

JSC OTP BANK Code of Ethics

Joint stock company “OTP BANK” is one of the biggest foreign banks, and recognized leader of the financial sector of Ukraine. On the Ukrainian financial market, it is represented from 1998 and has strong and good reputation of socially responsible, reliable and stable structure and offers to its clients European quality services.

In addition to increasing the shareholder profitability and efficiency, the management of risks and lawful operation, as well as the efficient enforcement of business, ethical and controls are of utmost importance in the operation of the Bank.

As an ethical and law-abiding institution, the Bank and its entire management are committed to complying with all laws, including anti-corruption laws, and follows the principle of zero tolerance in respect of corruption and bribery; it is strictly against all forms of corruption and supports anti-corruption conduct.

Our knowledgeable and committed employees, acting according to our high standard of ethics, are key to our success. All employees of the Bank are expected to perform their work in full compliance with the ethical and professional standards.

Transparent as well as the harmonization of the interests of clients and the bank are of utmost importance. We are convinced that ethical operation substantially contributes to the enhancement of the bank's performance and competitiveness as well as its domestic and international reputation.

The guidelines of ethical operation are summarized in the Code of Ethics. Familiarization and compliance with the document, and the monitoring of the changes are key requirements from all employees and agents.

*Best regards,
Tamas Hak-Kovacs
Chairman of the Board of JSC “OTP BANK”*

1. Introduction

OTP BANK JSC's (hereinafter referred to as "the Bank") Code of Ethics formulates clear and unambiguous guidelines and requirements for both the Bank and those affiliated with the Bank, in respect of ethical business operations, in order to protect the Bank's values.

The Bank adopted its Code of Ethics, which – in line with the external and internal changes and requirements – is continuously changing and developing. The Code of Ethics is based on international standards, best practices and own operational experiences, which take into consideration the requirements imposed on the Bank and practical feasibility.

The Bank's statutory corporate governance system simultaneously serves customer confidence and satisfaction, the increase shareholder value and social responsibility.

Compliance with the rules of ethics and ethical operation within supervised by the Ethics Committee (hereinafter – the Committee) in accordance with the principles and expected forms of conduct stipulated in the Code of Ethics.

The Bank provides the opportunity to report violations of the Code of Ethics either in person over phone or in e-mail, in addition it does its utmost to protect the employees reporting infringements from discrimination and unfair treatment: it prohibits the application of retaliatory measures or negative consequences against anyone reporting in good faith any presumed or real breach of the values and principles of the Code of Ethics.

The Bank attaches particular importance to making sure that the employees familiarise with and develop awareness of the norms of ethics, therefore it conducts an e-learning programme for every single employee, while reviews and monitors compliance with those norms on a regular basis.

2. The personal scope

2.1. The Code of Ethics specify obligations for the Bank's senior officers and the members of its Supervisory Board (hereinafter collectively referred to as executive officers), its employees¹ (the aforementioned collectively referred to as - employees) and its agents. For the purposes of the Code of Ethics "agents" include representatives, experts, intermediaries, consultants, agents per se, subcontractors and suppliers, along with enterprises and natural persons in other legal relationships with the Bank under the civil law. The provisions set forth in the Code of Ethics must be observed and complied with by all the abovementioned persons and organizations during the entire period of their employment or contractual relationships – both during and outside working hour.

2.2. The employees and the agents performing contractual obligations for the Bank and, in the course of their activities, meeting a wide range of the Bank's existing or potential clients, performing services for them on behalf of the Bank, and appearing before the public in the course of the performance of their contractual obligations clearly as representatives of the Bank, accept the Code of Ethics by signing the declarations pertaining to them (Annex 1, 2). The employee personally signs the declaration 1 while establishment of contractual relationships. This declaration is kept in his personal file.

3. Values

3.1. Protection of the Bank's assets

Every employee is responsible for the protection of all such tangible, financial and other assets of the Bank, the clients and the agents, with the management of which they are assigned. Assets of the Bank, clients, agents and other actors may only be applied and used for authorised purposes in accordance with the applicable permits and conditions.

Inappropriate management or unauthorised sharing with third parties of the assets owned or used by the Bank are considered to be a breach of obligations towards the Bank and such, may even qualify as economic crimes against the Bank. Likewise, negligence relating to, wastage or unauthorised use of the Bank's assets may also constitute violation of obligations towards the Bank.

For the purposes hereof, assets include cash, securities, physical property (instruments, inventories, equipment, etc.), services, business plans, information related to clients, employees and agents, intellectual property and any other personal, legally protected and confidential information.

3.2. Protection of the Bank's reputation

Requirements concerning conduct

Our employees must refrain from any expression that may have a negative impact on the Bank's reputation (both inside and outside the workplace).

An appropriate work environment is free from harassment, intimidation, discrimination, improper tone and abusive language, both in the relationship between employees and in superior - subordinate relations; (management) instructions and actions violating the human dignity of employees are strictly prohibited.

¹ Employees: persons having an employment relationship or other relationship for the purpose of work with the Bank. / співробітники - особи, які мають трудові або інші відносини з метою роботи з Банком.

The occurrence and continuance of financial relations and dependence (e.g. borrowing) between employees is not encouraged.²

The use of the proper tone, language, conduct and gestures in the communication with clients and agents is essential; in this respect, the exemplary conduct of the senior staff is important and expected by the Bank

The Bank expects its employees to behave, even in their private lives, in conformity to and in a way that is worthy of the Bank's norms of ethics, particularly when their activities or they may be associated in any way with the Bank or when they may appear to be acting or expressing opinions on behalf of the Bank.

Employees may participate and express their opinions in any organisation (political, religious or cultural) only as private individuals, and they must refrain from making references to their association with the Bank and taking into account the requirements of the Regulation on conflict of interest, including the prohibition on the use of resources (working time, property, etc.) of the Bank.

Social media

In the course of their activities in social media, our employees must refrain from any expression that may have a negative impact on the Bank's reputation. The Bank expects that its employees will behave (in the course of their communications in social media as private individuals) in conformity to and in a way that is worthy of the Bank's norms of ethics. Particularly, when their activities or they may be associated in any way with the Bank, or when they may appear to be acting or expressing opinions on behalf of the Bank.

Accordingly, in the course of their activity performed in the social media, our employees should particularly

- be respectful and tolerant towards others in terms of their religious, national and ethnic origin, sexual orientation, political or ideological beliefs;
- refrain from posting hate propaganda or racist content;
- respect the constitutional and statutory rights of others;
- show respectful conduct towards the Bank's competitors, too;
- refrain from communicating false, deliberately misleading or fake information;
- refrain from publishing illegal content or information inciting unlawful acts;
- refrain from using vulgar, obscene, libellous or defamatory expressions.

Political involvement

The Bank recognises the employees' right to assume roles in politics and in public life, but such activities they may perform outside the workplace. In the course of their political activities outside the workplace, employees must not use their positions at the Bank and they must refrain from behaving in any way that may have a negative impact on the Bank's reputation.

Employees must inform the Bank before assuming any position in any political or state organisation. In the course of their work at the Bank, employees may not use their roles or positions assumed at the political or state organisation.

Employees may only provide support to political organisations or persons observing the prohibition as stated in Chapter "Sponsorship". They must not use the Bank's resources (human resources, facilities, other assets) in support of political events.

3.3. Fit and proper procedure

Anti-corruption

Corruption, prohibited manipulation

Prohibited manipulation is the provision or achievement of advantage without entitlement or unlawful advantage (financial or other types of advantages, such as – besides cash – gifts, credit/loan, collateral, any offering in the course of the provision of a loan, discount, entertainment, services, benefits, offering of a job, etc. – hereinafter referred to as – unlawful advantage), in exchange for consideration. No employee or any other person acting on behalf of the Bank shall ever either offer, promise or make a payment or provide any other item of value or request or accept such item with the aim of influencing public officials or other persons (or to give rise to the appearance of such influence), or to attain unfair business advantage.

Unlawful advantage has no minimum amount or threshold value whatsoever that should be exceeded before such payment provided for the above purposes or gift qualifies as illegal or conflicting with the Code of Ethics.

Employees must avoid even the suspicion or appearance of corruption and prohibited manipulation.

Gifts

Handing out gifts is often part of the local culture and traditions. Giving gifts in the course of business and client relationships may contribute to the company's reputation and to the establishment of good business relationships³.

² The provision related to the development of financial relations does not apply to employees in family relations. / Положення, що стосується фінансових взаємовідносин, не поширюється на працівників, які перебувають у сімейних відносинах.

³ In relation to investment services, employees must also act in compliance with the provisions of the Bank's prevailing internal regulatory document pertaining to the principles and rules of inducement. / Що стосується інвестиційних послуг, працівники також повинні діяти відповідно до положень Банку, що діють у внутрішніх нормативно-правових документах, що стосуються принципів та правил сприяння.

Customary gifts, for business purposes, may be given and accepted, however, the total monetary value of gifts given or accepted within one quarter must not exceed UAH 3 000.00 (three thousand Ukrainian Hryvnias)⁴. Recurring, regular (daily, weekly or monthly) benefits provided by the same client or clientele do not qualify as business gifts, and consequently, should not be accepted. No gift whatsoever may be accepted in the public client area regardless of its value. The gift should not be cash or supplementary benefit provided in lieu of or directly related to banking services.

If despite the above, the gift exceeding the above value limit is offered and cannot be refused, it must be notified to the Bank's Compliance Unit by e-mail, specifying the organisation or person from which or whom the gift was received, the nature of the business relationship concerned and the gift itself.

All forms of exchanging gifts at the expense of the employer (representative budget) between the employees are prohibited, whether within an institution or among employees belonging to different subsidiaries of the Group. Gifts may be given by employees as private persons, at their own expense (e.g. in the case of one's birthday).

Non-cash gifts of protocol nature, related to the senior management level⁵, the purpose of which is other than influencing the business relation existing or to be established with the Bank, are exempted from the prohibition.

An employee must not give or accept gifts in circumstances where it may appear for outsiders that this may influence a business decision or where it may be regarded as a case of bribery.

Even the suspicion or appearance of the Bank or its employee influencing or trying to influence official bodies must be avoided; therefore, particular care must be taken in connection with gifts and invitations in relation to official bodies, international and/or civil society organisations.

An invitation or entertainment may take a variety of forms, including organised events, hospitality, concerts or trips. Making or accepting an invitation may be a legitimate part of business operations, it may contribute to the Bank's reputation and to the establishment of good business relationships. The Bank permits make and accept customary business-type invitations. Such cases may include invitations to lunch or dinner, participation in receptions or other types of entertainment, such as hospitality or reimbursement of travelling costs. Such costs must, however, always be kept within reasonable limits, where "reasonable limit" depends on the actual situation.

Business decisions must always be made in accordance with the Bank's interests and not of the personal relationship, the development of which has been facilitated by the gift or invitation. The primary objective is to protect and preserve the Bank's reputation and impeccable integrity.

Payments facilitating business procedures

Facilitating payments include unofficial benefits aimed at facilitating and accelerating an action or procedure to which the paying person is otherwise entitled. The Bank dismisses the practice of facilitating payments and will not make such payment when they are requested.

Sponsorship

The Bank's employees must not provide – in connection with their activities relating to their employment relationships or positions held – pecuniary or non-pecuniary support for any political party, organisation or any member or representative thereof. The Bank agrees to and accepts to be bound by this principle as well.

Donation

In the framework of its social responsibility, the Bank provides donations for certain organisations and groups in need. Donations may only be provided in accordance with the applicable statutory and internal regulatory documents. Neither the Bank nor any of its employees may ask for or accept any direct or indirect consideration in exchange for a donation.

Conflict of interests

In accordance with Ukrainian legislation and the Bank's internal regulatory documents, the employees must avoid any actual or potential conflicts of interest and even the appearance thereof in relation to their positions, work and themselves. They must refrain from any activities that are contrary to the Bank's and/or the clients' interests and they must make their decisions in an impartial and unbiased manner.

The employees must report any actual or potential conflicts of interest in relation to themselves, their relatives or their own or their relatives' business interests and the interests of the Bank or its clients. The employees shall collaborate with the Bank in order to resolve any conflicts of interest quickly and efficiently.

In relation to their positions, work and/or the Bank's interests, the employees must not demonstrate any conduct or hold any position that results in conflicts of interests.

⁴ In any 3 months, the recipient of the gift may accept gifts in the value of maximum HUF 50,000, regardless of the number of gifts and/or the contributors. The maximum value also includes the value of a gift received by a functional area or an organizational unit, but given to an employee upon the superior's decision. / За період у 3 місяці одержувач подарунка може прийняти подарунки вартістю не більше 3000.00 грн., незалежно від кількості подарунків та / або учасників. Максимальне значення також включає вартість подарунка, отриманого підрозділом, але надається працівникові за рішенням керівника.

⁵ For the purposes of this document senior management means the executive officers specified in this Code of Ethics, i.e. the members of the Bank's Management Board, Supervisory Board, / Для цілей цього документа керівництво означає керівників, визначених цим Кодексом етики, тобто членів Правління Банку та Наглядової ради.

The Bank prepares “The Regulation on conflict of interest” in order to avoid, identify and manage any conflicts of interest that are detrimental to its clients and the Bank’s interests. The conflicts of interest policy specifies the circumstances that lead or may lead to such conflicts of interest in the case of the given investment or auxiliary services that may have detrimental consequences for the client, and it contains the detailed procedural rules and measures, which the Bank can apply in the management of the given conflicts of interest.

Consumer rights protection

The Bank properly ensures the customers’ rights protection, gives the possibility for free choice of the Bank’s services. The customers also receive all necessary information and knowledge they may need to make a choice regarding the Bank’s products satisfying to their needs.

3.4. Mutual respect

Discrimination

The Bank seeks to create a working environment in which individual differences are accepted and appreciated. All forms of negative discrimination based on real or assumed attributes of the given person – including but not limited to race, sex, nationality, religious or ideological conviction, sexual identity, ethnic origin, disability, sexual orientation, political or other views, marital status, etc. - are prohibited.

Harassment

The Bank forbids and does not tolerate any behavior based on intimidating employees; especially, if exploiting this, employees are forced to show a conduct that is not in line with the Bank’s regulatory documents or the applicable statutory regulations.

Any verbal, non-verbal or physical form of behavior aimed at or resulting in the prejudice to the given person's dignity or creating an intimidating, hostile, degrading, aggressive humiliating or offensive environment, is prohibited.

If an employee feels that he or she has fallen victim to harassment referred to above, Compliance Unit should be notified through any of the channels specified in section 4 this Code of Ethics, which will then investigate the case and take the necessary measures.

3.5. The Bank's commitments

Financial reporting

The Bank prepares, presents and publishes its financial, tax and statistical reports in accordance with the generally accepted accounting principles and the applicable statutory regulations of Ukraine. The reports must contain the Bank’s financial position and the results of its operations in all relevant aspects, thereby also ensuring fair information provision to its investors.

The Bank ensures timely and complete registration of its operations. The customers are provided with reliable information as to the assets and liabilities, as well as the results of financial activity and its changes.

As it is required by the national legislation of Ukraine, the bank is obliged to provide the national bank of Ukraine with financial and statistical reporting concerning its activity, its operations, liquidity, paying capacity, profitability, and the information on the bank’s affiliated parties for the authorized bodies to assess the bank’s financial standing.

Competition law

The Bank's management is committed to and interested in ensuring the operation of free and fair market conditions facilitating competition. The Bank refrains from any conduct that could result in restricting competition in the market or in the abuse of its dominant economic position.

Such conduct may include, inter alia entering in unfair economic competition (in a way that violates or jeopardises the rightful interests of clients, competitors and/or partners); making or accepting proposals aimed at agreeing on prices, sharing marketing information affecting competition or dividing market and clients (cartel agreement); and discussing issues of relevance from the aspect of restricting competition (e.g. prices, pricing policies, costs, marketing strategies) in meetings of professional organisations representing trade interests.

The employees must behave in the course of their day-to-day activities involving the Bank's competitors and business partners in awareness of their responsibility under the competition law.

The prohibition of the insider trading

In the course of their day-to-day work, certain employees of the Bank may acquire insider information, which they must not use in any way violating the law. The Bank condemns insider trading.

Insider trading, unauthorized disclosure of insider information and prohibited market manipulation shall be governed by the provisions of the Criminal Code, Law of Ukraine “On banks and banking”, Law of Ukraine “On securities and stock market”, the relevant regulations of the European Union, as well as the Bank’s internal regulatory documents.

In accordance with its internal regulatory documents, the Bank takes all necessary measures to prevent and prohibit insider trading.

Confidentiality

One of the most essential requirements for the confidential relationship between the Bank and its clients is strict protection of business secrets and confidential information pertaining to the clients. The Bank consistently keeps business and securities secrets stemming from its financial service provision activity. Employees must comply with the confidentiality obligation even after the termination of their positions or employment statuses.

The employees must refrain from formally or informally sharing any information relating to the operation and activities of the Bank in cases where this is neither required for the regular business procedures nor related to the employee's tasks and in cases involving persons that are not employees or business partners of the Bank.

We provide the protection and preservation of business, bank and securities secrets in accordance with the relevant provisions of the Civil Code, the Criminal Code, Law of Ukraine "On banks and banking", Law of Ukraine "On securities and stock market", Law of Ukraine "On anti-money laundering, terrorist financing and, the financing of proliferation of weapons of mass destruction" along with the Bank's internal regulatory documents.

Our employees are required to make sure at the end of the day's work that their paper-based and electronic documents containing bank, securities or business secrets or confidential information are not left in places and/or in a condition where and in which they are accessible to unauthorised persons.

Anti-money laundering and counter-terrorism financing activities, and the financing of proliferation of weapons of mass destruction

Financial service providers play an intermediary or recipient role in the performance of quick and secure money market operations for private individuals and for organisations, therefore there is a high risk of certain individuals' aiming at giving transaction orders via the Bank for illegal purposes or involving assets originating from criminal activities. The prevention of such acts and knowing the Bank's clients are extremely important, not only for the Bank but also from the perspective of the overall perception of the domestic money and capital market. In this regard, any illegal act may entail unpredictable consequences for the Bank and the market in terms of both the loss of reputation and the potential financial losses.

The employees of the Bank in areas having direct contact with clients and in other areas exposed to the above risks must take as definite steps as possible toward the prevention and combating of money laundering and terrorist financing and the financing of proliferation of weapons of mass destruction and in order to obtain exhaustive information on their clients by applying the "Know Your Customer" principle. In the course of their work they must proceed in compliance with the provisions of the Criminal Code, Law of Ukraine "On banks and banking", Law of Ukraine "On anti-money laundering, terrorist financing, and the financing of proliferation of weapons of mass destruction". The same for the FATF and the Basel Committee on Banking Supervision recommendations and the Bank's internal regulatory documents.

Safe and healthy working environment

The Bank provides healthy and up-to-date working environment for its employees in accordance with the relevant labour regulations. The Bank provides its employees with training on security and labour protection.

Consumption of alcohol, illegal substances, drugs and/or other mind-altering substances at the workplaces of the Bank, at other venues and/or on other occasions relating to work for the Bank and/or in the course of activities relating to work is strictly prohibited, along with appearing under the influence thereof or performing activities qualifying as abuse (offering, handing over, dealing in, etc.). Civilised and moderate consumption of alcohol is permitted at protocol events and events not connected with the work or the Bank.

All employees must comply with the health and safety regulations pertaining to work, in accordance with the relevant safety, labour and fire protection regulations.

The Bank continually complies with the domestic and international statutory regulations pertaining to the creation and maintenance of a safe and healthy working environment.

Risk management culture

The Bank implements effective risk management system in order to be compliant with the recent tendencies of the banking system development, the usage of more complicated financial instruments and new information technologies, and taking into account essential consequences of operational risks influence on the activity of financial institutions. All the Bank employees must adhere to the Bank's policy as to the risk management culture and internal regulations describing each separate risk type.

Protection of economic competition

The Bank facilitates the competition development and does not take any actions, which may cause negative effect on competition. The Bank uses all available means to support and protect economic competition, monopoly restriction and to control adherence to the legislative requirements on economic competition protection.

Sanctions observance

To protect the national interests and security, sovereignty and territorial integrity of Ukraine, to counteract the terrorism and observe legal interests of Ukrainians, society and country, Bank's reputation, the Bank commits to be compliant with

the sanctions imposed on private individuals and legal entities by the government, international organizations and/or by other countries.

4. Reporting of ethics issues, advice

4.1. Upon suspecting or learning of potential violations of the values set forth in the Code of Ethics (ethics issues); when in need of advice or just have questions in general or about how to proceed in a given situation, any of the following options are available to connect with Compliance Unit:

- in person during working hours (at, a pre-arranged time), or in a letter addressed to OTP Bank, Compliance Unit (Kyiv, Zhylianska str., 43, room 421);
- by telephone, Mondays-Fridays, 9:00 a.m. - 6:00 p.m., (044) 495-04-82;
- by e-mail to compliance@otpbank.com.ua.

4.2. Notifications, requests and investigations are at all times treated confidentially by Compliance Unit, in observance of the applicable statutory regulations and internal rules, protecting the person reporting. In the case of a breach of the Code of Ethics, the procedures and sanctions are applied in accordance with the principles defined in the Bank's internal regulatory documents.

4.3. On establishing an ethical violation, the Bank institutes labour proceedings (applies discriminative sanctions) in accordance with Ukrainian legislation, including labour legislation, and also in accordance with the Bank's internal documents. In case of violation of this Code of Ethics the Bank also follows the Procedures of HR Directorate in a part of application of disciplinary sanctions for the violation of internal documents of the Bank).

4.4. Ethics issues may be reported in anonymity. Such anonymity reports could be provided to the Compliance Unit through fulfilment the web-form <https://www.otpbank.com.ua/about/compliance/> "Notification about improper actions". In this case, one must take into consideration that we may not be able to collect additional information that may be required for investigating and resolving the issue, therefore the Bank kindly advises the person reporting to provide some contact information – while retaining anonymity – so that we can ask for the necessary details.

4.5. Unfounded or ill-intentioned notifications (defamation) are unwanted and may entail legal consequences.

OTP BANK JSC

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