

## 1. Purpose and Scope

Yapi Kredi Bank Deutschland GmbH & Co. OHG, hereinafter referred to as Yapi Kredi Germany operates under the German full banking licenses from the German Banking Supervision (BaFin). The main banking services that Yapi Kredi Germany currently provides to its clients:

- Commercial loans - debt-based financing arrangement
- Trade finance- financial instruments and products to facilitate international trade and commerce
- Deposits-term deposit account: It is a fixed-term deposit account in which money is held at the bank for a specified period at a fixed interest rate.
- Custodian Service - the safekeeping and administration of financial instruments for other related services,
- Financial commission business (Finanzkommissionsgeschäft)– buying and selling financial instruments in the undertaking’s own name for the account of the third parties

This Conflict-of-Interest Policy defines the framework for the identification, prevention, management, and disclosure of conflicts of interest that may arise in the course of the Bank’s business activities, in particular execution-only investment services provided to Private Banking clients.

This Policy is implemented in conjunction with the Bank’s internal compliance and governance frameworks e.g. as Code of Conduct to ensure consistency and regulatory conformity to manage conflicts of interest in order to:

- safeguard client interests,
- protect the integrity and reputation of the Bank,
- ensure objective and independent conduct by employees, and
- comply with applicable WpHG, MiFID II, and BaFin requirements.

This Policy applies to all employees, management, and relevant units. The Bank does not provide investment advice or portfolio management all services are provided strictly on an execution-only basis.

The scope of this Policy also covers potential conflicts arising from:

- lending and credit allocation,
- outsourcing and procurement,
- employees’ outside business interests,
- organizational structure, and
- relationships with group entities and related parties

## 2. Regulatory Framework

This Policy is established in accordance with:

- WpHG (Wertpapierhandelsgesetz)

- MiFID II
- BaFin Guidelines
- Applicable national laws and regulations

### **3. Definition of Conflicts of Interest**

In accordance with § 63 WpHG & MiFID II Article 23 a conflict of interest arises where the Bank, its employees, management, or related parties have interests that conflict or may conflict with the interests of clients, potentially impairing the fair, honest, and impartial provision of services.

Conflicts may occur:

- between the Bank and a client,
- between different clients,
- between employees (or related persons) and clients.

Within the scope of this Policy, employees are required to act objectively, independently, and in the best interest of clients when faced with potential conflict situations.

Failure to identify and appropriately manage conflicts of interest may result in adverse consequences for clients, the Bank, and its staff.

### **4. Potential Conflicts of Interest**

Even within an execution-only model, conflicts of interest may arise, including but not limited to:

- Securities services involving incentives received from or provided to third parties (e.g. placement or after-sale commissions, discounts on issue prices, or other material benefits);
- Performance-based remuneration for employees or intermediaries;
- The Bank's own commercial interests, including own earnings or the sale of securities issued by the Bank;
- Relationships with issuers of financial instruments, including credit relationships, participation in issuances, or strategic collaborations;
- Preparation and distribution of financial analyses or market information;
- Personal, family, or close relationships of employees, management, or affiliated persons;
- Situations involving mergers and acquisitions, where more than one competing entity is involved;
- Large loan allocations to competing companies;
- Order handling and allocation in the case of simultaneous client orders;
- Access to inside or confidential information.

## **5. Approach to Managing Conflicts of Interest**

The Bank seeks to ensure that conflicts of interest do not adversely affect the interests of clients, the Bank, its shareholders, or other stakeholders through effective identification, prevention, and management measures.

## **6. Prevention and Management Measures**

### **6.1 Organizational and Operational Measures**

- Clear separation between execution-only services and proprietary trading, treasury, or other conflicting activities.
- No involvement of execution-only staff in pricing, structuring, or issuance decisions.

### **6.2 Execution-Only Principle**

- No personalized investment advice or portfolio management is provided.
- Transactions are executed solely based on explicit client instructions.

### **6.3 Best Execution**

- Client orders are executed in accordance with the Bank's Best Execution Policy.
- Execution venues and counterparties are selected using objective criteria and reviewed regularly.

### **6.4 Remuneration Controls**

- Remuneration structures are designed to avoid incentives that could conflict with client interests.
- Employees must not grant unjustified benefits to themselves, relatives, or third parties by using their position or authority.

### **6.5 Personal Transactions and Confidential Information**

- Employee personal transactions are subject to internal approval, monitoring, and reporting rules.
- Front-running and misuse of confidential or inside information are strictly prohibited.

### **6.6 Training and Awareness**

- Employees receive regular training on conflicts of interest, conduct requirements, and execution-only limitations.

## **7. Disclosure to Clients**

If a conflict of interest cannot be adequately prevented or managed, the Bank will clearly disclose the nature and source of the conflict to the client prior to executing the relevant transaction.

## **8. Responsibilities**

- Management Board and Senior Management are responsible for establishing and enforcing this Policy and ensuring adequate resources.
- Employees must act with integrity, objectivity, and impartiality, and immediately report actual, potential, or perceived conflicts of interest.
- Unavoidable personal conflicts must be disclosed to the direct superior; in cases of doubt, the AML & Compliance Department must be consulted.
- Compliance oversees implementation, monitoring, documentation, training, and regulatory reporting.

## **9. Monitoring, Record-Keeping, and Review**

All identified conflicts of interest and mitigation measures are documented in the so called “Conflict of Interest Register”. The Policy is reviewed at least annually and updated as required by regulatory or operational changes.

This Conflict-of-Interest Policy forms an integral part of the Bank’s governance framework and is binding for all staff involved in execution-only Private Banking services.