OVERVIEW OF TURKISH CAPITAL MARKETS

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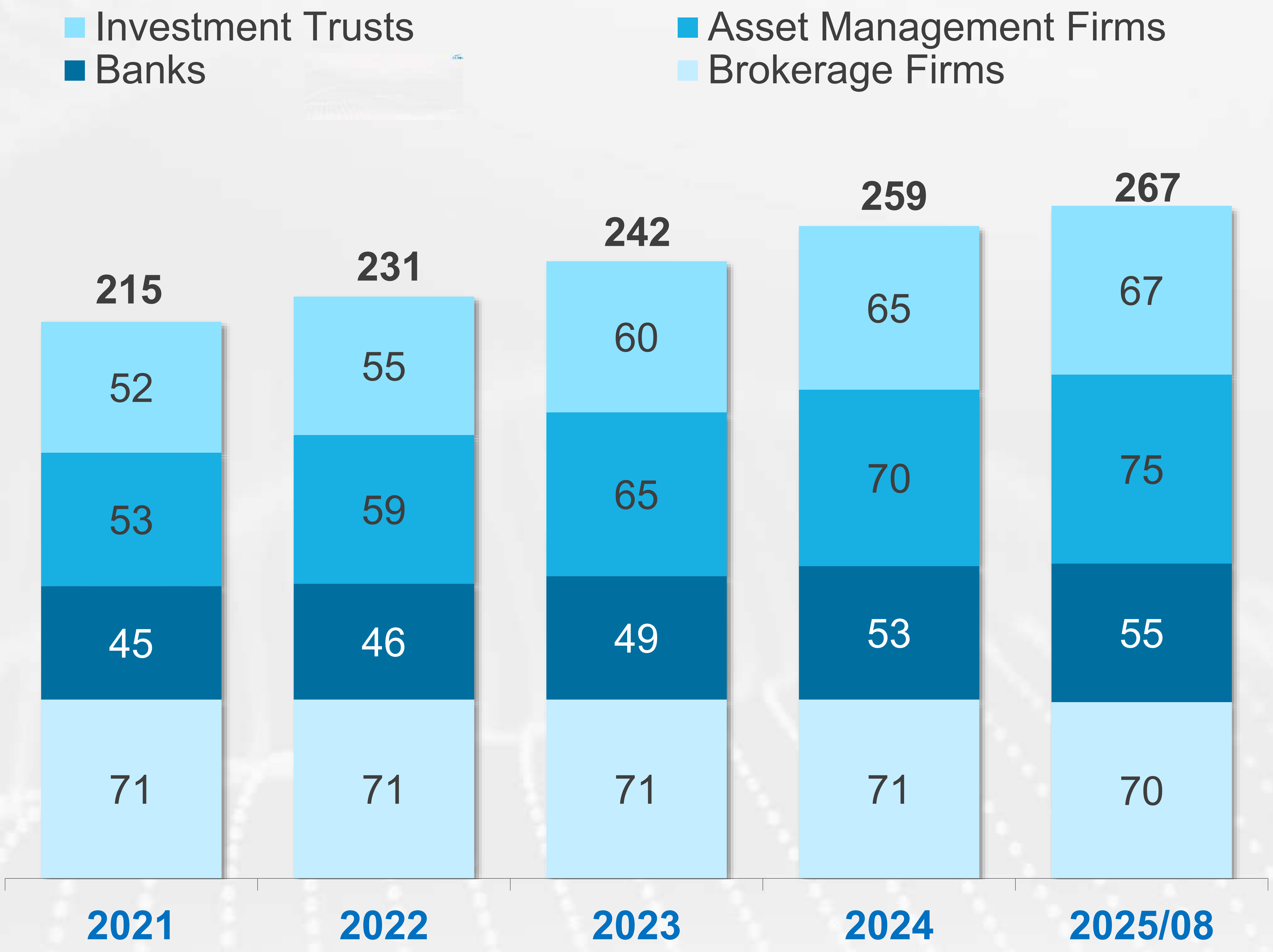
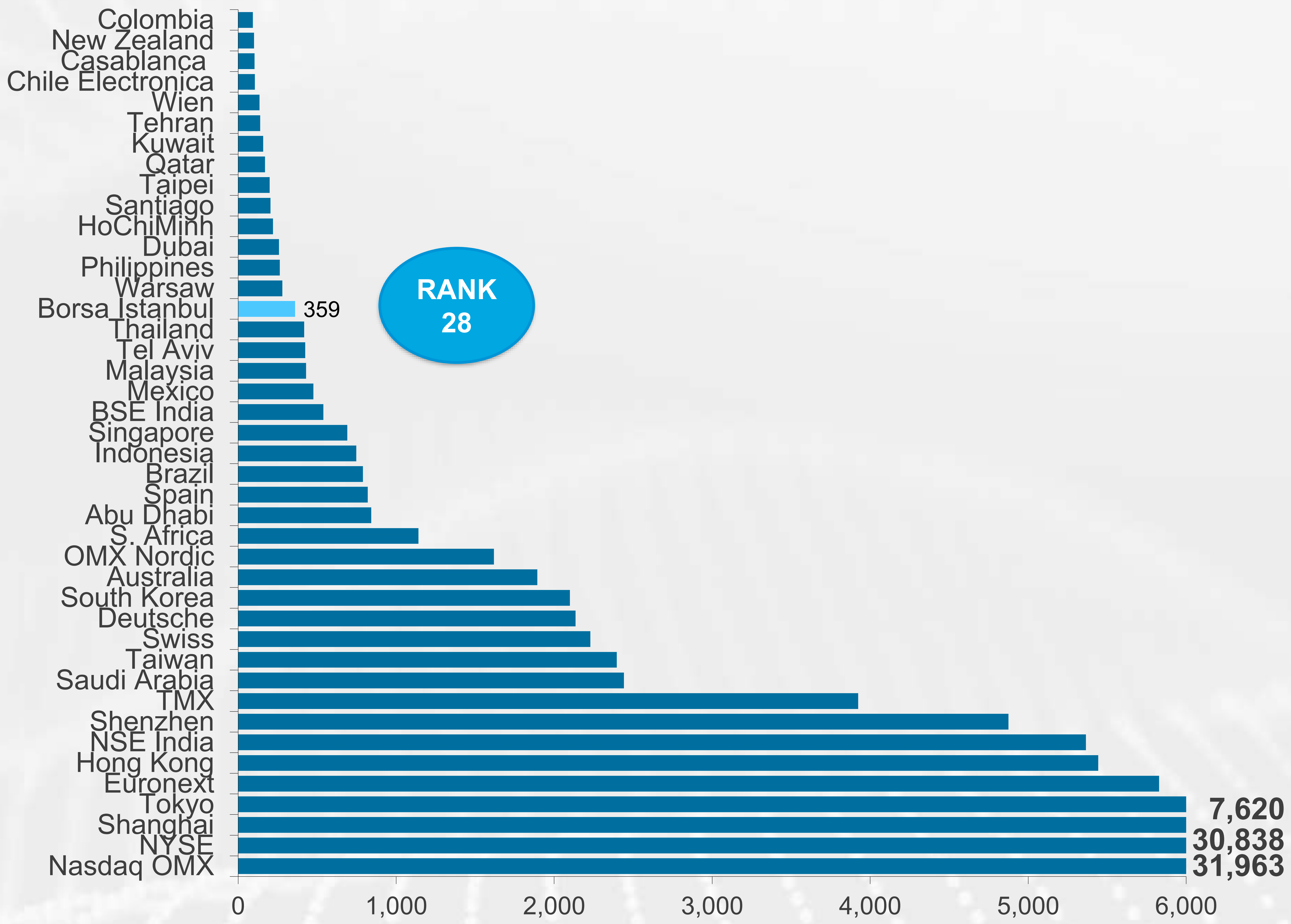
TCMA

TCMA & MEMBERS



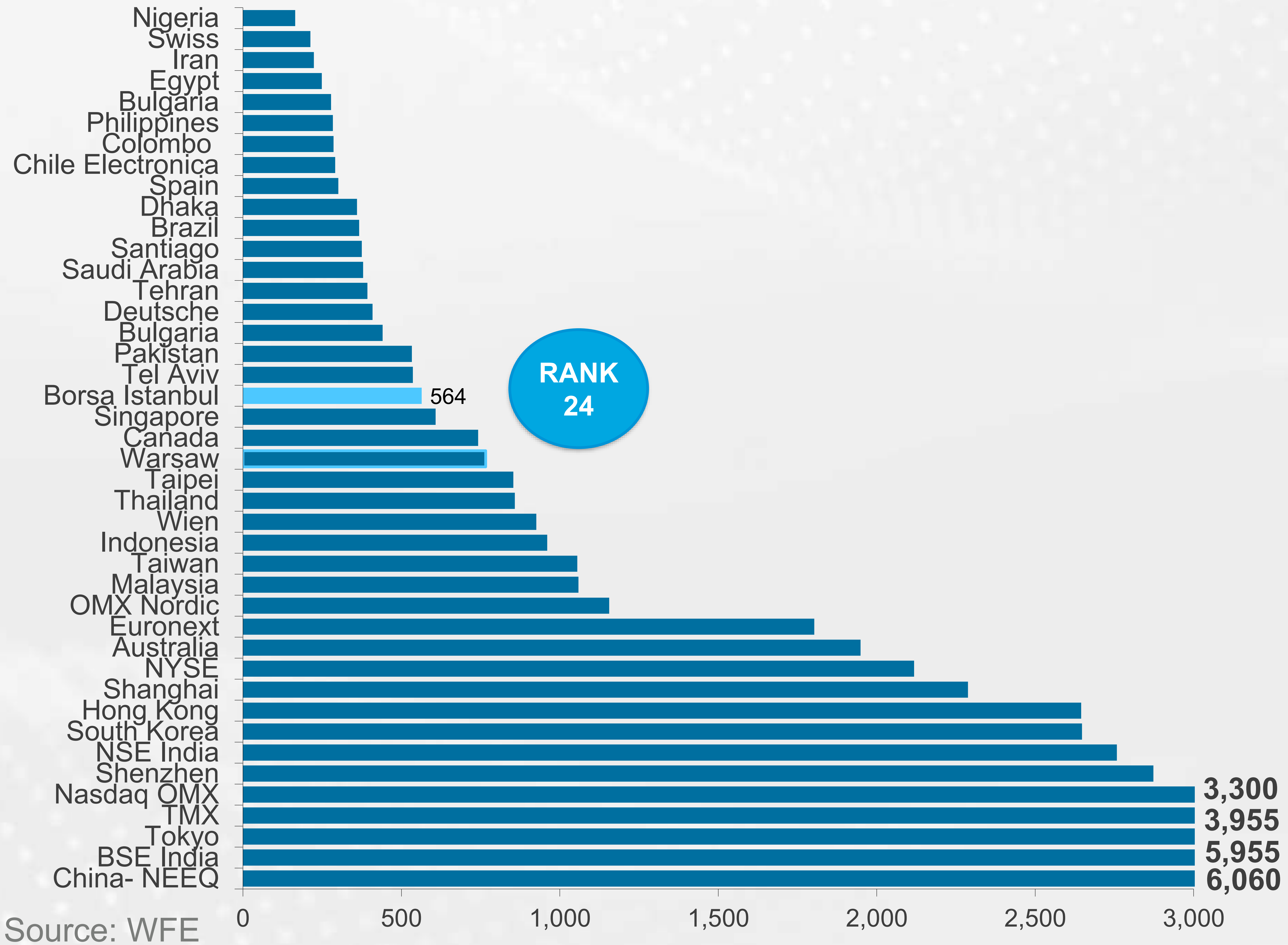
- TCMA is the self-regulatory professional organization in the Turkish capital markets.
- Founded in April 2001 according to the Capital Markets Law.
- Membership is mandatory.
- Under Capital Markets Board supervision.
- Membership base expanded in 2014 with new law.
- Brokerage firms, banks, asset management companies, and investment trusts are members of the Association.
- Crowdfunding platforms and crypto asset service providers will also be our members.

MARKET CAPITALIZATION (2025/06, BILLION $)



Source: WFE

NUMBER OF LISTED COMPANIES (2025/06)



Source: WFE

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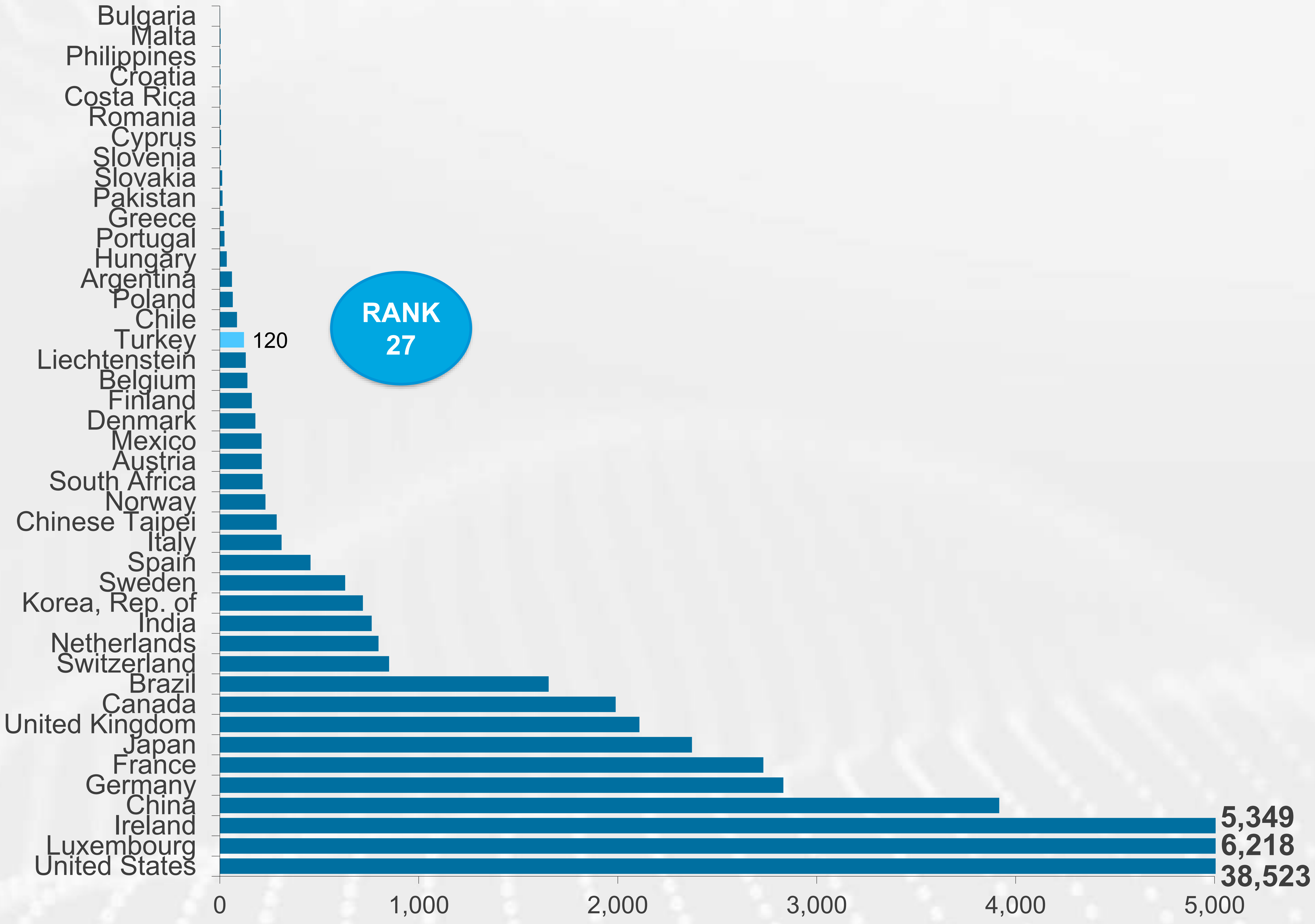
INVESTMENT FUNDS (BILLION $)

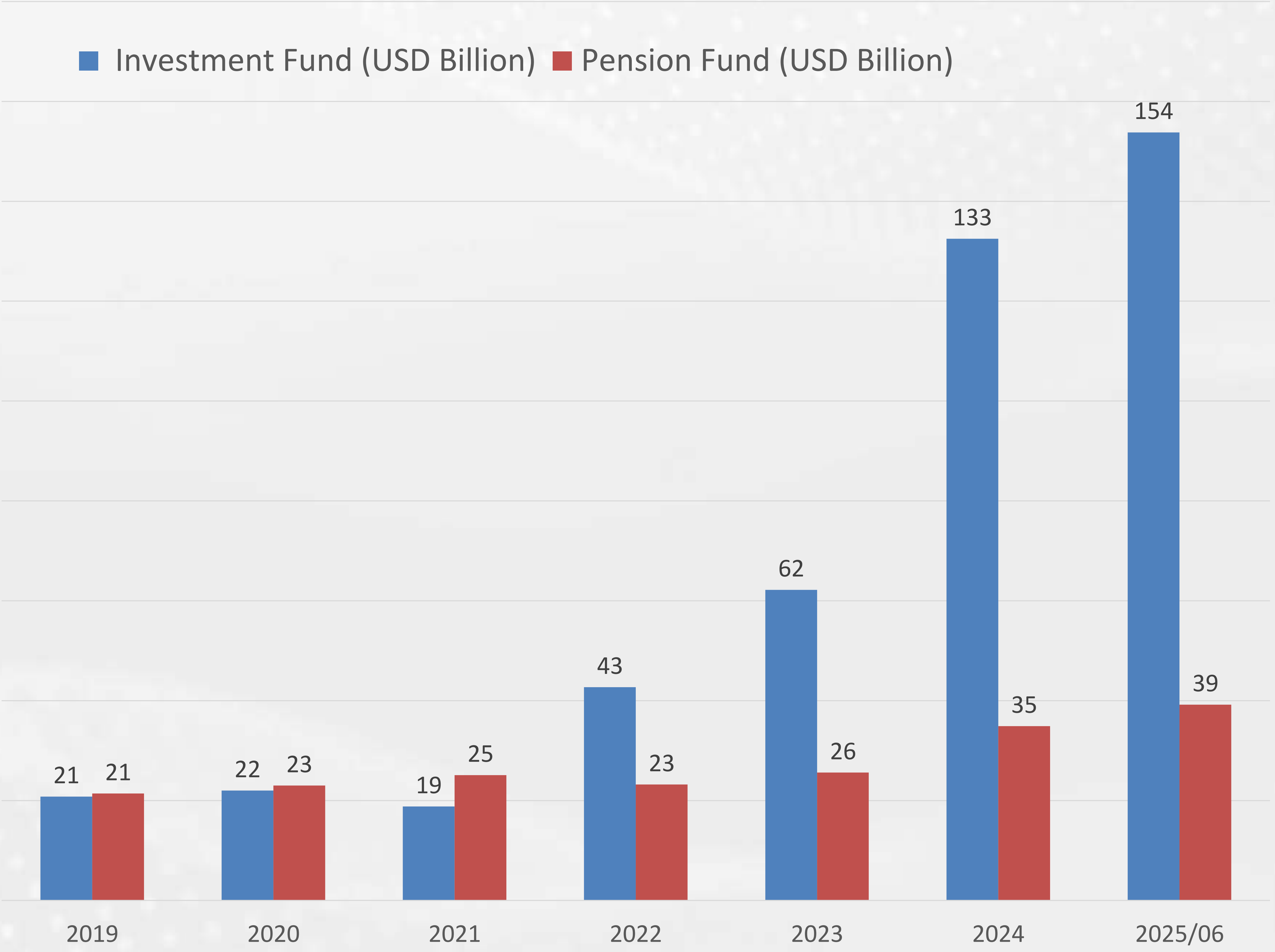
INVESTMENT FUNDS GLOBAL COMPARISON (March 2025)



Source: Investment Company Institute (ICI)

Note: Figures exclude funds of funds

INVESTMENT AND PENSION FUNDS MANAGED BY TCMA MEMBERS



Source: TCMA

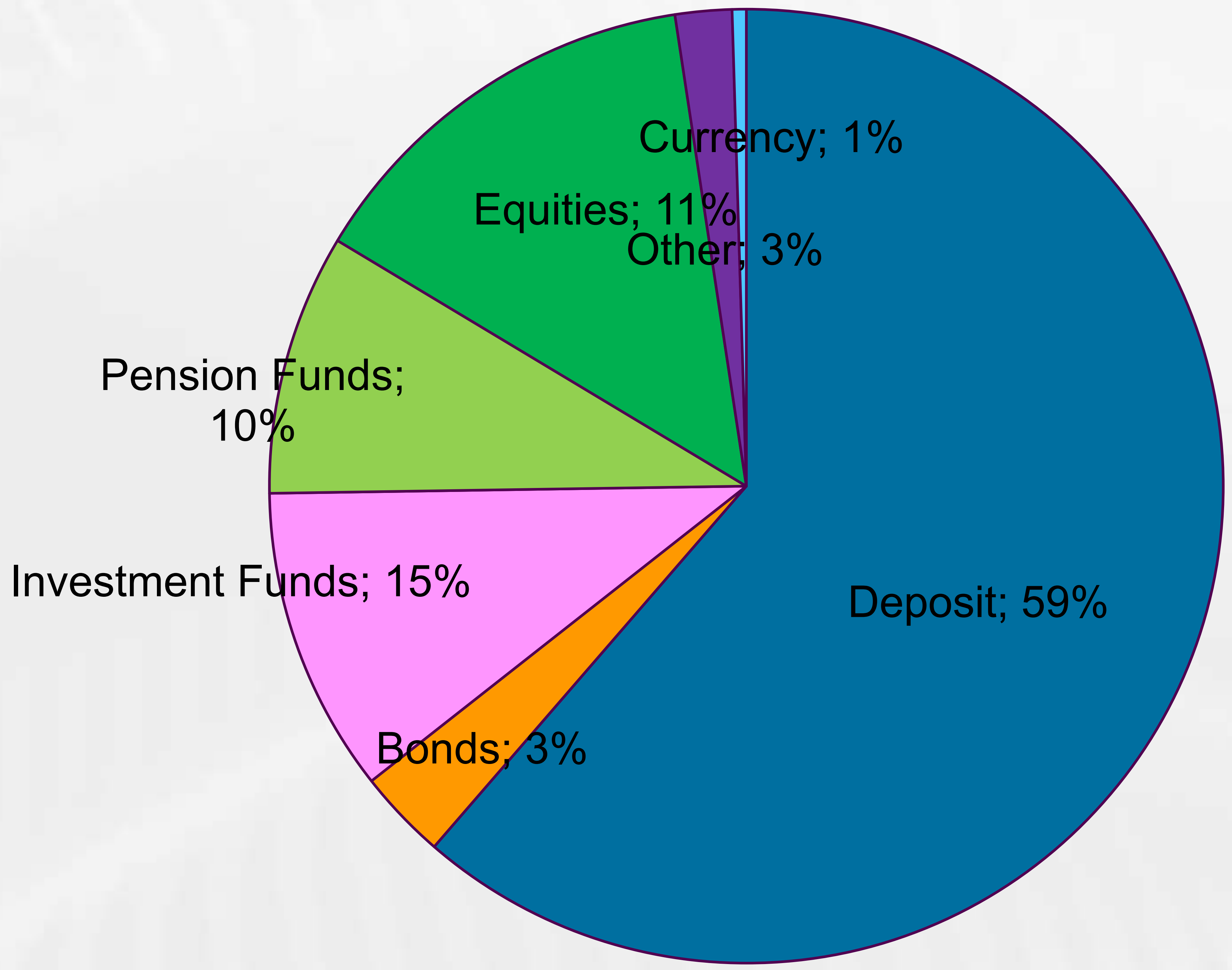
SECURITIES INVESTMENT FUNDS

Breakdown of Securities Investment Funds by Fund Type					
(Million USD)	2021	2022	2023	2024	2025/06
Debt Instruments Fund	2,661	2,900	2,257	3,153	3,419
Variable Fund	1,284	1,606	1,334	1,632	1,324
Fund of Funds	1,961	1,636	1,416	1,861	1,563
Equity Fund	1,832	3,422	2,995	5,030	3,657
Precious Metals Fund	605	727	1,242	2,215	2,750
Capital Protected Fund	61	14	1	0	0
Money Market Fund	3,051	5,301	5,028	35,649	24,556
Hedge Fund	7,574	19,084	35,686	62,951	93,001
Mixed Fund	366	240	165	112	97
Participation Fund	633	1,024	1,476	4,104	5
TOTAL	**20,026**	**35,953**	**51,600**	**116,706**	**135,747**

Source: Takasbank

- Considerable increase in money market funds and hedge funds in 2024 and 2025.
- The rise in interest rates since 2H2023 brought money market funds to the forefront starting from the year 2024.
- On the other hand, hedge funds represent 69% of total fund assets.

DISTRIBUTION OF HOUSEHOLD SAVINGS

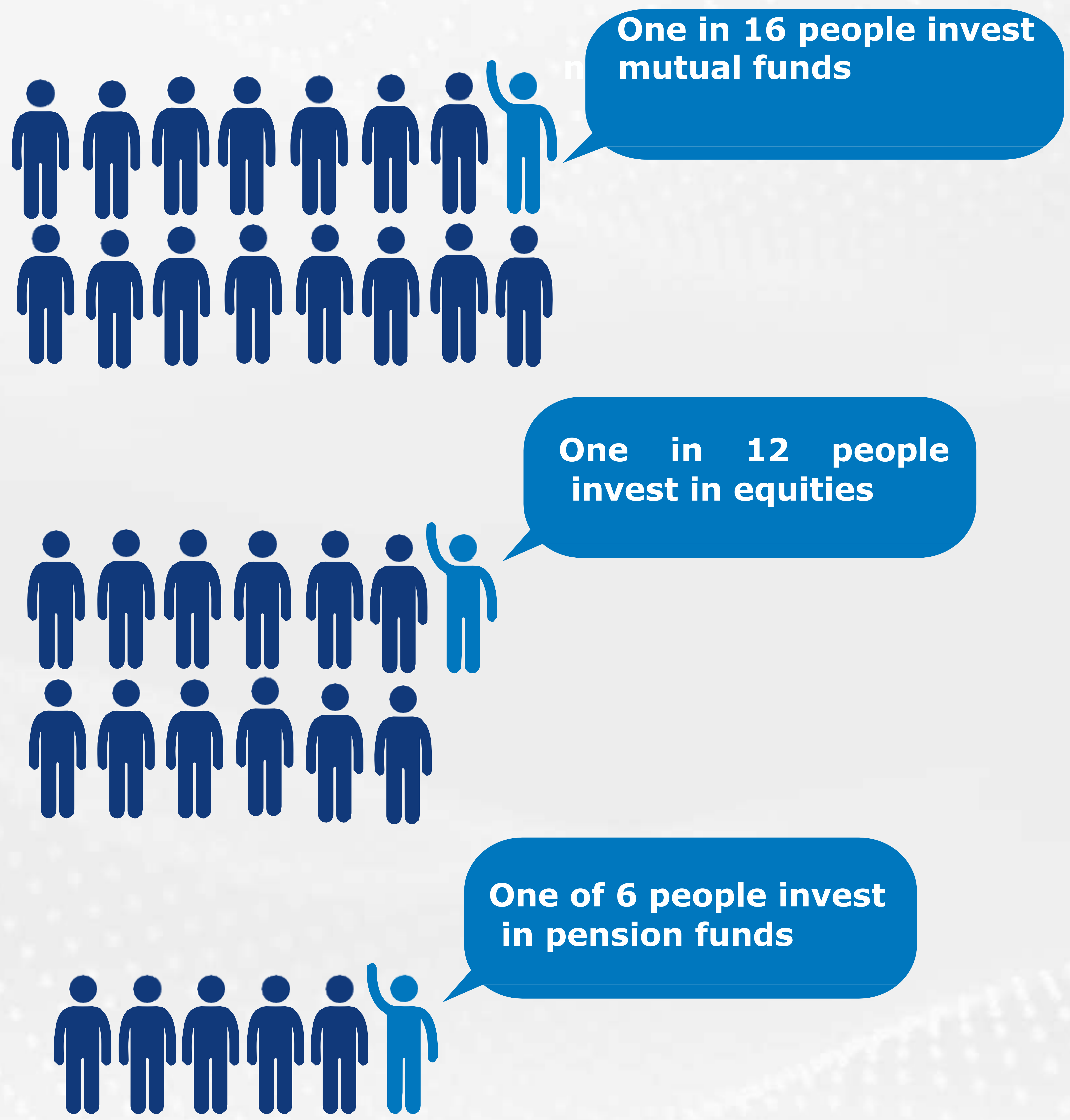


- As of March 2025, the largest portion of household savings is in deposits with a 59% share.
- Investment and pension funds represent 25% of household savings. This ratio was 13% in 2019.

Source: CBRT

NUMBER OF INVESTORS PER POPULATION

In Türkiye:



Source: MKK

RECENT DEVELOPMENTS

- **T+1 settlement cycle in the equity market:** Test operations are scheduled to begin on January 5, 2026, and the transition is planned to be completed by December 31, 2026

- **Financial Literacy Day:** Officially designated May 22 as Financial Literacy Day

- **Efforts to Introduce a Female Board Member Quota:** In Türkiye, listed companies are encouraged to reach at least 25% female representation on boards, yet women held only 18% of seats in 2023.

RECENT DEVELOPMENTS

SUSTAINABILITY

TÜRKİYE

- Upon ratifying the Paris Agreement in 2021, President Erdogan announced Turkiye's target of achieving net-zero greenhouse gas emissions by 2053. Türkiye's 2053 Net-Zero Strategy identifies five priority sectors for decarbonization: energy, industry, transport, buildings, and agriculture
- The Climate Law was approved by the Grand National Assembly of Türkiye (2 July 2025)
- A draft regulation on the Emissions Trading System (ETS) was prepared and made available for public consultation.(22 July 2025)
- A draft regulation on the Credit Offset System was published and opened for public consultation. (1 August 2025)

TCMA

SUSTAINABILITY

TÜRKİYE

- **Mandatory Sustainability Reporting in Türkiye**- The Public Oversight, Accounting and Auditing Standards Authority issued the Turkish Sustainability Reporting Standards in line with IFRS S1 and S2 in 2023 (first reports to be published in 2025, covering the 2024 financial year).
- **CMB's Sustainable Finance Initiatives**

  - Sustainable Debt Instruments Guide for green bonds and sukuk.

  - Draft for sustainability-linked bonds and social bonds.

- Turkiye's Sustainability Principles Compliance Framework (introduced on October 2, 2020) and companies began implementing it in their 2021 annual reports under a 'comply or explain' approach.

SUSTAINABILITY

TÜRKİYE

- **Stewardship Code:** Published by CMB on February 20, 2024. According to the public announcement, portfolio management companies are expected to either adopt these principles in their policies or clearly explain why not, by December 31, 2024, The first annual reports showing how these principles were applied (or explaining non-application) must be disclosed no later than March 2, 2026.

- **Borsa İstanbul's Sustainability Index** (currently includes around 80 to 90 listed companies since 2014), Sustainability 25 Index (since 2022) and BIST Sustainability-Themed Debt Securities Indices, BIST Futures contracts based on the BIST Sustainability 25 Index (since 2023)

SUSTAINABILITY

TCMA

- A Sustainable Finance Department was established in 2024 at the Turkish Capital Markets Association (TCMA).
- TCMA is preparing its first sustainability report in accordance with GRI standards this year.
- TCMA is conducting a sectoral analysis report on sustainability legislation and practices related to capital markets.

TCMA

FINANCIAL TECHNOLOGIES AND DIGITAL TRANSFORMATION

- An amendment to the Capital Markets Law entered into force on July 2, 2024. With this regulation, crypto asset service providers operating or to operate in our country are placed under the regulatory and supervisory authority of the Capital Markets Board (CMB) within the scope of Capital Markets Law.
- CMB’s authorization process for crypto asset service providers is still ongoing, and no platform or custody institution has yet been licensed. On its official website, the CMB publishes the ‘List of Active Institutions,’ which currently includes 49 platforms and 9 custody institutions.
- Crowdfunding platforms and crypto asset service providers will apply to become members of TCMA after obtaining their licenses.
- In 2024, the Financial Technologies and Digital Transformation Department was established within the TCMA.

FINANCIAL TECHNOLOGIES AND DIGITAL TRANSFORMATION

- Although not yet members of the Association, we established of working groups with crypto asset platforms to work on secondary regulations to be prepared by the Capital Markets Board (SPK), the Financial Crimes Investigation Board (MASAK), the Central Registry Agency (MKK), and the Scientific and Technological Research Council of Turkey (TÜBİTAK).
- Our Association prepared a draft chart of accounts in parallel with the regulations on the chart of accounts of brokerage house to be used in the accounting of crypto assets.
- Initiating efforts to create a guide and glossary for crypto asset investors.