

Components of the Indices: Debt instrument and equity investment fund data announced by Takasbank are used.

Periodic Index Review: There are four index periods, January-March, April-June, July-September and October-December, for fund indices. Index constituents are determined through the periodic reviews based on the fund data published by Takasbank on the 5th business day prior to the relevant index period.

In periodic reviews, funds are classified as "Fixed Income Fund" and "Equity Fund" based on their umbrella fund information available at Takasbank and the top 50 funds are selected for each corresponding fund index based on the funds' total values. Exchange traded funds are also considered eligible for inclusion in the indices even though they are not classified as umbrella funds. The one with a greater number of fund participation certificates is selected in case of equality. In periodic reviews, the funds to be included in the indices are announced on the Borsa İstanbul webpage at least 3 days prior to the first trading day of each index period. These new constituent lists are used during the corresponding index period.

Prices Used in Index Calculations and Data Hierarchy: In BIST-KYD Fund Indices calculation, TRY denominated unit share prices and number of participation certificates declared by Takasbank are used. If the unit share prices of funds used in the indices cannot be reached due to the existence of unusual market conditions, the indices continue to be calculated with the unit share prices and number of participation certificates used on the last trading day.

Weighing Method: Indices are equally weighted indices. Returns of the indices are equal to the simple arithmetic average of the returns of constituent funds. The method of weighting securities is explained in "4. Weighting Method" of this Methodology.

Calculation Method of Indices: It is explained in the article "5.7. Calculation Method for BIST-KYD Fund Indices" of this Methodology.

Exclusion From Indices: For BIST-KYD Fund Indices, a fund will not be considered eligible for inclusion in the indices until the next review period; in such cases, the liquidation of the fund, changing the scope of the fund or changing the code of the fund during the index period.

4. WEIGHTING METHOD

BIST-KYD Debt Securities Indices are market value weighted indices. The market value of a security is calculated by multiplying the nominal amount with the weighted average settlement price. BIST-KYD Fund Indices are equal weighted indices. Returns of the indices are equal to the simple arithmetic average of the returns of constituent funds.

5. CALCULATION METHODOLOGY

5.1. Coupon Calculation Method for Securities Whose Coupon Is Calculated Based on The Return of The BIST TLREF Index

For securities whose coupon rates are calculated based on the return of the BIST TLREF Index, periodic coupon rate which will be paid on the coupon date is calculated with formula below using the beginning and ending values of BIST TLREF Index of coupon calculation period. Beginning day of the coupon calculation period is date which is k business day before dated date or most recent coupon date in the past and ending

day of the coupon calculation period is date which is k business day before most recent coupon date in the future (k is determined by issuers).

$$\text{Periodical coupon rate which will be paid in coupon date (\%)} = \left(\frac{\text{BIST TLREF}_{\text{Ending}}}{\text{BIST TLREF}_{\text{Beginning}}} - 1 \right) \times 100 + \left(\text{Spread} \times \frac{n_1}{365} \right)$$

BIST TLREF$_{\text{Beginning}}$ = Value of BIST TLREF Index on the beginning day of the coupon calculation period

BIST TLREF$_{\text{Ending}}$ = Value of BIST TLREF Index on the ending day of the coupon calculation period

Spread = Additional annual return rate (%)

n_1 = Number of days on coupon calculation period

In the calculations within the coupon period where the periodic coupon rate to be paid on the coupon date of the securities is not yet determined, the coupon rate is calculated by periodically estimating the return calculated using the BIST TLREF Index values announced for the day of the calculation as shown in the formula below and this coupon amount is assumed to remain the same for subsequent coupons.

$$\text{Periodical coupon rate within the coupon period (\%)} = \left(\left(\frac{\text{BIST TLREF}_{\text{Last}}}{\text{BIST TLREF}_{\text{Beginning}}} \right)^{\frac{n_1}{n_2}} - 1 \right) \times 100 + \left(\text{Spread} \times \frac{n_1}{365} \right)$$

BIST TLREF$_{\text{Last}}$ = Latest value of BIST TLREF Index for the latest working day

BIST TLREF$_{\text{Beginning}}$ = Value of BIST TLREF Index on the beginning day of the coupon   calculation period

Spread = Additional annual return rate (%)

n_1 = Number of days on coupon calculation period

n_2: Number of calendar days between the next business day after the end of the working day and the next business day from the beginning of the period for the coupon calculation

5.2. BIST-KYD Debt Securities and BIST-KYD Lease Certificate Indices Calculation Method

BIST-KYD Debt Securities, BIST-KYD Lease Certificate, BIST-KYD CPI Government Lease Certificates Indices, and BIST-KYD Government Lease Certificates USD Indices are calculated on the basis of following formula:

$$\text{Index}_t = \text{Index}_{t-1} \times \left(1 + \frac{\sum_{i=1}^{n} w_{i,t-1} \times a_{i,t} \times r_{i,t}}{\sum_{i=1}^{n} w_{i,t-1} \times a_{i,t}} \right)$$

Index$_t$: Value of index on day t(previous business date) $w_{i,t-1} = N_{i,t-1} \times P_{i,t-1}$

$w_{i,t-1}$: Market value of debt security i on day t-1

$N_{i,t-1_t}$: Nominal amount of debt security i on day t-1

$P_{i,t-1}$: Weighted average settlement price of security i on day t-1

$r_{i,t}$: Return of debt security i on day t

n: Number of debt securities in indices

$a_{i,t}$: Weighting factor of debt security i on day t (%)

Except for BIST-KYD GDS 91 Days, BIST-KYD GDS 91 Days T1, BIST-KYD GDS 182 Days, BIST-KYD GDS 182 Days T1, BIST-KYD GDS 365 Days, BIST-KYD GDS 365 Days T1, BIST-KYD GDS 547 Days and BIST-KYD GDS 547 Days T1 weighting factor is taken as 1 in index calculations. The weighting factor is determined by using the table below according to the maturities in the index in which the relevant debt security is included.

BIST-KYD GDS Indices	91 Days	182 Days	365 Days	547 Days
Weighting Factor (%)	Remaining Days to Maturity	Remaining Days to Maturity	Remaining Days to Maturity	Remaining Days to Maturity
10	0-21 and 159-180	122-136 and 227-242	243-273 and 458-488	365-410 and 684-729
20	22-44 and 136-158	137-152 and 212-226	274-304 and 427-457	411-456 and 638-683
30	45-67 and 113-135	153-167 and 197-211	305-334 and 397-426	457-502 and 592-637
40	68-112	168-196	335-396	503-591

5.3. BIST-KYD Repo Indices Calculation Method

BIST-KYD Indices are calculated on the basis of the following formula:

$$\text{Index}_t = \text{Index}_{t-1} \times \left[1 + R \times (1 - S) \times \frac{g}{365}\right]$$

Index_t: Value of Repo Index on day t

R: Weighted average gross overnight interest rate on day t

g : days between t business day and t + 1 business day (Repo period)

S : Tax rate of repo transaction (In gross repo indices S tax rate is zero)

5.4. BIST-KYD Gold Price Indices Calculation Method

In BIST-KYD Gold Price Indices, the weighted average and close prices of the same day value USD/OUNCE gold transactions in PMD, which is converted to TRY/KG, are used. Indices are calculated on the basis of the following formula:

$$\text{Gold Index}_t = \text{Gold Index}_{base} * \left(\frac{\text{Price}_t}{\text{Price}_{base}}\right)$$

Gold Index_t : Value of Gold Index on day t

Gold Index_{base} : Base value of Gold Index

Price_t : TRY/KG converted prices of weighted average price and trade price of same day settled USD/OUNCE transaction.

Price_{base} : TRY/KG converted prices of weighted average price and close price of base day settled USD/OUNCE transaction

The following formula is used to convert USD/OUNCE transaction to TRY/KG:

$$\text{Price}_t = \text{Price} \times \text{Exchange Rate} \times \text{CF}$$

Price: PMD weighted average and close price of same day settled USD/OUNCE transaction.

Exchange Rate: Indicative forex buying rates announced at 15:30 by the CBRT.

CF: 1/0.0311034768 OUNCE/KG conversion factor

5.5. BIST-KYD 1 Month Deposit Indices Calculation Method

~~The "Weighted Average Interest Rates For Deposits" published by the CBRT on the EDDS page, separately in TRY, USD and EUR~~, are multiplied with 30/365; and using these monthly yields, Deposit Yield is calculated on the basis of the following formula by using compound interest rate from "The Weighted Average Interest Rates For Deposits (Flow)" published by the CBRT on the EDDS page, separately in TRY, USD and EUR:

$$\text{Deposit Yield} = (1 + \text{~~Month Yield~~Interest Rate}/100)^{g/\text{~~30~~}365}$$

g: days between t business day and $t + 1$ business day

Interest Rate: The interest rate for Deposits (in terms of TRY, USD, EUR) with a maturity of up to 1 month (Flow,%) as announced on the relevant website.

Today's Deposit Yield is calculated by increasing the previous day index value by calculated Deposit Yield. The formula is below:

$$\text{ME}_t = \text{ME}_{t-1} \times \text{Deposit Yield ME}_t$$

ME_t: Deposit index value on day t (TRY, USD, EURO)

5.6. BIST-KYD 1 Month Profit Share Indices Calculation Method

The median value of TRY, USD and EUR 1 month gross "Profit Sharing Rates" announced on TKBB website are multiplied by 30/365; and using this monthly yield, Profit Share yield is calculated on the basis of the following formula:

$$\text{Profit Share Yield} = (1 + \text{Monthly Yield})^{g/30}$$

g: days between t business day and t+1 business day

Today's index value is calculated by increasing the previous day's index value by calculating Profit Share Yield. The formula is below:

$$\text{KPE}_t = \text{KPE}_{t-1} \times \text{Profit Share Yield}$$

KPE_t: Profit Share index value on day t (TRY, USD, EURO)

5.7. BIST-KYD Fund Indices

BIST-KYD Fund Indices is calculated on the basis of the following formula:

$$\text{Index}_t = \text{Index}_{t-1} \times \left(1 + \frac{\sum_{i=1}^{n} r_{i,t}}{n}\right)$$

Index_t : Index value on day t

n : Number of fund in indices

$r_{i,t}$: Unit share price return of fund i on day t

5.8. BIST-KYD Indices Data Precision

Data precision of the parameters used in the index calculations is shown in the table below.

DATA PRECISION	
Index Value	Rounded to 5 decimal places
Weighting Factor	Rounded to 12 decimal places

6. CORRECTION IN INDEX VALUES

No retroactive correction is made in the index values calculated and published in real time. Retroactive correction in the index values calculated and published at the end of day can be permitted only by the decision of the Borsa İstanbul Management.

7. EFFECTIVE DATE

This Methodology takes effect on 08~~5~~/~~03~~26/2024. The current version of the Methodology should be confirmed on the Borsa İstanbul corporate website, Indices - Methodologies and Changes page.

8. APPENDIX

The List of Indices covered by this Methodology is given by the table in Annex 1.

Annex-1 Index List

Index Group	Index Name	Index Code	ISIN Code	Exchange Rate	Value Date	Remaining Days of Maturity*	Calculation and Publication Interval	Index Starting Value	Index Starting Date
BIST-KYD GDS Indices	BIST-KYD GDS 91 DAYS	TD91G	TRAXIST02059	TRY	T+0	0 – 180	Every 10 seconds**	100	31.12.2001
BIST-KYD GDS Indices	BIST-KYD GDS 91 DAYS T1	TD91GT1	TRAXIST02653	TRY	T+1	0 – 180	Every 10 seconds**	1788.07497	27.06.2019
BIST-KYD GDS Indices	BIST-KYD GDS 182 DAYS	T182G	TRAXIST02067	TRY	T+0	122 – 242	Every 10 seconds**	100	31.12.2001
BIST-KYD GDS Indices	BIST-KYD GDS 182 DAYS T1	T182GT1	TRAXIST02661	TRY	T+1	122 – 242	Every 10 seconds**	2292.31324	27.06.2019
BIST-KYD GDS Indices	BIST-KYD GDS 365 DAYS	T365G	TRAXIST02075	TRY	T+0	243 – 488	Every 10 seconds**	100	31.12.2001
BIST-KYD GDS Indices	BIST-KYD GDS 365 DAYS T1	T365GT1	TRAXIST02679	TRY	T+1	243 – 488	Every 10 seconds**	2124.90919	27.06.2019
BIST-KYD GDS Indices	BIST-KYD GDS 547 DAYS	T547G	TRAXIST02083	TRY	T+0	365 – 729	Every 10 seconds**	100	30.12.2005
BIST-KYD GDS Indices	BIST-KYD GDS 547 DAYS T1	T547GT1	TRAXIST02687	TRY	T+1	365 – 729	Every 10 seconds**	464.34168	27.06.2019
BIST-KYD GDS Indices	BIST-KYD GDS ALL	TDTUM	TRAXIST02091	TRY	T+0	All Maturities	Every 10 seconds**	100	31.12.2001
BIST-KYD GDS Indices	BIST-KYD GDS ALL T1	TDTUMT1	TRAXIST02729	TRY	T+1	All Maturities	Every 10 seconds**	1708.08974	27.06.2019
BIST-KYD GDS Indices	BIST-KYD GDS SHORT	TKISA	TRAXIST02109	TRY	T+0	0 – 365	Every 10 seconds**	100	31.05.2010
BIST-KYD GDS Indices	BIST-KYD GDS SHORT T1	TKISAT1	TRAXIST02695	TRY	T+1	0 – 365	Every 10 seconds**	240.92092	27.06.2019
BIST-KYD GDS Indices	BIST-KYD GDS MEDIUM	TORTA	TRAXIST02117	TRY	T+0	366 – 1095	Every 10 seconds**	100	31.05.2010
BIST-KYD GDS Indices	BIST-KYD GDS MEDIUM T1	TORTAT1	TRAXIST02703	TRY	T+1	366 – 1095	Every 10 seconds**	212.52444	27.06.2019
BIST-KYD GDS Indices	BIST-KYD GDS LONG	TUZUN	TRAXIST02125	TRY	T+0	1096 and above	Every 10 seconds**	100	31.05.2010
BIST-KYD GDS Indices	BIST-KYD GDS LONG T1	TUZUNT1	TRAXIST02711	TRY	T+1	1096 and above	Every 10 seconds**	192.21549	27.06.2019
BIST-KYD GDS Floating Rate Indices	BIST-KYD GDS FLOATING RATE	TDDEG	TRAXIST03206	TRY	T+0	All Maturities	Every 10 seconds**	1000	12.06.2020
BIST-KYD GDS Floating Rate Indices	BIST-KYD GDS FLOATING RATE T1	TDDEGT1	TRAXIST03214	TRY	T+1	All Maturities	Every 10 seconds**	1000	12.06.2020
BIST-KYD CPI Indexed Government Bond Indices	BIST-KYD CPI INDEXED GOVERNMENT BOND	TTUFE	TRAXIST02133	TRY	T+0	All Maturities	Every 10 seconds**	100	31.12.2010
BIST-KYD CPI Indexed Government Bond Indices	BIST-KYD CPI INDEXED GOVERNMENT BOND T1	TTUFET1	TRAXIST02737	TRY	T+1	All Maturities	Every 10 seconds**	262.20983	27.06.2019
BIST-KYD Corporate Bond Indices	BIST-KYD CORPORATE BOND FIXED RATE	OSABT	TRAXIST02166	TRY	T+0	All Maturities	Every 10 seconds**	100	31.12.2010
BIST-KYD Corporate Bond Indices	BIST-KYD CORPORATE BOND FIXED RATE T1	OSABTT1	TRAXIST02760	TRY	T+1	All Maturities	Every 10 seconds**	250.80824	27.06.2019
BIST-KYD Corporate Bond Indices	BIST-KYD CORPORATE BOND FLOATING RATE	ODEGS	TRAXIST02174	TRY	T+0	All Maturities	Every 10 seconds**	100	31.12.2010
BIST-KYD Corporate Bond Indices	BIST-KYD CORPORATE BOND FLOATING RATE T1	ODEGST1	TRAXIST02778	TRY	T+1	All Maturities	Every 10 seconds**	288.44064	27.06.2019
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND USD	EBUSD	TRAXIST02208	USD	T+0	All Maturities	Once in a day	100	31.12.2002
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND USD (TRY)	EUSTL	TRAXIST02216	TRY	T+0	All Maturities	Once in a day	100	31.12.2002
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND 0-5 YEARS USD	EBUSDK	TRAXIST03024	USD	T+0	0-1825	Once in a day	379.63748	20.12.2019

Index Group	Index Name	Index Code	ISIN Code	Exchange Rate	Value Date	Remaining Days of Maturity*	Calculation and Publication Interval	Index Starting Value	Index Starting Date
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND 0-5 YEARS USD (TRY)	EUSTLK	TRAXIST03032	TRY	T+0	0-1825	Once in a day	1365.47308	20.12.2019
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND 5-15 YEARS USD	EBUSDO	TRAXIST03065	USD	T+0	1826-5475	Once in a day	379.63748	20.12.2019
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND 5-15 YEARS USD (TRY)	EUSTLO	TRAXIST03073	TRY	T+0	1826-5475	Once in a day	1365.47308	20.12.2019
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND 15+ YEARS USD	EBUSDU	TRAXIST03040	USD	T+0	5476 and above	Once in a day	379.63748	20.12.2019
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND 15+ YEARS USD (TRY)	EUSTLU	TRAXIST03057	TRY	T+0	5476 and above	Once in a day	1365.47308	20.12.2019
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND EUR	EBEUR	TRAXIST02224	EUR	T+0	All Maturities	Once in a day	100	31.12.2002
BIST-KYD Government Eurobond Indices	BIST-KYD GOVERNMENT EUROBOND EUR (TRY)	EEUTL	TRAXIST02232	TRY	T+0	All Maturities	Once in a day	100	31.12.2002
BIST-KYD Corporate Eurobond Indices	BIST-KYD CORPORATE EUROBOND USD	EOSBA	TRAXIST02547	USD	T+0	All Maturities	Once in a day	100	31.10.2016
BIST-KYD Corporate Eurobond Indices	BIST- KYD CORPORATE EUROBOND USD (TRY)	EOSTL	TRAXIST02562	TRY	T+0	All Maturities	Once in a day	100	31.10.2016
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES	KDEVL	TRAXIST02141	TRY	T+0	All Maturities	Every 10 seconds**	100	28.06.2013
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES T1	KDEVLT1	TRAXIST02745	TRY	T+1	All Maturities	Every 10 seconds**	171.74533	27.06.2019
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES SHORT	KDEVLK	TRAXIST04154	TRY	T+0	0-365	Every 10 seconds**	319.35626	23.02.2023
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES SHORT T1	KDEVLKT1	TRAXIST04147	TRY	T+1	0-365	Every 10 seconds**	299.43936	23.02.2023
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES MEDIUM	KDEVLO	TRAXIST04139	TRY	T+0	366-1095	Every 10 seconds**	319.35626	23.02.2023
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES MEDIUM T1	KDEVLOT1	TRAXIST04162	TRY	T+1	366-1095	Every 10 seconds**	299.43936	23.02.2023
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES LONG	KDEVLU	TRAXIST04121	TRY	T+0	1096 and above	Every 10 seconds**	319.35626	23.02.2023
BIST-KYD Government Lease Certificates Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES LONG T1	KDEVLUT1	TRAXIST04113	TRY	T+1	1096 and above	Every 10 seconds**	299.43936	23.02.2023
BIST-KYD Corporate Lease Certificates Indices	BIST-KYD CORPORATE LEASE CERTIFICATES	KOZEL	TRAXIST02158	TRY	T+0	All Maturities	Every 10 seconds**	100	28.06.2013
BIST-KYD Corporate Lease Certificates Indices	BIST-KYD CORPORATE LEASE CERTIFICATES T1	KOZELT1	TRAXIST02752	TRY	T+1	All Maturities	Every 10 seconds**	202.73097	27.06.2019
BIST-KYD CPI Government Lease Certificates Indices	BIST-KYD CPI GOVERNMENT LEASE CERTIFICATES	TTUFEK	TRAXIST04097	TRY	T+0	All Maturities	Every 10 seconds**	1000	6.01.2023
BIST-KYD CPI Government Lease Certificates Indices	BIST-KYD CPI GOVERNMENT LEASE CERTIFICATES T1	TTUFEKT1	TRAXIST04105	TRY	T+1	All Maturities	Every 10 seconds**	1000	6.01.2023
BIST-KYD Government Lease Certificates USD Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES USD T1	KKUST1	TRAXIST03263	USD	T+1	All Maturities	Once in a day	1000	2.04.2021

Index Group	Index Name	Index Code	ISIN Code	Exchange Rate	Value Date	Remaining Days of Maturity*	Calculation and Publication Interval	Index Starting Value	Index Starting Date
BIST-KYD Government Lease Certificates USD Indices	BIST-KYD GOVERNMENT LEASE CERTIFICATES USD (TRY) T1	KKUSTLT1	TRAXIST03255	TRY	T+1	All Maturities	Once in a day	1000	2.04.2021
BIST-KYD Repo Indices	BIST-KYD REPO (GROSS)	REPBR	TRAXIST02182	TRY			Every 10 seconds**	100	31.12.2002
BIST-KYD Repo Indices	BIST-KYD REPO (NET)	REPNT	TRAXIST02190	TRY			Every 10 seconds**	100	31.12.2002
BIST-KYD Gold Price Indices	BIST-KYD GOLD PRICE WEIGHTED AVARAGE	ATORT	TRAXIST02240	TRY			Every 10 seconds during 09:00 – 16:00 on business days (09:00 – 13:00 on half business days)	23318.25	17.02.2006
BIST-KYD Gold Price Indices	BIST-KYD GOLD PRICE CLOSE	ATKAP	TRAXIST02257	TRY			Every 10 seconds during 09:00 – 16:00 on business days (09:00 – 13:00 on half business days)	28812.46	29.12.2006
BIST-KYD 1 Month Deposit Indices	BIST-KYD ONE MONTH DEPOSIT TRY	MEVTL	TRAXIST02265	TRY			Once in a day	100	31.05.2010
BIST-KYD 1 Month Deposit Indices	BIST-KYD ONE MONTH DEPOSIT USD	MEVUS	TRAXIST02273	USD			Once in a day	100	31.05.2010
BIST-KYD 1 Month Deposit Indices	BIST-KYD ONE MONTH DEPOSIT EUR	MEVEU	TRAXIST02281	EUR			Once in a day	100	31.05.2010
BIST-KYD 1 Month Profit Share Indices	BIST-KYD ONE MONTH PROFIT SHARE TRY	KARTL	TRAXIST02299	TRY			Once in a day	100	28.06.2013
BIST-KYD 1 Month Profit Share Indices	BIST-KYD ONE MONTH PROFIT SHARE USD	KARUS	TRAXIST02307	USD			Once in a day	100	28.06.2013
BIST-KYD 1 Month Profit Share Indices	BIST-KYD ONE MONTH PROFIT SHARE EUR	KAREU	TRAXIST02315	EUR			Once in a day	100	28.06.2013
BIST-KYD Fund Indices	BIST-KYD EQUITY FUND	FHISE	TRAXIST02539	TRY			Once in a day	100	31.12.2015
BIST-KYD Fund Indices	BIST-KYD FIXED INCOME FUND	FBORC	TRAXIST02521	TRY			Once in a day	100	31.12.2015

*Days to maturity refers to the value calculated according to the days to maturity calculation method used in the index calculation for the securities in the indices.

** Indicates the frequency of calculation and publication during the market open hours in which the securities included in the index are traded.