



Changes in the statutes of OTP Bank related to voting rights Resolution of AGM held on April 29, 2004

The AGM held on April 29, 2004 has made a resolution upon the proposal of the Board of Directors to change the Bank's statutes relating to the voting rights limitations. The reason for such amendment is the changes in the Hungarian Laws following the entrance of the country into the EU on May 1, 2004. The harmonization effects the Act CXII of 1996, the Financial Institutions Act, which regulates how the direct and indirect ownership in a bank (including OTP Bank) has to be calculated. Below please find the regulation prior and after May 1, 2004.

Prior to May 1, 2004:

Schedule No. 4 to Act CXII of 1996 Computation of Indirect Ownership

For the purposes of this Act, rules of computation of indirect ownership shall be:

- 1) The extent of an indirect holding shall be determined by multiplying the share or voting right held in the intermediary company (Schedule No. 2, Point III/12) by the share or voting right - whichever is greater - held by the intermediary company in the target company. If the share or voting right in the intermediary company is greater than fifty per cent, it shall be treated as a whole.
- 2) In the case of natural persons, the ownership interests or voting rights jointly owned or exercised by the natural person's close relatives must be calculated cumulatively.
- 3) Voting rights shall be taken into account in the same manner as ownership interests.
- 4) An indirect ownership interest shall not be taken into account, if
 - a) the owner has an ownership interest or voting rights not reaching twenty-five percent in an indirect company,
 - b) the owner has an ownership interest in an intermediary company through more than one enterprise.
- 5) In the case of acquiring an ownership interest in a bank, the provision set forth in Point 4/b) shall not be applied.
- 6)

After May 1, 2004:

Schedule No. 4 to Act CXII of 1996 Computation of Indirect Ownership

For the purposes of this Act, rules of computation of indirect ownership shall be:

- 1) The extent of an indirect holding shall be determined by multiplying the share or voting right held in the intermediary company (Schedule No. 2, Point III/12) by the share or voting right - whichever is greater - held by the intermediary company in the target company. If the share or voting right in the intermediary company is greater than fifty per cent, it shall be treated as a whole.

2) In the case of natural persons, the ownership interests or voting rights jointly owned or exercised by the natural person's close relatives must be calculated cumulatively.

3) Voting rights shall be taken into account in the same manner as ownership interests.

4)-5)

6)

The regulations after May 1, 2004 will be fully in line with similar regulation included into the Capital Market Act (Act CXX of 2001), which says:

Act CXX of 2001
on the Capital Market

Section 5

72) 'indirect holding and indirect control' shall mean when shares in the capital or the voting rights of a company are controlled through the shares or voting rights held by another company in that company (hereinafter referred to as 'intermediary company'). The extent of indirect holding and indirect control shall be determined by multiplying the share or voting right held in the intermediary company by the share or voting right - whichever is greater - held by the intermediary company in the target company. If the share or voting right in the intermediary company is higher than fifty per cent, it shall be treated as a whole;

The significance of the ownership calculation affects the GDR program of OTP Bank, where 144/A and Reg S GDR holders represent about 35% of the ownership of the Bank. Under the newly valid regulations, despite the delicate nominee structure behind the GDR s the voting rights of the GDR holders (since Bank of New York is the owner behind the nominee structure) would have been limited to 5% voting, which the Board of OTP considers unacceptable. Therefore, in order to provide GDR holders with the maximum allowable voting rights (as regulated in the Capital Market Act) OTP has decided to remove the individual voting right limitations (10% for Hungarian and 5% for foreign shareholders) and regulate voting rights uniformly and in line with the capital market act, allowing the voting rights upto the limit set by the law, where public tender offer becomes obligatory.

The obligation to make a public offer is regulated as follows:

Section 68.

(1) Any acquisition of major holding in a public limited company in excess of thirty-three per cent shall be subject to a public purchase offer (hereinafter referred to as 'purchase offer') that is to be approved by the Commission in advance. If there is no shareholder in the public limited company, other than the bidder, holding more than ten per cent of the voting rights, whether directly or indirectly, a purchase offer must be submitted if the extent of holding that is to be achieved by the acquisition exceeds twenty-five per cent.

(2) If participating interest is acquired in excess of the measure defined in Subsection (1)

a) by any conduct other than an outright bid submitted by the buyer, or

b) by purchase option or repurchase option, or a call option on a forward purchase agreement,

c) within the framework of a procedure conducted by a government holding company as defined by law, or

d) under an agreement defined in Subsection (2) of Section 65,
it shall be notified by the acquiring party in compliance with Subsection (1) of Section 67, with the percentage and title of acquisition of participating interest indicated, and shall be submitted for publication at the same time. The purchase offer shall be filed within fifteen days from the date of notification of the acquisition.

(3) When participating interest is acquired under Subsection (2) of Section 65, all parties to the agreement shall be subject to file the purchase offer jointly, unless the parties agreed to confer powers upon a particular party to submit the purchase offer. An agreement to designate a party to submit the purchase offer shall not relieve the parties from the obligation to file a purchase offer.

(4) All deals for the acquisition of a participating interest by way of purchase offer shall be handled by an investment service provider licensed to engage in the activities specified in Paragraph e) of Subsection (2) of Section 81.

The aggregate voting rights of foreign shareholder remain limited at 50% minus 1 vote.

The new provisions of the By-laws will become effective after registration by the Court of Registration in about 2 months time.

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