

Code of ethics

2018.

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Message from the Management Board

Dear Reader,

OTP banka Hrvatska public limited company (hereinafter: the Bank), together with its subsidiaries forming the OTP bank group (hereinafter: the OTP group), has become a prominent factor in the banking and capital markets of Croatia. The mentioned status has been achieved in the circumstances of increasing competition, where the need for quality service represents a constant challenge for the Board and all employees of the Bank alike.

The most important factor in our past and present accomplishments has been our good business relationship with the clients and business partners. Our success is a consequence of committed work of skilled, creative employees who adhere to the ethical norms. To promote the usual practice, the Board decided to lay down and implement standard ethical rules by adopting this Code of Ethics.

The Code of Ethics is a primary, fundamental system of ethical rules of the Bank that complement the provisions of the legislation of the Republic of Croatia and the internal regulations of the Bank. The ethical rules indicate to the direction to follow whilst carrying out everyday tasks, in communication with the colleagues, business partners and other interested persons, in accordance with the good business repute of the Bank and its role in the market. The Bank expects its employees to behave in a transparent, honest and professional way, observing the highest standards of responsible behaviour, regardless whether some situation has been regulated by the Code of Ethics or not.

Setting forth of standard ethical rules makes an important element of the system of accountable corporate governance in the Bank. In its operations, the Bank is focused on keeping the value of the owner's equity by raising higher the bar of efficiency and profitability, applying the adequate risk management tools, achieving full compliance with the relevant legislation and by keeping the ethical values and principles specified in the Code of Ethics.

The Bank and its Board are especially committed to ensuring of lawful operations that imply adhering to all the legislation of the Republic of Croatia, and other relevant legislation, internal regulations and contractual commitments. In addition, the Bank and its Board - determined in safeguarding the observance and implementation of the anti-corruption regulations – adopted the principle of zero tolerance for corruption and bribe, taking a clear stand on the prevention and unacceptability of all forms corruption, and providing undivided support to combating of corruption.

The Bank uses all the means at its disposal to keep and foster the ethical standards in its conduct. All the employees are aware that transparent business, and work compliant with the standard ethical principles can considerably contribute to success, competitiveness and recognisable image on the both domestic and international stage.

To this end, in addition to the information on its strategic goals and activities, the Bank regularly publishes the information on its core values and principles of ethical conduct that it adheres to and promotes in its work, as set out in this document.

The Board of OTP banka,
Done in Zadar on 16.10.2018.

1. Introduction

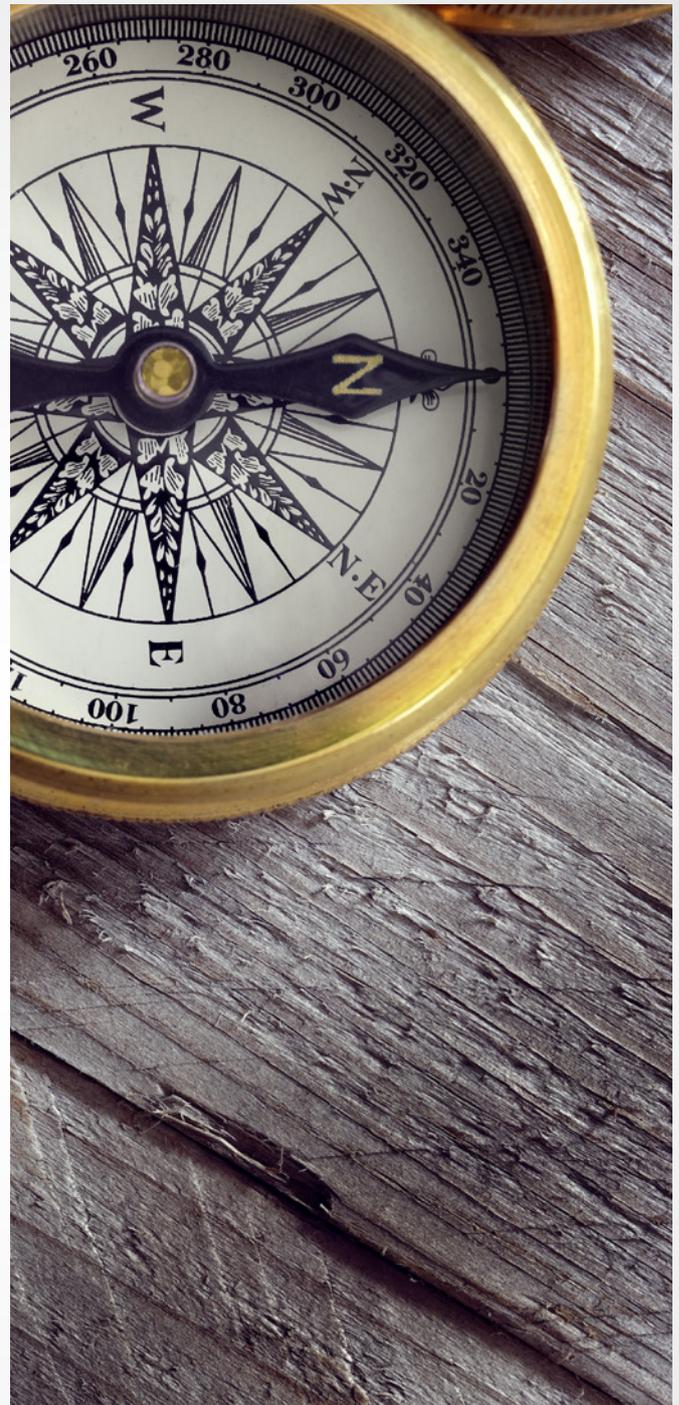
OTP banka Hrvatska public limited company (hereinafter: the Bank) has adopted its Code of Ethics with the aim of wording clear and unambiguous guidelines and requirements for both the Bank and those persons and organisations affiliated with the Bank, concerning ethical business operations, in order to protect the Bank's values.

Within the applicable statutory framework the Bank has formed its corporate governance system aiming to ensure client confidence and satisfaction, increase shareholder value and social responsibility.

To monitor compliance with the rules of ethics and observance of the requirements of ethical operations, the Bank has set up an Ethics Committee, a body that reviews the Bank's operations on a regular basis from the aspect perspective of compliance with the basic principles and the adoption of the expected forms of conduct as defined in the Code of Ethics.

The Bank provides an opportunity for anyone to report violations of the Code of Ethics (in person or in writing via regular post or by sending an e-mail), and, at the same time, does the utmost in protecting the employees reporting infringements within the Bank against discrimination and unfair treatment by prohibiting retaliatory measures or the application of negative consequences against anybody reporting in good faith actual or suspected breaches 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 a training of the employees, as well as reviews and monitors compliance with those norms on a regular basis.



2. The personal scope of the Code of Ethics

The guidelines and requirements set forth in the Code of Ethics specify obligations for the members of the Management Board, the members of the Bank's Supervisory Board, employees¹ of the Bank and the Bank's 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 above mentioned persons and organisations during the entire period of their employment or contractual relationships – both during and outside working hours. 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 available in Annex to the Code of Ethics and make its integral part.



¹ Employees: persons having an employment relationship or other relationship for the purpose of work with the Bank.

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 have been assigned. Assets of the Bank, clients, agents and other third parties may only be applied and used for the authorised purposes and in accordance with the applicable permits and conditions.

Inappropriate management or unauthorised sharing with third parties of assets owned or used by the Bank are breaches of obligations towards the Bank and may even qualify as economic crime 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 (assets, inventories, equipment, etc.), services, business plans, information of and pertaining to clients, employees and agents, intellectual property and any other personal, copyright protected and confidential information.

3.2. Protection of the Bank's reputation

REQUIREMENTS CONCERNING CONDUCT

Bank's employees must – both inside and outside the workplace – refrain from any expression that may have a negative impact on the Bank's reputation. 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 themselves may be associated in any way with the Bank or when they may appear to be acting or stating opinions in the name 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.

Employees must not exercise their right of expression in any way that violates the Bank's reputation or its rightful economic or organisational interests.

SOCIAL MEDIA

Concerning any social media appearance, the Bank's employees must refrain from any expression that may have a negative impact on the Bank's reputation. The Bank expects its employees to behave – in the course of their communication 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 themselves 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.

POLITICAL INVOLVEMENT

The Bank recognises its employees' right to assume roles in politics and in public life, but such activities may only be performed outside the workplace. In the course of their political activities outside the workplace, employees must not misuse 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 misuse 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" of the Code of Ethics. The Bank's resources (human resources, facilities, other assets) must not be used 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, 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.

Afore-mentioned items of value include 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. It 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.

Even activities/conduct that may rise the suspicion or appearance of corruption and prohibited manipulation must be avoided.

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 relationships. Customary gifts, for business purposes, may be given and accepted. The pecuniary value of such gifts must not exceed KN 500,00. No gift whatsoever may – regardless of value – be accepted in the public client area.

If despite the above, a gift exceeding the above value limit is offered and cannot be refused, it must be reported to the Bank's Compliance and Security Directorate, in writing by specifying the organisation or person from which or whom the gift was received, the nature of the business relationship concerned and the gift itself.

Any and all forms of exchanging gifts at the expense of the employer (representative budget) between employees are prohibited, whether it takes place between employees of the same institution or different subsidiaries of the OTP Group. Gifts may be given by employees as private persons, at their own expense (e.g. in the case of one's birthday).

Exempt from the prohibition are formal gifts given in line with the rules of protocol, non-cash type gifts and benefits that are clearly not given with the aim of influencing the business relationship existing or to be created with the Bank, or gifts that are based on communication relating to

work performed for the Bank, typically at the level of senior managers.

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.

Making and accepting customary business-type invitations is permitted. 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. The costs of the above mentioned invitations or entertainment 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 on the basis 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 are not permitted to 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.

CONFLICTS OF INTEREST

In accordance with the provisions of the applicable statutory regulations and the Bank's regulatory documents the employees must avoid any actual conflicts of interest and even the appearance thereof in relation to their positions, work and themselves. They must refrain from any and all 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 in accordance with internal regulatory documents on prevention of conflicts of interest in the Bank. The employees shall collaborate with the Bank to quickly and efficiently resolve any conflicts of interest.

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.

In view of its investment service and auxiliary service provision activities, the Bank prepared a policy on conflicts of interest in order to avoid, identify and manage any conflicts of interest that are detrimental to its clients. 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 to be applied in the management of the given conflicts of interest.

3.4. Mutual respect

DISCRIMINATION

The Bank seeks to create a working environment in which individual differences are accepted and appreciated. Positive or negative discrimination of any kind based on real or assumed attributes of the given person – including but not limited to colour of skin, gender, nationality, sexual or ideological conviction, sexual identity, ethnicity, impairment, sexual orientation, political or other views, marital status and so on – is prohibited.

HARASSMENT

The Bank prohibits and does not tolerate any behaviour based on intimidating employees, especially if through the use of it they are forced to carry out actions that are not in line with the Bank's regulatory documents or the applicable statutory regulations.

Any verbal, non-verbal or physical form of behaviour aimed at or resulting in hurting the given person's dignity or creating a humiliating and offensive environment, is prohibited.

If an employee feels that he or she has fallen victim to harassment by the above, Compliance and Security Directorate should be notified through the channels specified in section 4 of the Code of Ethics and it 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 reports in accordance with the generally accepted accounting principles and the applicable statutory regulations. 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.

COMPETITION LAW

The Bank's Management Board 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. 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.

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 and unfair manipulation of prices or rates are forbidden by the provision of the Criminal Code, the Capital Market Act, the relevant legislation adopted by 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 and bank secrets and confidential information pertaining to clients. The Bank consistently keeps business, bank and securities secrets stemming from its financial service provision activity. Employees must comply with the confidentiality obligation even after their positions or employment relationships with the Bank are terminated. 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. The protection and preservation of business, bank and securities secrets must be provided for in accordance with the relevant provisions of the, the Credit Institutions Act the Capital Market Act, other relevant laws and regulations, along with the Bank's internal regulatory documents. The Bank's 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

Financial service providers play an intermediary or recipient role in the performance of fast 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 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 fully in observance of the provisions set forth in the Anti-Money Laundering and Terrorist Financing Law, the Criminal Code, the recommendations and requests of the Croatian financial supervisory bodies and the recommendations of the FATF and the Basel Committee on Banking Supervision, the relevant regulations of the European Union and the Bank's internal regulatory documents.

SAFE AND HEALTHY WORKING ENVIRONMENT

The Bank provides to its employees the healthy and up-to-date working environment in accordance with the relevant labour regulations and provides for the protection of their bodily integrity and health.

As well, the Bank provides its employees with necessary training on labour protection and fire protection. Consumption and/or use 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.).

Consumption of alcoholic beverages in modest quantities upon protocol events is not prohibited.

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.

4. Reporting of ethical issues and advice

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, the following options are available:

- In person during working hours at, or by regular mail to: OTP banka d.d., Domovinskog rata 3, 23 000 Zadar, Compliance Department, and
- By e-mail to: eticki.kodeks@otpbanka.hr

Notifications, requests and investigations are at all times treated confidentially by the Bank, 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. On establishing an ethical violation, the Bank institutes labour proceedings (applies discriminative sanctions).

Ethics issues may be reported in anonymity. In this case it must be taken 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.

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

Employees' declarations on the acceptance of the Code of Ethics

By signing this declaration, I acknowledge that I have read the Code of Ethics of OTP banka and that I agree to it and accept to be bound by it. I am aware of my obligation to observe and comply with the basic principles of ethics and rules of conduct as set forth in the Code of Ethics at all times. I agree with its contents and I recognise and accept that in the course of the performance of my tasks relating to the operations of OTP banka, the Code of Ethics must always function as an example that I must follow. I declare that I am setting an example for my environment and colleagues by my behaviour.

I accept that the signing of this declaration is a prerequisite for my employment by and/or holding my position (underline as appropriate) at OTP banka.

I declare that I have been furnished with all necessary information in relation to the Code of Ethics and I undertake to return this declaration with my signature, with contents unchanged, to the competent person, without delay.

(place and date of signature)

Signature: _____

Name (in block letters): _____

ID No. at work: _____

Declarations of agents on the acceptance of the Code of Ethics²

By signing this declaration I, the undersigned _____ (name)
_____ (personal data for identification)
on behalf of _____ (name of business)
_____ (company details)
declare that I have read and I understand the Code of Ethics of OTP banka and that in the course of my legal relationship/legal relationship of _____ (name of business) relating to the subject matter of _____, established by a document dated _____ I agree to and accept to be bound by it as well as (my) colleagues/fulfilment partners as well as subcontractors of _____ (name of business) and I will ensure that the Code of Ethics is observed and caused to be observed at all times. I am aware of our obligation to always observe and comply with the basic principles of ethics and rules of conduct as set forth in the Code of Ethics. I agree with its contents and I recognise and accept that in the course of the performance of our tasks relating to the operations of OTP banka, the Code of Ethics must always function as an example that we must follow.

I accept that the signing of this declaration is a prerequisite for my contractual legal relationship/the contractual legal relationship of _____ (name of business) with OTP banka.

I declare that I have been furnished with all necessary information in relation to the Code of Ethics and I undertake to return this declaration with my signature, with contents unchanged, to the competent person, without delay.

(place and date of signature)

Signature(s): _____

Name(s) (in block letters): _____

Position(s): _____

Name of undertaking: _____

² Please fill in with appropriate information.

Contacts:



OTP banka d.d.
Compliance Department
(Domovinskog rata 61, 21000 Split)



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www.otpbanka.hr