

## Unofficial Translation

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

Number: 5 -

08/15/2024

Subject : Announcement on Changes Made in BIST Market  
Cap Weighted Stock Indices Methodology

### To Whom It May Concern

BIST Market Cap Weighted Stock Indices Methodology (Methodology) is periodically reviewed, reflecting the developments in the markets and changes arising from local and international legislation, meeting the requests of market participants and making the necessary updates.

In this context, Borsa İstanbul Management decided to;

- To change the format of the Methodology as outlined below to align the standard format determined for all methodologies,
  - The section titled as “1. Purpose” is changed to “1. Introduction and Purpose” and under this headline,
    - Responsibility for compliance with the Principles of Financial Benchmarks issued by IOSCO,
    - “Introduction” and “Purpose” titles consisting of “Financial Benchmarks Committee” and “Changes in Index Methodology” as subtitles, to be included,
  - To change the section title from “2. Definitions and General Rules” to “2. Abbreviations, Definitions and General Rules” and to add the subtitle “2.1 Abbreviations” under this section,
- To change some of the statements in the Methodology as summarized below, taking into account the needs encountered in practice,
  - To change some of the “last trading day” statements in the table under the heading “2.16 Review Period and Review Day” to “last day” in line with the practice,
  - To change the statement under the heading “2.3 Daily Average Traded Value” from “*Daily Average Traded Value is calculated by dividing only the amount of secondary market transactions with the feature code “E” (trades in trade report are not taken into account) by the number of trading days of the market in the same period.*” to “*Daily Average Traded Value is calculated by dividing only the amount of secondary market transactions with the feature code “E” (trades in trade report are not taken into account) by the number of days each stock can be traded in the same period.*” in line with the practice,
- To meet the demand from Market Participants,

- To start simultaneous calculation of “BIST Industrials Capped” and “BIST Real Estate Investment Trust Capped” indices, which are capped versions of “BIST Industrials” and “BIST Real Estate Investment Trust” indices, with the codes below as of 09/02/2024,
- To determine the starting values of both indices as the closing values of the uncapped versions (TL- Price) of both indices on 08/29/2024 which is the trading day before the start date,
- To make the necessary changes in the Methodology,
- To update the Methodology as summarized below in order to comply with the new Standard and Guide, since changes were made to the "Share Certificate Issuance and Trade Standard" (Standard) and the "Guide to be Taken as a Basis in Determining Companies Operating in Accordance with Participation Finance Principles" (Guide) by the Advisory Board of the Participation Banks Association of Turkey (TKBB), with whom we cooperate in BIST Participation Indices;
  - To change the statement ‘Information Form’ to ‘KAFIF Form’ in the entire Methodology,
  - To remove the Article 2.26 “Activities, which do not comply with the Participation Principles” from the Methodology,
  - To rearrange the Article 6.8 “BIST Participation All Shares”
  - To discontinue the use of the ‘Average Market Value’ criterion when determining the stocks to be included in the BIST Participation All Shares Index,
- To make the following changes in the selection criteria in order to increase the representativeness of BIST Liquid Bank and BIST Liquid 10 Ex Banks indices in accordance with the theme;
  - To adopt the threshold value application instead of using fixed values in determining the stocks to be included in the BIST Liquid Bank Index, and to determine 90% of the total of the Daily Average Traded Value for the Review Period as the threshold value,
  - To adopt the method of directly ranking the Daily Average Traded Value in the Review Period instead of using fixed values in determining the stocks to be included in the BIST Liquid 10 Ex Banks Index,
- To update the Methodology as summarized below in order to reach the representativeness of the selection criteria of BIST Sustainability and BIST Sustainability 25 indices in accordance with the theme by using public and free data,
  - To use “ESG Scores” instead of “Combined ESG Scores” in determining the stocks to be included in BIST Sustainability and BIST Sustainability 25 indices,
  - To repeal Article 8.6 of the Methodology,
- To implement the changes as of 08/29/2024,
- To classify the changes made in the Methodology as Urgent Material Changes based on Article 7.7 titled “Urgent Material Changes” of the Financial Benchmarks Management Procedure and to follow the procedures and principles specified in the said article,

Methodology is presented in Appendix 1 in a traceable format with changes, and in its final form with accepted changes in Appendix 2.

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

**New Indices to be Calculated**

<b><u>Code</u></b>	<b><u>Index Name in Turkish</u></b>	<b><u>Index Name in English</u></b>
XSINS	BIST Sınai Ağırlık Sınırlamalı	BIST Industrials Capped
XGYOS	BIST Gayrimenkul Y.O. Ağırlık Sınırlamalı	BIST Real Estate Investment Trust Capped

Kindly submitted to your information.

Regards,

Murat BULUT  
Deputy General Manager

Appendices:

- 1) BIST Market Cap Weighted Stock Indices Methodology, In track changes format (39 pages)
- 2) BIST Market Cap Weighted Stock Indices Methodology, Final version (38 pages)

Distribution:

Listed Companies  
Members  
Data Vendors