

<p>If Yes</p>	<p><b>Systematic Internalization</b> i.e., dealing on own account on an organized, frequent, systematic and substantial basis when executing client orders outside a regulated market or an MTF<sup>2</sup></p>	<p>If Yes</p>	<p><b>Hedging of market risks</b> i.e., transactions that serve to hedge all types of market risk INCLUDES, for example (i.e., exemption applies): (i) hedging of price risk, rate risk, interest rate risk, foreign exchange risk, market risk arising from commodities business (including electricity derivatives and CO<sub>2</sub> emission certificates), market-related risk which results from a change in a counterparty's creditworthiness (e.g., specific position risk or potential changes in credit spreads) or which is attributable to market liquidity (BTR 2.1 No. 1 MaRisk), (ii) hedging on portfolio level or based on correlation assumptions, (iii) anticipatory hedging of future risk, (iv) split hedges, (v) money market loans or other money market transactions for the purpose of short-term liquidity management.</p>
<p>If Yes</p>	<p><b>Dealing on own account as a service for others</b> i.e., trading to fulfil a client order or trading that relates to trading for a potential client, including intragroup transactions (where the "client" of the Bank is a subsidiary of the Bank)</p>	<p>If Yes</p>	<p><b>Strategic investments</b> i.e., transactions serving or supporting the acquisition or sale of a strategic (long-term) participation</p> <p>If Yes</p> <p><b>Trading without short-term trading intention</b> i.e., transactions that are not entered into for the purpose of using existing or expected differences between buying and selling prices or fluctuations in the market rates, prices, values or interest rates in the short term so as to generate a profit, are exempt from the proprietary trading prohibition</p> <p>INCLUDES, for example (i.e., exemption applies): the acquisition or holding of investment fund units if it relates to the establishment and management of alternative investment funds (AIF) and the placement of units issued by them (seeding and co-investment activities) are generally not covered by the prohibition in Sec. 3 (2) sentence 2 no. 1 KWG, if the acquisition or holding of units is closely related to client-related asset management activities and does not aim at generating short-term profits</p>

<sup>1</sup> Needs to be amended as soon as regulation C(2016)2398 final enters into force (COMMISSION DELEGATED REGULATION (EU) of 25.4.2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive), a MiFID II related regulation.

<sup>2</sup> Needs to be amended as soon as MiFID II is implemented in German Banking Act (second FiMaNoG) with respect to definition of "Financial Instrument".

<sup>3</sup> See previous FN.

<sup>4</sup> To be expanded to OTF once MiFID II is implemented in German Banking Act (second FiMaNoG).