



MAXIS INVESTMENTS LTD

IFPR DISCLOSURE

For The Year Ending 31st December 2022

Maxis Investments Ltd

One Bartholomew Lane, 1st Floor, London EC2N 2AX, UK • T +44 207 726 3300

Registered in England & Wales No: 5529888 • Authorised and Regulated by the Financial Conduct Authority • www.maxisinvestments.co.uk

1. OVERVIEW

1.1 Introduction

The IFPR disclosure requirements are designed to provide investors with information about the capital adequacy and governance arrangements of investment firms. The document serves as a means to promote informed decision-making and enable stakeholders to assess the suitability of the firm's services.

The Investment Firms Prudential Regime ("IFPR") is the new prudential regime for MiFID investment firms that came into effect on 1st January 2022.

The Firm publishes its IFPR Disclosure on an annual basis. All information contained is as of the Firm's Accounting Reference Date of 31st December 2022.

IFPR Disclosure can be published more frequently than annually should any significant change to the relevant characteristics of the business require more frequent disclosure. IFPR Disclosure has been reviewed and approved by Maxis Investments Ltd's (the Firm) Board of Directors.

The disclosure will be published on the Firm's website www.maxisinvestments.co.uk.

1.2 Background

Maxis Investments Ltd was incorporated on 8 August 2005 in England and Wales under registration number 05529888. Formerly the Firm name was Maxis Securities Limited and in accordance with the Companies Act 2006 Section 77 (1), effective from 16 December 2013, the Firm name was changed to Maxis Investments Ltd. In June 2006, under Part IV of the Financial Services Market Act (FSMA) 2000, the Firm was granted permission by the Financial Conduct Authority (FCA) (previously known as the Financial Services Authority (FSA)) in the United Kingdom to operate as a Limited Licence firm under Firm reference number 441316.

1.3 Structure

Maxis Investments Ltd is wholly owned by Is Yatirim Menkul Degerler A.S. which is one of the largest securities and investment firms in Turkey and a subsidiary of Turkiye Is Bankasi A.S.

Is Investment owns 100% of Maxis Investments Ltd. The parent firm is one of the largest securities and investment firms in Turkey with market capitalization of approximately £1 billion as of 31 December 2022. It is a public company with its shares listed on the Istanbul Stock Exchange. Turkiye Is Bankasi A.S. and other group companies own approximately 71% of Is Investment, while the remaining 29% is free float. Further information on Is Investment can be obtained from their firm's website (www.isinvestment.com).

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The Firm's ultimate parent, Is Bank is one of the largest banks in Turkey. Is Bank's shares are listed on the Istanbul Stock Exchange with market capitalization of £5.7 billion as of 31 December 2022. With 1,105 branches in Turkey and 21 branches in foreign countries, it is the largest private bank in Turkey. Further and up to date information on Is Bank can be obtained from their website (<https://www.isbank.com.tr/en>).

1.4 Business Description

Maxis Investments Ltd is a Non-SNI (Non-Small and Non-Interconnected Investment) firm with the following regulated activities:

- Advising on investments (except on Pension Transfers and Pension opt Outs)
- Advising on P2P agreements
- Arranging (bringing about) deals in investments
- Arranging safeguarding and administration of assets
- Dealing in investments as agent
- Dealing in investments as principal (Matched Principal Broker)
- Making arrangements with a view to transactions in investments
- Safeguarding and administration of assets (without arranging)
- Client Money

Maxis Investments is not a part of an investment firm group as defined in MIFIDPRU 2. The Firm does not engage in trading activity for its own account. All transactions are executed on matched principal basis. However, the Firm holds non-trading book debt instruments for investment of its free capital.

The Firm has formulated its business strategy on serving international, high net worth or affluent individuals, and institutional clients by offering competitive pricing and safe custody services, utilising its location at a global financial centre. The aim of the Firm is to maximize returns to its shareholders over the medium to long term at a cautiously acceptable level of risk, while maintaining the reputation of its parent group.

1.5 Frequency of Disclosure

The Firm will be publishing its IFPR disclosures on an annual basis. The Pillar 3 disclosures have been reviewed and approved by the Firm's Board of Directors. The disclosures will be as at the Accounting Reference Date ("ARD"). It may be appropriate to disclose additional information when a major change in the business model occurs.

1.6 Media and Location

This disclosure is published on the Firm's website www.maxisinvestments.co.uk under Regulatory Disclosures.

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1.7 Internal Approval

This disclosure has been approved by the Board of Directors.

2. RISK MANAGEMENT AND GOVERNANCE

2.1 Risk Management Objective and Policies

Maxis acknowledges that risk is an integral aspect of its business operations. The Firm's approach to risk management is geared towards achieving an optimal balance between the risk it undertakes and the potential rewards. It is essential to note that the primary goal of risk management is not the complete elimination of risk, but rather its prudent management to maintain an acceptable level.

The Firm firmly believes that effective risk management plays a crucial role in the successful execution of strategic objectives and is an integral component of capital planning. By diligently managing risk, Maxis is better equipped to capitalize on available opportunities, thereby adding substantial value to the Firm.

The Firm recognizes that the pursuit of growth and profitability necessitates embracing calculated risks while maintaining a comprehensive risk management framework. This approach enables Maxis to seize opportunities and mitigate potential adverse impacts, ensuring the long-term sustainability and prosperity of its activities.

2.2 Risk Governance

The Firm has risk management objectives, policies and procedures in place to manage the different types of risks it is exposed to. The ultimate responsibility for risk management rests with the Board. However, from a practical perspective some of this activity is delegated to Senior Management to apply the Boards' policy instructions. This is facilitated through the implementation of an appropriate and effective Risk Management Framework. Senior Management is held accountable for all risks associated within their respective function or department.

The Firm's appetite for tolerance of risk is low.

Within Maxis, risk management and control activities are structured at two distinct levels:

- Strategic Level: This encompasses risk management functions conducted by the Board of Directors and Senior Management. They play a crucial role in defining the Firm's risk appetite, setting risk management strategies, and overseeing risk-related decision-making processes.

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In Maxis, risk management is firmly established as a top-down approach, commencing with the guidance and direction set by the Board of Directors. The risk appetite and overall strategy originate from the Board, demonstrating their active involvement in the assessment and realignment of the risk management process. Significant time during Board of Directors meetings is allocated to in-depth discussions and deliberations related to risk.

The Firm is obligated to adhere to the risk management policies of Is Bank also. This affiliation provides the Firm with valuable access to the group's expertise, enhancing its risk management capabilities.

The Board shapes the risk appetite, and its implementation is effectively woven into the Firm's culture by the CEO. The CEO takes a hands-on approach to communicate the risk management strategy, not only through general firmwide communications but also through personalized one-to-one interactions with employees. By assuming the responsibility of the Risk Management Function, himself, the CEO ensures that risk management receives the attention and priority it deserves.

Maxis' Risk Management Committee comprises the CEO, Managing Director of Trading and Sales, and Associate Director of Compliance. This composition ensures a well-rounded representation of key functions in the risk management process.

By fostering a strong risk management culture, led by the Board and championed by the CEO, and with a well-structured Risk Management Committee, Maxis demonstrates its commitment to effectively managing risks and safeguarding the interests of all stakeholders.

- **Micro Level:** At this level, known as 'On the Line' risk management, risks are managed within the various departments and individual roles responsible for specific functions. This includes areas such as front office, finance, IT, operations functions, among others, where risks are taken on behalf of the Firm. The individuals and departments actively involved in these areas are instrumental in the day-to-day identification, monitoring, and control of risks.

By effectively aligning risk management practices at both the strategic and operational levels, Maxis is well-positioned to safeguard its interests, pursue sustainable growth, and maintain the trust of its stakeholders.

Risk reporting and assessment requirements of the Firms' parent company and its ultimate parent constitute another layer of risk management, together with its independent auditors.

2.3 Directorship

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The total number of executive and non-executive directorships held by members of the Board as are as below. Directorships held within the same group Including the Firm are counted as a single directorship.

Board Member	Role	Number of Directorships
Riza Ihsan Kutlusoy	SMF9 Chair	4
Murat Kural	Non-Executive Director	1
Mehmet Yigit Arikok	SMF1 Chief Executive & SMF3 Executive Director	1

3 OWN FUNDS

3.1 Own Funds

COMPOSITION OF REGULATORY OWN FUNDS			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	5,818	
2	TIER 1 CAPITAL	5,818	
3	COMMON EQUITY TIER 1 CAPITAL	5,818	
4	Fully paid-up capital instruments	6,500	19
6	Retained earnings	-506	19
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-176	11

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OWN FUNDS: RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		31.12.2022	31.12.2022	
Assets				
1	Intangible Assets	176	-	11
2	Property, plant and equipment	27	-	
3	Trade and other receivables	39,905	-	
4	Derivative financial assets	1,261	-	
5	Non-trading book debt instrument	3,992	-	
6	Cash and cash equivalents	1,971	-	
7	Total Assets	47,331	-	
Liabilities				
1	Trade and other payables	40,019	-	
2	Derivative financial liabilities	1,261	-	
3	Bank overdrafts	58	-	
4	Total Liabilities	41,337	-	
Shareholders' Equity				
1	Share capital	6,500	-	4
2	Retained losses	-506	-	6
3	Total Shareholders' equity	5,994	-	
Own funds: main features of own instruments issued by the Firm				
<i>The Firm's own funds is comprised of issued share capital and retained earnings minus intangible assets.</i>				

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3.2 Own Funds Requirements

The own funds requirement of the Firm is the highest of its K-Factor Requirement (KFR), its Fixed Overhead Requirement (FOR) and its Permanent Minimum Requirement (PMR). Maxis Investments' own fund requirement calculation as of 31.12.2022 is given below.

OWN FUNDS REQUIREMENT (OFR) CALCULATION	
Own Funds Requirement (OFR)	Amount (GBP thousands)
Total K-Factor Requirement	1,509
Risk to Client (K-AUM + K-CMH + K-ASA)	461
Risk to Firm (K-DTF + K-COH)	6
Risk to Market (K-NPR + K-CMG + K-TCD + K-CON)	173
Additional Own Funds Req. ICARA	870
Fixed Overhead Requirement (FOR)	419
Permanent Minimum Requirement (PMR)	750
Own Funds Requirement (OFR)	1,509

4 REMUNERATION

Maxis Investments Ltd ('Maxis', 'the Firm') is authorised and regulated by the Financial Conduct Authority. The Firm is a non-SNI MIFIDPRU investment firm and was therefore subject to the FCA's MIFIDPRU Remuneration Code ('the Code') for the 2022 performance year.

Maxis has an "Equal Opportunities Policy" and fully committed to providing equality in the workplace and all opportunities for, and during employment, will be afforded to individuals fairly and irrespective of age, disability, gender, gender reassignment, marital or civil partnership status, pregnancy or maternity, race including colour, ethnic or national origins and nationality, religion or belief or sexual orientation ("the protected characteristics").

Considering the proportionality rule set out in MIFIDPRU 7.1.4 Maxis' Board of Directors ('The BOD') act as a remuneration committee. There are no other sub-committees to oversee remuneration. The BOD takes into account the input by the Compliance Department. Compliance Department provides advice to the BOD in meeting the requirements of the Code and voice any concerns or issues around excessive risk taking or conduct issues of the relevant staff.

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The firm's appetite for tolerance of risk is low.

A material risk taker ("MRT") is a staff member at a non-SNI MIFIDPRU investment firm whose professional activities have a material impact on the risk profile of the firm or of the assets that the firm manages. The BOD has identified the CEO, Trading and Sales Department Managing Director and the Compliance Associate Director as MRT considering their impact on the business. These staff and any other staff determined by the BOD are eligible to receive variable remuneration. The BOD approves the MRTs and the Remuneration Policy at least on an annual basis.

Remuneration Code staff are remunerated adequately to attract qualified and experienced staff.

Remuneration is usually comprised wholly or mainly of fixed remuneration. If any variable component is paid it does not exceed one third of total remuneration so as not to incentivise excessive risk taking and promote a culture of good conduct and treating clients fairly.

Fixed remuneration primarily reflects the staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment and permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance in accordance with the Code.

Where bonuses are paid these are discretionary and are determined by the BOD and performance criteria are balanced taking into account how well an individual has performed in their role as well as behavioural criteria such as compliance with the Firm's policies and procedures, any errors or breaches and any conduct issues that arose in the review period.

There are no additional schemes which directly incentivise Trading and Sales staff by offering additional remuneration based on sales, commissions or new business referrals to avoid conflicts of interest and excessive risk taking.

The BOD will only consider awarding bonuses where the firm has generated a net profit and where the long-term prospects of the business are not compromised by any bonus awards. A gross variable remuneration for its CEO calculated on net profit basis and return on equity subject to a cap determined by the BOD. The BOD reserves the right to reduce the amount payable to take into account adjustments for performance and conduct issues in addition to malus and clawback adjustments agreed by the BOD in order to comply with the Firm's Remuneration Policy and the UK regulation contained. At the discretion of the BOD, MRTs are entitled to receive variable

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remuneration payment under a discretionary bonus scheme with the purpose of maintaining motivation for sustainable performance in line with consideration of returns for shareholders and attracting and retaining talent, subject to the Firm making a profit and subject to meeting the Firm's regulatory requirements for employee conduct. Any discretionary bonus will be payable after the end of the calendar year to which it relates. The BOD reserves the right to reduce the amount payable to take into account adjustments for performance and conduct issues in addition to malus and clawback adjustments agreed by the BOD in order to comply with the Firm's Remuneration Policy and the UK regulation contained within the Remuneration Code.

At the discretion of the BOD, employees that are not Material Risk Takers can also be entitled to receive a variable remuneration payment based on their outstanding performance with the purpose of maintaining motivation for sustainable performance in line with consideration of returns for shareholders and attracting and retaining talent.

4.1. Quantitative Remuneration Disclosure

Total number of MRTs identified by the BOD is 3 and the total number of staff is 9 by 31.12.2022. The aggregate remuneration for the financial year ended 31 December 2022 is as follows:

Maxis Investments Ltd (GBP)	Total amount of remuneration	The fixed remuneration	The variable remuneration
All staff	897,162.05	742,162.05	155,000.00

The exemption set out in MIFIDPRU 8.6.8R(7)(b) was relied upon for obligation 8.6.8R (4) (the disclosure of the total, the fixed and variable amount of remuneration awards made during the financial year for senior managers, MRTs and other staff) to prevent individual identification of senior managers, MRTs and other staff receiving those awards.

Maxis has not awarded any guaranteed variable remuneration or severance payment during the financial year 2022.