

Ad-hoc Announcement

Kommunalkredit International Bank Ltd.

Negative performance in the business year 2008 expected

Date: 13 February 2009 Place: Limassol (Cyprus)

Kommunalkredit International Bank Ltd. (the “**Company**”) announces that it expects significant losses for the business year ending on 31 December 2008 which will lead to negative equity of the Company. The Company expects that due to its losses no distributions will be made in 2009 on its preference shares.

Furthermore, the Company announces that as a consequence its majority shareholder Kommunalkredit Austria AG, which has recently been nationalised by the Austrian government, is reviewing options to assume the Company’s business, thereby discontinuing the Company’s activities and is reviewing with the Central Bank of Cyprus procedures in this regard. During this period, the Company has agreed with the Central Bank of Cyprus to limit the Company’s activities in a way that until completion of such procedures the Company shall not carry out any new banking business, but its activities shall be confined to meeting existing commitments and risk management activities.