

**Supplement No. 2 dated 7 April 2017
to the Base Prospectus dated 25 August 2016**



IKB Deutsche Industriebank Aktiengesellschaft ("IKB")

(incorporated as a stock corporation under the laws of the Federal Republic of Germany)

Debt Issuance Programme (the "Programme")

for the issuance of notes in bearer form (the "Notes")

This supplement no. 2 (the "**Supplement**") constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, (the "**Prospectus Directive**") and Article 13 of the Luxembourg Law on Prospectuses for Securities (*loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005, as amended, (the "**Prospectus Act**") to the Base Prospectus dated 25 August 2016 (the "**Base Prospectus**"), which has been prepared in connection with the Programme established by IKB (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus (as supplemented by supplement no. 1 to the Base Prospectus dated 7 December 2016 (the "**Supplement No. 1**") and all documents incorporated by reference in the Base Prospectus.

Copies of the Base Prospectus, all documents incorporated by reference in the Base Prospectus, Supplement No. 1 and this Supplement will be obtainable free of charge to each investor upon request. These documents can be requested from the Issuer via its website (www.ikb.de) or by letter to IKB Deutsche Industriebank Aktiengesellschaft at the following address: Wilhelm-Böttkes-Straße 1, 40474 Düsseldorf, Federal Republic of Germany. Copies of the Base Prospectus, all documents incorporated by reference in the Base Prospectus, Supplement No. 1 and this Supplement will also be viewable on, and obtainable free of charge from, the website of the Luxembourg Stock Exchange (www.bourse.lu).

To the extent that there is any inconsistency between (a) any statements in this Supplement and (b) any other statement in the Base Prospectus, the statements in (a) above will prevail.

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

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A. Amendments to the section commencing on page 7 of the Base Prospectus which is entitled "A. SUMMARY"

1. Amendments to the subsection commencing on page 7 of the Base Prospectus which is entitled "1. ENGLISH VERSION OF SUMMARY"

The subsection commencing on page 13 of the Base Prospectus which is entitled "Section B – The Issuer – B.16 – Major shareholders" shall be replaced in its entirety as follows:

Element	Section B – The Issuer	
B.16	Major shareholder	LSF6 Europe Financial Holdings L.P. is the sole shareholder of IKB AG.

2. Amendments to the subsection commencing on page 29 of the Base Prospectus which is entitled "2. GERMAN TRANSLATION OF THE SUMMARY"

The subsection commencing on page 35 of the Base Prospectus which is entitled "Abschnitt B – Die Emittentin – B.16 – Hauptanteilseigner" shall be replaced in its entirety as follows:

Element	Abschnitt B – Die Emittentin	
B.16	Hauptanteils-eigner	LSF6 Europe Financial Holdings L.P. ist der einzige Anteilseigner der IKB AG.

B. Amendments to the section commencing on page 55 of the Base Prospectus which is entitled "B. RISK FACTORS"

Amendments to the subsection commencing on page 55 of the Base Prospectus which is entitled "1. RISK FACTORS RELATING TO THE ISSUER"

In the subsection on page 63 of the Base Prospectus which is entitled "1.2 Risks Relating to IKB and its Business – *IKB is exposed to substantial risk of loss from legal and regulatory proceedings.*" the following paragraph shall be added as a new third paragraph:

Various investors have threatened legal action in connection with subordinated debt instruments issued by IKB AG. The preliminary value at risk of combined threats stands at about € 94 million as of 29 March 2017. Investors claim additional interest payments and in addition allege a wrongful write-down of the principal amount of subordinated debt instruments issued by IKB AG over time. At the end of March 2017, one action is pending at the Regional Court (*Landgericht*) of Düsseldorf with a preliminary value at risk of about € 22 million.

C. Amendments to the section commencing on page 89 of the Base Prospectus which is entitled "D. DESCRIPTION OF THE ISSUER"

Amendments to the subsection commencing on page 89 of the Base Prospectus which is entitled "2. IKB DEUTSCHE INDUSTRIEBANK AKTIENGESELLSCHAFT"

- 1. In the subsection commencing on page 99 of the Base Prospectus which is entitled "2.4 Information on Business Trends – 2.4.3 Recent Developments – *Extraordinary General Meeting*" (as added by Supplement No. 1) the following paragraph shall be added as a new fourth paragraph to the end of the subsection:**

As a consequence of the aforementioned adoption, the squeeze-out resolution (within the meaning of Sec. 327a AktG) was registered with the Commercial Register of the Local Court (*Amtsgericht*) of Düsseldorf on 25 January 2017. By way of such registration, the shares of all minority shareholders were transferred to the majority shareholder LSF6 Europe Financial Holdings L.P., which became the sole shareholder of IKB AG.

- 2. In the subsection commencing on page 104 of the Base Prospectus which is entitled "2.6 Major Shareholders" (as replaced by Supplement No. 1) the first four paragraphs (including the table showing the major shareholders of IKB AG) shall be replaced in their entirety as follows:**

As at the date of this Base Prospectus, according to Section 5 of its Articles of Association, IKB AG's share capital amounted to € 1,621,465,402.88, represented by 633,384,923 bearer shares with no par value (*Stückaktien*), each of which confers one vote.

As at 25 January 2017, LSF6 Europe Financial Holdings L.P. ("**LSF6**"), IKB AG's sole shareholder, has a 100.00 per cent. shareholding in IKB AG's share capital.

Except for LSF6, there are no other persons that have major holdings within the meaning of Article 8 or Article 9 of the Luxembourg law of 11 January 2008 on transparency requirements for issuers of securities, as amended.

LSF6 is an investment company of Lone Star Funds (together with its consolidated subsidiaries and investment vehicles, "**Lone Star**"), a global investment firm that acquires distressed debt and equity assets including corporate, commercial and single family residential real estate, and consumer debt as well as banks and real estate rich operating companies requiring rationalisation.

- 3. In the subsection commencing on page 106 of the Base Prospectus which is entitled "2.8 Financial Information – 2.8.3 Legal Proceedings" (as replaced by Supplement No. 1) the following subsection entitled "*Subordinated Debt Claims*" shall be added to the end of the subsection:**

Subordinated Debt Claims

Various investors have threatened legal action in connection with subordinated debt instruments issued by IKB AG. The preliminary value at risk of combined threats stands at about € 94 million as of 29 March 2017. Investors claim additional interest payments and in addition allege a wrongful write-down of the principal amount of subordinated debt instruments issued by IKB AG over time. At the end of March 2017, one action is pending at the Regional Court (*Landgericht*) of Düsseldorf with a preliminary value at risk of about € 22 million.

D. Withdrawal Right

Any investor who may wish to exercise any withdrawal right arising pursuant to Article 16.2 of the Prospectus Directive or Article 13.2 of the Prospectus Act as a result of the publication of this Supplement must exercise that right on or before 11 April 2017. Such withdrawal, if any, is not required to contain any reasons for the withdrawal and is to be addressed in writing to IKB Deutsche Industriebank Aktiengesellschaft, Wilhelm-Bötckes-Straße 1, 40474

Düsseldorf, Federal Republic of Germany. In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.