

Dear Client,

We would like to inform you about changes pertaining to the delivery of investment services; these changes in particular lead to greater investor protection. The changes are based on Directive 2004/39/EC on Markets in Financial Instruments (hereinafter "MiFID"). The MiFID directive obligates EU Member States to implement new rules in their national legislations with effect from November 1, 2007. The MiFID rules apply to transactions with units in collective investment undertakings, transferable securities, money-market securities and derivatives.

The Czech Republic failed to meet the legislation implementation deadline of November 1, 2007, and MiFID had not been implemented in Czech laws and regulations as of the date of this letter. The MiFID provisions will be implemented in the Czech Republic primarily by means of an amendment to Act No. 356/2004, on Doing Business in the Capital Market, as amended (hereinafter "DBCM Act"), which is likely to take effect in the second quarter of 2008.

Since we feel that the new rules will be beneficial in improving our clients' protection as well as overall market functioning, we decided not to wait until the legislative process in the Czech Republic is completed and, for this reason, to implement a majority of the new rules, as required by MiFID, with effect from January 1, 2008.

Although the extent of some administrative procedures has increased, we believe that our decision will in advance bring you a greater quality of services, which you would otherwise have received at a later point of time if we waited until the DBCM Act amendment.

One of our new principal obligations arising from MiFID is to inform each of our clients that, based on the criteria defined in MiFID, Komerční banka, a.s. has included the client in one of newly defined client categories. This client categorization then directly determines the degree of protection we are obligated to grant the client. The following categories have been defined:

- Non-professional (retail) client,
- Professional client,
- Eligible counterparty.

After assessing your characteristics or those of your company, we would like to inform you that, for the purpose of receiving the investment services delivered by Komerční banka, a.s., you have been categorized as **a professional client**. Please consider the given category as the client category in the sense of the DBCM Act as of the effective date of the DBCM Act amendment implementing MiFID.

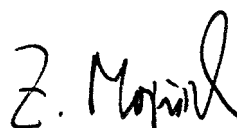
At the same time, enclosed please find a document with information about some new obligations on the part of Komerční banka, a.s., as arising from MiFID, that correspond to the client category assigned to you. This information summarizes the most important changes that may influence our business relationship. Depending on the investment service that you use with Komerční banka, a.s., when you contact our sales point you may be invited to sign a new version of the Investment Services Agreement.

If you have any questions regarding MiFID, please do not hesitate to contact your bank advisor or, if you prefer, our special information support directly by e-mail at mifid@kb.cz.

Yours faithfully,



Vladimír Jeřábek
Executive Director
Distribution Network



Zdeněk Mojžíšek
Executive Director
Marketing and Business Development