

IKB supports Public Debt Tender by LSF6 Rio to purchase Capital Notes and Hybrid Notes

[Düsseldorf, 13 January 2016] LSF6 Rio S.à.r.l. today made an offer to purchase the notes issued by Capital Raising GmbH (ISIN: DE 0007490724, "Capital Notes") and the notes issued by Hybrid Raising GmbH (ISIN: DE 000A0AMCG6, "Hybrid Notes"), (together "the Notes"). IKB supports the offer. Based on the purchase price of 20% of the nominal value that represents a premium of about 8% of nominal value to recent stock exchange prices IKB believes that the offer represents an attractive opportunity to holders of the Notes.

Capital Raising GmbH issued the Capital Notes in 2002 with a total volume of € 200 million. Hybrid Raising GmbH issued the Hybrid Notes in 2004 with a total volume of € 200 million. The Notes have economically participated in losses of IKB and for the last time received interest payments in July 2007. The repayment value of the Notes was reduced to € 0.00 as of 31 March 2012 and has remained at that level since.

Servicing the compensation agreements of a total amount of € 1,151.5 million and the value recovery rights of the hybrid investors means that IKB AG will probably not report any, or only minimal, profit for a long time to come, even if results are positive. In addition, to the extent that net income can be reported in future, the reduction of net accumulated losses means that it will not be possible to replenish the Notes, pay interest on the Notes or distribute a dividend to the shareholders of IKB AG.

The acceptance period of the offer will expire on 2 February 2016 at 4.00 p.m.(CET), unless extended by the purchaser. Noteholders who wish to tender their Notes should contact their bank or custodian institution. Further information is available on www.ikb-tender.de.

IKB does not make any recommendation that noteholders should tender their Notes or refrain from doing so pursuant to the offer. Nothing in this press release is, or shall be relied upon as, an investment advice or a legal advice. Noteholders should consider consulting their professional advisors.

Contact:

Dr Jörg Chittka, tel.: +49 211 8221-4349;

Armin Baltzer, tel.: +49 211 8221-6236, e-mail: presse@ikb.de

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