

Declaration of Compliance within the meaning of section 161 of the German Public Limited Companies Act

The Board of Managing Directors and the Supervisory Board of IKB Deutsche Industriebank AG declare that the company has complied with the recommendations of the Government commission 'German Corporate Governance Code' (as amended on 2 June 2005), as published by the German Federal Ministry of Justice in the official section of the electronic Federal Gazette (*Bundesanzeiger*), since the last declaration issued on 29 June 2005, and will continue to comply in the future, subject to the following exceptions:

- *Section 5.4.7 of the German Corporate Governance Code recommends that the performance of the duties as Chairman or member of Supervisory Board committees shall also be taken into consideration when determining the compensation of members of the Supervisory Board.*

IKB has complied with this recommendation since the Annual General Meeting of 9 September 2005 resolved a new compensation system for the members of the Supervisory Board, which also provides relevant compensation for membership of Supervisory Board committees.

- *Section 7.1.1 of the Code recommends that the consolidated financial statements and interim reports be prepared in compliance with internationally recognised accounting principles.*

IKB has complied with this recommendation with the changeover of Group accounting and the consolidated financial statements for the financial year 2005/2006 to International Financial Reporting Standards.

- *Section 3.8 of the German Corporate Governance Code recommends that a suitable deductible be agreed where the company takes out a D&O (directors and officers' liability insurance) policy for members of the Board of Managing Directors and Supervisory Board.*

IKB has taken out a D & O liability insurance policy chosen that does not provide for a deductible. Our view remains unchanged: that such a deductible would not boost the motivation of the members of the company's executive bodies, nor would it enhance their sense of responsibility in carrying out their duties and functions.

- *Sections 4.2.4 and 5.4.7 of the German Corporate Governance Code recommend that the compensation of the members of the Board of Managing Directors and*

the Supervisory Board be disclosed on an individual basis and broken down by component.

IKB discloses the remuneration paid to the Chairman of the Board of Managing Directors and to the Chairman of the Supervisory Board, on an individual basis and broken down by component. The total remuneration package for the other members of the Board of Managing Directors and the Supervisory Board will be disclosed by component. We believe that the information given is sufficient to assess whether the compensation paid is appropriate. The obligation for exchange-listed companies to disclose the remuneration paid to members of the Board of Managing Directors only applies to financial years commencing on or after 31 December 2005.

Dusseldorf, 28 June 2006

For the Supervisory Board of
IKB Deutsche Industriebank AG

For the Board of Managing Directors of
IKB Deutsche Industriebank AG

Dr. h. c. Ulrich Hartmann

Stefan Ortseifen