

**"Register"** means the register to be maintained by the Registrar in relation to this Note and any other registered Notes that may be issued under the Debt Issuance Programme.

(5) *References to Notes.* Any reference herein to **"Note"** or **"this Note"** includes, unless the context otherwise requires, any new Note that has been issued upon transfer of this Note or part thereof. Any reference herein to **"Notes"** or **"these Notes"** in plural form shall constitute a reference to **"Note"** or **"this Note"** in singular form. All grammatical and other changes required by the use of the word **"Note"** in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes had been made.]

**[§ 4 (PAYMENTS) to be replaced in its entirety by the following:**

#### **§ 4 PAYMENTS**

(1) *General.* Payment of principal and interest in respect of the Note shall be made on the respective due date therefor to the person shown on the Register as the Holder at the close of business on the fifteenth day before such due date (the **"Record Date"**).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payment shall be made in **[insert Specified Currency] [in the case of Dual Currency Notes insert relevant currencies/exchange rate formulas]**

If the Specified  
Currency is not  
euro or Japanese  
yen insert:

[by wire transfer to an account denominated in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency notified to the Registrar no later than the Record Date.]

If the Specified  
Currency is euro  
insert:

[by wire transfer to a euro account maintained by the payee with a bank in a principal financial centre of a country which has become a participating member state in the European Economic and Monetary Union, notified to the Registrar no later than the Record Date.]

If the Specified  
Currency is  
Japanese Yen,  
insert:

[by wire transfer to a Yen account (in the case of payment to a non-resident of Japan, a non-resident account) maintained by the payee with a bank in Tokyo notified to the Registrar not later than the Record Date.]

(3) *Payment Business Days.* If the date for payment of any sum due hereunder is not a day on which commercial banks are open for business in the principal financial centre of the country where the account of the payee is maintained in accordance with the foregoing, the Holder shall not be entitled to payment until the next following day on which such commercial banks are open for business nor to any interest or other sum in respect of such postponed payment.

(4) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Note shall be deemed to include, as applicable: the Final Redemption Amount of the Note; the Early Redemption Amount of the Note; **[if redeemable at the option of the Issuer for other than tax reasons insert: the Call Redemption Amount of the Note;] [if redeemable at the option of the Holder insert: the Put Redemption Amount of the Note;]** and any premium and any other amounts which may be payable under or in respect of the Note. References in these Terms and Conditions to interest in respect of the Note shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

**[§ 6 (THE FISCAL AGENT[,] [AND] [THE CALCULATION AGENT] [AND THE PAYING AGENTS]) to be replaced in its entirety by the following:**

#### **§ 6 THE FISCAL AGENT[,] [AND] THE REGISTRAR [AND THE CALCULATION AGENT]**

(1) *Appointment; Specified Offices.* The initial Fiscal Agent [,] [and] Registrar [and the Calculation Agent] and their respective initial specified offices are:

Fiscal Agent:	The Chase Manhattan Bank
	Trinity Tower
	9 Thomas More Street
	GB-London E1 9YT

Registrar: The Fiscal Agent shall also be the Registrar, acting through the office specified above.

[Calculation Agent:] **[insert name and specified office]**

The Fiscal Agent [,] [and] the Registrar [and the Calculation Agent] reserve the right at any time to change their respective offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent [,] [and] the Registrar [or the Calculation Agent] and to appoint another Fiscal Agent [,] [and] Registrar [or Calculation Agent]. The Issuer shall at all times maintain a Fiscal Agent and Registrar [and a Calculation Agent]. The Fiscal Agent and the Registrar shall be the same person acting in both functions through the same specified office. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior written notice thereof shall have been given to the Holder in accordance with § 12.

(3) *Agents of the Issuer.* The Fiscal Agent [,] [and] the Registrar [and the Calculation Agent] act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for the Holder.]

**[§ 8 (PRESENTATION PERIOD) to be replaced in its entirety by the following:**

#### **§ 8 PRESCRIPTION**

The obligations of the Issuer to pay principal and interest in respect of the Note shall be prescribed (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 4 years following the respective due date for the relevant payments of interest.]

**[§ 11 (FURTHER ISSUES, PURCHASES AND CANCELLATION) to be replaced in its entirety by the following:**

#### **§ 11 REPLACEMENT OF NOTE**

If the Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a replacement will be issued.]

**[§ 12 (NOTICES) to be replaced in its entirety by the following:**

#### **§ 12 NOTICES**

Notices to the Holder may be given, and are valid if given, by post, telex or fax at the address, telex number or fax number of the Holder appearing in the Register.]

**[In § 13 (APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT) "ENFORCEMENT" shall be deleted in the heading and the provisions of subparagraph [(4)] – Enforcement – shall be deleted.]**

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general financing purposes and, in the case of IKB FINANCE only, will be applied towards the purpose of on-lending to or investing in companies belonging to the same group of companies to which IKB FINANCE belongs.

**FORM OF GUARANTEE  
(MUSTER DER GARANTIE)**

**GARANTIE**

der

IKB Deutsche Industriebank Aktiengesellschaft,  
Düsseldorf und Berlin, Bundesrepublik Deutschland,

zugunsten der Gläubiger von Schuldverschreibungen (die „**Schuldverschreibungen**“),

die von der

IKB Finance B.V.

(einer mit beschränkter Haftung in den Niederlanden errichteten Gesellschaft)

im Rahmen des Debt Issuance Programme vom 30. Juli 1999 über zunächst EUR 5.000.000.000  
(das „**Programm**“)

(wie jeweils abgeändert, ergänzt oder neu gefaßt) begeben werden.

IM HINBLICK DARAUF, DASS:

- (A) Die IKB Finance B.V. („**IKB FINANCE**“) beabsichtigt, von Zeit zu Zeit Schuldverschreibungen im Rahmen des Programms zu begeben und
- (B) die IKB Deutsche Industriebank Aktiengesellschaft (die „**Garantin**“) die ordnungsgemäße Zahlung von Kapital und Zinsen sowie von allen sonstigen Beträgen, die aufgrund der von der IKB FINANCE im Rahmen des Programms begebenen Schuldverschreibungen zu zahlen sind, garantieren möchte,

WIRD FOLGENDES VEREINBART:

- (1) (a) Die Garantin übernimmt gegenüber jedem Gläubiger (jeweils ein „**Gläubiger**“) der Schuldverschreibungen (wobei dieser Begriff jede vorläufige oder Dauerglobalurkunde, die die Schuldverschreibungen verbrieft, einschließt), welche jetzt oder zu irgendeinem Zeitpunkt nach dem Datum dieser Garantie von IKB FINANCE im Rahmen des Programms begeben werden, die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung der gemäß den Emissionsbedingungen (in der durch das anwendbare Konditionenblatt geänderten, ergänzten oder modifizierten Fassung) fälligen Kapital- und Zinsbeträge auf die Schuldverschreibungen sowie von allen sonstigen Beträgen, die gemäß den Emissionsbedingungen (in der durch das anwendbare Konditionenblatt geänderten, ergänzten oder modifizierten Fassung) auf Schuldverschreibungen zahlbar sind.
- (b) Diese Garantie begründet eine unbedingte, unbesicherte und nicht nachrangige Verbindlichkeit der Garantin, die mit allen anderen jeweils bestehenden, nicht besicherten und nicht nachrangigen Verbindlichkeiten der Garantin gleichrangig ist.
- (c) Sämtliche Zahlungen aufgrund dieser Garantie sind an der Quelle ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall hat die Garantin diejenigen zusätzlichen Beträge (die „**zusätzlichen Beträge**“) zu zahlen, die erforderlich sind, damit die den Gläubigern aufgrund dieser Garantie zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären. Die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht für solche Steuern und Abgaben, die:
  - (i) anders als durch Einbehalt oder Abzug auf Zahlungen zu entrichten sind, die die Garantin an den Inhaber der Schuldverschreibungen leistet; oder
  - (ii) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland oder einem anderen Mitgliedstaat der Europäischen Union zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen oder diese Garantie aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

- (iii) (wenn und soweit dies in den Emissionsbedingungen in der durch das anwendbare Konditionenblatt geänderten, ergänzten oder modifizierten Fassung vorgesehen ist) aufgrund oder infolge eines internationalen Vertrages, dessen Partei die Bundesrepublik Deutschland ist oder einer Verordnung oder Richtlinie aufgrund oder infolge eines solchen Vertrages aufgelegt oder erhoben werden; oder
  - (iv) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, nach ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Emissionsbedingungen (in der durch das anwendbare Konditionenblatt geänderten, ergänzten oder modifizierten Form) wirksam wird.
  - (d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der IKB FINANCE aus den Schuldverschreibungen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit oder Durchsetzbarkeit der Schuldverschreibungen und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen eingegangenen Zahlungsverpflichtungen.
  - (e) Die Verpflichtungen der Garantin aus dieser Garantie erstrecken sich ohne weiteres auf die Verpflichtungen einer nicht mit der Garantin identischen Nachfolgeschuldnerin, die infolge einer Schuldnerersetzung gemäß den Emissionsbedingungen (in der durch das anwendbare Konditionenblatt geänderten, ergänzten oder modifizierten Fassung) in Bezug auf die Schuldverschreibungen entstehen.
- (2) Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.
  - (3) Die in dieser Garantie verwendeten und nicht anders definierten Begriffe haben die ihnen in den beigefügten Emissionsbedingungen zugewiesene Bedeutung.
  - (4) Diese Garantie unterliegt deutschem Recht.
  - (5) Diese Garantie ist in deutscher Sprache abgefaßt. Eine unverbindliche Übersetzung in die englische Sprache ist beigelegt.
  - (6) Das Original dieser Garantieerklärung wird dem Fiscal Agent ausgehändigt und von diesem verwahrt. Im übrigen handelt der Fiscal Agent nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.
  - (7) Erfüllungsort ist Düsseldorf.
  - (8) Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit dieser Garantie ist Frankfurt am Main. Jeder Gläubiger kann seine Ansprüche jedoch auch vor jedem anderen zuständigen Gericht geltend machen.
  - (9) Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person des Fiscal Agent beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.

Düsseldorf, den 30. Juli 1999

IKB Deutsche Industriebank Aktiengesellschaft

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Wir nehmen die Bedingungen der vorstehenden Garantie ohne Obligo, Gewährleistung oder Haftung an.

London, den 30. Juli 1999

The Chase Manhattan Bank, London

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**Form of Guarantee**

of

IKB Deutsche Industriebank Aktiengesellschaft,  
Düsseldorf and Berlin, Federal Republic of Germany,  
for the benefit of the holders of Notes (the "Notes")

issued by

IKB Finance B.V.  
(incorporated as a limited liability company under the laws of The Netherlands)  
under the Debt Issuance Programme of July 30, 1999 in the initial amount of EUR 5,000,000,000  
(the "Programme")  
as amended, supplemented or restated from time to time.

WHEREAS:

- (A) IKB Finance B.V. ("IKB FINANCE") intends to issue Notes under the Programme from time to time and
- (B) IKB Deutsche Industriebank Aktiengesellschaft (the "Guarantor") wishes to guarantee the due payment of principal, interest and any other amounts payable in respect of any and all Notes that may be issued by IKB FINANCE under the Programme,

IT IS AGREED AS FOLLOWS:

- (1) (a) The Guarantor unconditionally and irrevocably guarantees to the holder of each Note (which expression shall include any Temporary Global Note or Permanent Global Note representing Notes) (each a "Holder") issued by IKB FINANCE now or at any time hereafter under the Programme, the due and punctual payment of the principal of, and interest on, the Notes, and any other amounts which may be payable under any Note, as and when the same shall become due, in accordance with the Terms and Conditions of the Notes, as amended, supplemented or varied by the applicable Pricing Supplement.
- (b) This Guarantee constitutes an unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor outstanding from time to time.
- (c) All payments under this Guarantee shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of the Federal Republic of Germany or any political subdivision thereof or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Guarantor shall pay such additional amounts as shall be necessary in order that the net amounts received by the Holders pursuant to this Guarantee, after such withholding or deduction, shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction. No such additional amounts shall be payable on account of any taxes or duties which:
  - (i) are payable otherwise than by withholding or deduction from payments made by the Guarantor to the bearer of the Notes; or
  - (ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany or another member state of the European Union and not merely by reason of the fact that payments in respect of the Notes or this Guarantee are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany; or
  - (iii) (if so provided in the Terms and Conditions of the Notes, as amended, supplemented or varied by the applicable Pricing Supplement) are payable by reason or as a result of an international treaty to which the Federal Republic of Germany is a party or by reason or as a result of a regulation or directive based on or resulting from such treaty; or

- (iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or, if this occurs later, is duly provided for and notice thereof is published in accordance with the Terms and Conditions of the Notes, as amended, supplemented or varied by the applicable Pricing Supplement.
- (d) The obligations of the Guarantor under this Guarantee (i) shall be separate and independent from the obligations of IKB FINANCE under the Notes, (ii) shall exist irrespective of the legality, validity and binding effect or enforceability of the Notes, and (iii) shall not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations under the Notes.
- (e) The obligations of the Guarantor under this Guarantee shall, without any further act or thing being required to be done or to occur, extend to the obligations of any Substituted Debtor which is not the Guarantor arising in respect of any Note by virtue of a substitution pursuant to the Terms and Conditions of the Notes, as amended, supplemented or varied by the applicable Pricing Supplement.
- (2) This Guarantee and all undertakings contained herein constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328(1) of the German Civil Code.<sup>1</sup> They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor.
- (3) Terms used in this Guarantee and not otherwise defined herein shall have the meaning attributed to them in the Terms and Conditions of the Notes, a copy of which is attached hereto.
- (4) This Guarantee shall be governed by, and construed in accordance with, German law.
- (5) This Guarantee is written in the German language and attached hereto is a non-binding English translation.
- (6) The original version of this Guarantee shall be delivered to, and kept by, the Fiscal Agent. Apart from this, the Fiscal Agent does not act in a fiduciary or in any other similar capacity for the Holders.
- (7) Place of performance shall be Düsseldorf.
- (8) The place of jurisdiction for all legal proceedings arising out of or in connection with this Guarantee shall be Frankfurt am Main. Each Holder may, however, also pursue his claims before any other court of competent jurisdiction.
- (9) On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of the Fiscal Agent, each Holder may protect and enforce in his own name his rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties, without the need for production of this Guarantee in such proceedings.

Düsseldorf, July 30, 1999

IKB Deutsche Industriebank Aktiengesellschaft

[signatures]

We accept the terms of the above Guarantee without recourse, warranty or liability.

London, July 30, 1999

The Chase Manhattan Bank, London

[signatures]

<sup>1</sup>An English language translation of § 328(1) German Civil Code would read as follows:

"A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance."

**FORM OF PRICING SUPPLEMENT  
(MUSTER-KONDITIONENBLATT)**

[Date]  
[Datum]

Pricing Supplement  
Konditionenblatt

[Title of relevant Series of Notes]  
[Bezeichnung der betreffenden Serie der Schuldverschreibungen]

issued pursuant to the  
begeben aufgrund des

**Euro 5,000,000,000**  
**Debt Issuance Programme**

dated August 7, 2000  
datiert 7. August 2000

of  
der

**IKB Deutsche Industriebank Aktiengesellschaft**

and  
und

**IKB Finance B.V.**

Issue Price: [     ] per cent.

Ausgabepreis: [     ]%

Issue Date: [     ]<sup>1</sup>

Tag der Begebung: [     ]

Series No.: [     ]

Serien-Nr.: [     ]

**[The Notes constitute [commercial paper]/[shorter/longer] [term debt securities] issued in accordance with regulations made under Section 4 of the Banking Act 1987.]<sup>2,3</sup>**

[The Issuer of the Notes is [IKB Deutsche Industriebank Aktiengesellschaft] [, acting through its Luxembourg Branch] [IKB Finance B.V.] (the "Issuer"), which is not an authorised institution or a European authorised institution (as such terms are defined in the Banking Act 1987 (Exempt Transactions) Regulations 1997). [Repayment of principal and payment of interest on the Notes has been guaranteed by IKB Deutsche Industriebank Aktiengesellschaft which is not an authorised institution or a European authorised institution.]<sup>3</sup>

[The Issuer (a) states that it has complied with its obligations under the listing rules and regulations of the Luxembourg Stock Exchange in relation to the admission to and listing of any Notes issued under the Programme and of any previous issues made by it under the Programme and listed on the same exchange; (b) confirms that it will have complied with its obligations under the listing rules and regulations of the Luxembourg Stock Exchange in relation to the admission to listing of the Notes by the time when the Notes are so admitted; (c) has not, since the last publication of information in compliance with the listing rules and regulations of the Luxembourg Stock Exchange about the admission to and listing of any Notes issued under the Programme, any previous issues made by it under the Programme and listed on the Luxembourg Stock Exchange, or the Notes, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as Issuer in respect of the Notes as they fall due; and (d) states that it has

<sup>1</sup> The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.

*Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.*

<sup>2</sup> Include in the bold legend the reference to "commercial paper" if maturity of Notes is less than one year; to "shorter" if maturity of Notes is one year or more, but less than 3 years; to "longer" if maturity of Notes is 3 years or more.

*In der fettgedruckten Legende Verweise auf „commercial paper“ einfügen, wenn die Fälligkeit der Schuldverschreibungen weniger als ein Jahr beträgt; auf „kurzfristige“ einfügen, wenn die Fälligkeit der Schuldverschreibungen ein Jahr oder mehr beträgt, aber weniger als drei Jahre; auf „langfristige“, wenn die Fälligkeit der Schuldverschreibungen drei Jahre oder mehr beträgt.*

<sup>3</sup> Delete this paragraph in full if Notes are not denominated in Sterling and the issue proceeds are not accepted in the UK.

*Dieser Absatz ist vollständig zu streichen, wenn die Schuldverschreibungen nicht in Sterling denominiert sind und die Erlöse aus der Emission nicht im Vereinigten Königreich angenommen werden.*



complied and will continue to comply with its obligations under the Banking Act 1987 (Exempt Transactions) Regulations 1997 to lodge all relevant information in relation to the Notes with the London Stock Exchange.]<sup>3,4</sup>

**[Die Schuldverschreibungen stellen [commercial paper] [kurz-/langfristige] Schuldtitel dar, welche in Übereinstimmung mit den Bestimmungen unter § 4 des Banking Act 1987 ausgegeben wurden.]<sup>2,3</sup>**

*[Die Emittentin der Schuldverschreibungen ist die [IKB Deutsche Industriebank Aktiengesellschaft] [, handelnd durch ihre Filiale Luxemburg] [IKB Finance B.V.] (die „Emittentin“), welche kein autorisiertes Bankinstitut oder ein autorisiertes europäisches Bankinstitut ist (so wie definiert in dem Banking Act 1987 (ausgenommene Wertpapiergeschäfte) Bestimmungen 1997). [Die Rückzahlung von Kapital und die Zahlung von Zinsen auf die Schuldverschreibungen sind von der IKB Deutsche Industriebank Aktiengesellschaft garantiert, welche kein autorisiertes Bankinstitut oder ein autorisiertes europäisches Bankinstitut ist.]<sup>3</sup>*

*[Die Emittentin erklärt, (a) daß sie ihren Verpflichtungen unter den Börsenzulassungsvorschriften der Luxemburger Wertpapierbörse in Verbindung mit der Zulassung und der fortdauernden Notierung der unter dem Programm begebenen Schuldverschreibungen und jeder vorangegangenen Emission, die sie unter dem Programm begeben hat, und die an der gleichen Börse notiert ist, nachgekommen ist; (b) daß sie ihren Verpflichtungen unter den Börsenzulassungsvorschriften der Luxemburger Wertpapierbörse in Verbindung mit der Zulassung der Notierung der Schuldverschreibungen zu dem Zeitpunkt, zu welchem die Schuldverschreibungen zugelassen werden, nachgekommen sein wird; (c) daß ihr keine Veränderung der Umstände bekanntgeworden ist, seit die letzte Informationsmitteilung unter Einhaltung der Börsenzulassungsvorschriften der Luxemburger Wertpapierbörse zu den unter dem Programm begebenen Schuldverschreibungen, zu jeglichen vorherigen Emissionen, die von ihr unter dem Programm getätigt und an der Luxemburger Wertpapierbörse notiert wurden oder zu den Schuldverschreibungen gemacht wurde, nachdem sämtliche angemessenen Untersuchungen durchgeführt wurden, die man als wesentlichen, nachteiligen Einfluß auf ihre Fähigkeit, ihren Verpflichtungen als Emittentin aus den Schuldverschreibungen nachzukommen, bezeichnen könnte; und (d) daß sie ihren Verpflichtungen unter dem Banking Act 1987 (ausgenommene Wertpapiergeschäfte) Bestimmungen 1997, sämtliche Informationen bezüglich der Schuldverschreibungen bei der Londoner Wertpapierbörse einzureichen, nachgekommen ist und auch weiterhin nachkommen wird.]<sup>3,4</sup>*

This Pricing Supplement is issued to give details of an issue of Notes under the Euro 5,000,000,000 Debt Issuance Programme of IKB Deutsche Industriebank Aktiengesellschaft and IKB Finance B.V. (the “Programme”) and is to be read in conjunction with the Terms and Conditions of the Notes (the “Terms and Conditions”) set forth in the Information Memorandum pertaining to the Programme dated July 30, 1999, as amended and restated on August 7, 2000. Capitalised terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

*Dieses Konditionenblatt enthält Angaben zur Emission von Schuldverschreibungen unter dem Euro 5.000.000.000 Debt Issuance Programm der IKB Deutsche Industriebank Aktiengesellschaft und der IKB Finance B.V. (das „Programm“) und ist in Verbindung mit den Emissionsbedingungen der Schuldverschreibungen (die „Emissionsbedingungen“) zu lesen, die in dem Information Memorandum über das Programm vom 30. Juli 1999 wie am 7. August 2000 geändert und neugefaßt enthalten sind. Begriffe, die in den Emissionsbedingungen definiert sind, haben, falls das Konditionenblatt nicht etwas anderes bestimmt, die gleiche Bedeutung, wenn sie in diesem Konditionenblatt verwendet werden.*

All references in this Pricing Supplement to numbered Articles and sections are to Articles and sections of the Terms and Conditions.

*Bezugnahmen in diesem Konditionenblatt auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.*

<sup>2</sup> Include in the bold legend the reference to “commercial paper” if maturity of Notes is less than one year; to “shorter” if maturity of Notes is one year or more, but less than 3 years; to “longer” if maturity of Notes is 3 years or more.

*In der fettgedruckten Legende Verweise auf „commercial paper“ einfügen, wenn die Fälligkeit der Schuldverschreibungen weniger als ein Jahr beträgt; auf „kurzfristige“ einfügen, wenn die Fälligkeit der Schuldverschreibungen ein Jahr oder mehr beträgt, aber weniger als drei Jahre; auf „langfristige“, wenn die Fälligkeit der Schuldverschreibungen drei Jahre oder mehr beträgt.*

<sup>3</sup> Delete this paragraph in full if Notes are not denominated in Sterling and the issue proceeds are not accepted in the UK.

*Dieser Absatz ist vollständig zu streichen, wenn die Schuldverschreibungen nicht in Sterling denominiert sind und die Erlöse aus der Emission nicht im Vereinigten Königreich angenommen werden.*

<sup>4</sup> Include this text in respect of Notes (including Sterling Notes) in respect of which the issue proceeds are accepted by the Issuer in the UK and reliance is being placed on a listing of the Notes on an eligible stock exchange for an exemption under Regulation 13(a)(4) or (b) of the Banking Act (Exempt Transactions) Regulations 1997.

*Dieser Text ist sämtlichen Schuldverschreibungen (einschließlich der Sterling-Schuldverschreibungen) hinzuzufügen, bezüglich welcher die Erlöse aus der Emission durch die Emittentin im Vereinigten Königreich angenommen werden und welche gemäß einer Ausnahme unter Bestimmung 13(a)(4) oder (b) des Banking Act (ausgenommene Wertpapiergeschäfte) Bestimmungen 1997 an einem geeigneten Börsenplatz notiert werden.*

All provisions in the Terms and Conditions corresponding to items in this Pricing Supplement which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "Conditions").

*Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieses Konditionenblatts beziehen und die weder angekreuzt noch ausgefüllt werden oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die „Bedingungen“) gestrichen.*

**Issuer**

[IKB Deutsche Industriebank Aktiengesellschaft]

**Emittentin**

[IKB Finance B.V.]

**Issuing Branch<sup>5</sup>**

**Emittierende Zweigniederlassung**

- ☐ Luxembourg  
Luxemburg

**Form of Conditions<sup>6</sup>**

**Form der Bedingungen**

- ☐ Long-Form  
Nicht-konsolidierte Bedingungen
- ☐ Integrated  
Konsolidierte Bedingungen

**Language of Conditions<sup>7</sup>**

**Sprache der Bedingungen**

- ☐ German only  
ausschließlich Deutsch
- ☐ English only  
ausschließlich Englisch
- ☐ English and German (English controlling)  
Englisch und Deutsch (englischer Text maßgeblich)
- ☐ German and English (German controlling)  
Deutsch und Englisch (deutscher Text maßgeblich)

<sup>5</sup> Not to be completed if IKB Finance B.V. is the Issuer or if IKB Deutsche Industriebank Aktiengesellschaft is acting through its head office in Düsseldorf.

*Nicht auszufüllen, soweit die IKB Finance B.V. die Emittentin ist oder soweit die IKB Deutsche Industriebank Aktiengesellschaft durch ihre Hauptniederlassung in Düsseldorf handelt.*

<sup>6</sup> To be determined in consultation with the Issuer. It is anticipated that Long-Form Conditions will generally be used for Notes in bearer form sold on a non-syndicated basis and which are not publicly offered. Integrated Conditions will generally be used for Notes in bearer form sold and distributed on a syndicated basis. Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be distributed, in whole or in part, to non-professional investors. It is further anticipated that Long-Form Conditions will generally be used for Notes in registered form.

*Die Form der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, daß nicht-konsolidierte Bedingungen für Inhaberschuldverschreibungen verwendet werden, die auf nicht syndizierter Basis verkauft und die nicht öffentlich zum Verkauf angeboten werden. Konsolidierte Bedingungen werden in der Regel für Inhaberschuldverschreibungen verwendet, die auf syndizierter Basis verkauft und vertrieben werden. Konsolidierte Bedingungen sind erforderlich, wenn die Schuldverschreibungen insgesamt oder teilweise an nicht berufsmäßige oder gewerbliche Investoren verkauft werden. Es ist weiter vorgesehen, daß nicht-konsolidierte Bedingungen allgemein für Namensschuldverschreibungen verwendet werden.*

<sup>7</sup> To be determined in consultation with the Issuer. It is anticipated that, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed, in the case of Notes in bearer form sold and distributed on a syndicated basis, German will be the controlling language. In the case of Notes in bearer form publicly offered, in whole or in part, in the Federal Republic of Germany, or distributed, in whole or in part, to non-professional investors in the Federal Republic of Germany, German will be the controlling language. If, in the event of such public offer or distribution to non-professional investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal office of IKB Deutsche Industriebank Aktiengesellschaft in Düsseldorf. The Conditions of Notes in registered form will be either in the German or in the English language, as may be agreed with the Issuer.

*In Abstimmung mit der Emittentin festzulegen. Es wird erwartet, daß vorbehaltlich geltender Börsen- oder anderer Bestimmungen und soweit nicht anders vereinbart, die deutsche Sprache für Inhaberschuldverschreibungen maßgeblich sein wird, die auf syndizierter Basis verkauft und vertrieben werden. Falls Inhaberschuldverschreibungen insgesamt oder teilweise öffentlich zum Verkauf in der Bundesrepublik Deutschland angeboten oder an nicht berufsmäßige oder gewerbliche Investoren in der Bundesrepublik Deutschland verkauft werden, wird die deutsche Sprache maßgeblich sein. Falls bei einem solchen öffentlichen Verkaufsangebot oder Verkauf an nicht berufsmäßige oder gewerbliche Investoren die englische Sprache als maßgeblich bestimmt wird, wird eine deutschsprachige Übersetzung der Bedingungen bei der Hauptniederlassung der IKB Deutsche Industriebank Aktiengesellschaft in Düsseldorf erhältlich sein. Die auf Namensschuldverschreibungen anwendbaren Bedingungen werden, je nach Vereinbarung mit der Emittentin, deutsch- oder englischsprachig sein.*

**CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1)**  
**WÄHRUNG, STÜCKELUNG, FORM, EINZELNE DEFINITIONEN (§ 1)**

**Currency and Denomination**  
**Währung und Stückelung**

Specified Currency* <i>Festgelegte Währung</i>	[ ]
Aggregate Principal Amount <i>Gesamtnennbetrag</i>	[ ]
Specified Denomination(s)** <i>Festgelegte Stückelung/Stückelungen</i>	[ ]
Number of Notes to be issued in each Specified Denomination** <i>Zahl der in jeder festgelegten Stückelung auszugebenden Schuldverschreibungen</i>	[ ]

**Bearer Notes/Registered Notes**  
**Inhaberschuldverschreibungen/Namensschuldverschreibungen**

- ☐ Bearer Notes  
*Inhaberschuldverschreibungen*
- ☐ Registered Notes\*\*\*  
*Namensschuldverschreibungen*
- Minimum Principal Amount for Transfers (specify)  
*Mindestnennbetrag für Übertragungen (angeben)* [ ]
- ☐ **TEFRA C\*\***  
**TEFRA C**
- Permanent Global Note  
*Dauerglobalurkunde*
- ☐ **TEFRA D\*\***  
**TEFRA D**
- Temporary Global Note exchangeable for Permanent Global Note  
*Vorläufige Globalurkunde austauschbar gegen Dauerglobalurkunde*
- ☐ **Neither TEFRA D nor TEFRA C\*\*\*\***  
**Weder TEFRA D noch TEFRA C**
- Permanent Global Note  
*Dauerglobalurkunde*

**Certain Definitions**  
**Einzelne Definitionen**

**Clearing System**

- ☐ Clearstream Banking AG
- ☐ Morgan Guaranty Trust Company of New York  
Brussels office (Euroclear Operator)
- ☐ Clearstream Banking, société anonyme
- ☐ Other – specify  
*Sonstige (angeben)*

\* Consider insertion of a euro-redenomination provision if specified currency is Sterling or the currency of any other country likely to become a member state of European Economic and Monetary Union.

*Wenn die festgelegte Währung Sterling oder die Währung eines anderen Staates ist, der voraussichtlich Teilnehmerstaat der Europäischen Wirtschafts- und Währungsunion wird, ist die Aufnahme einer Euro-Umstellungsklausel zu erwägen.*

\*\* Not to be completed for registered Notes.  
*Nicht auszufüllen für Namensschuldverschreibungen.*

\*\*\* In the case of IKB AG only.  
*Nur im Fall der IKB AG.*

\*\*\*\* Not to be completed for registered Notes. Applicable only if Notes have an initial maturity of one year or less.  
*Nicht auszufüllen für Namensschuldverschreibungen. Nur anwendbar bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.*

Calculation Agent  
*Berechnungsstelle*

[Yes/No]  
[Ja/Nein]

☐ Fiscal Agent  
*Emissionsstelle*

☐ Other (specify)  
*Sonstige (angeben)*

[ ]

[INTEREST] [INDEXATION] (§ 3)  
[ZINSEN] [INDEXIERUNG] (§ 3)

☐ Fixed Rate Notes  
*Festverzinsliche Schuldverschreibungen*

**Rate of Interest and Interest Payment Dates**  
***Zinssatz und Zinszahlungstage***

Rate of Interest [ ] per cent. per annum  
*Zinssatz* [ ] % per annum

Interest Commencement Date [ ]  
*Verzinsungsbeginn*

Fixed Interest Date(s) [ ]  
*Festzinstermine*

First Interest Payment Date [ ]  
*Erster Zinszahlungstag*

Initial Broken Amount(s) (for each Specified Denomination) [ ]  
*Anfängliche(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)*

Fixed Interest Date preceding the Maturity Date [ ]  
*Festzinstermine, die dem Fälligkeitstag vorangehen*

Final Broken Amount(s) (for each Specified Denomination) [ ]  
*Abschließende(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)*

☐ Floating Rate Notes  
*Variabel verzinsliche Schuldverschreibungen*

**Interest Payment Dates**  
***Zinszahlungstage***

Interest Commencement Date [ ]  
*Verzinsungsbeginn*

Specified Interest Payment Dates [ ]  
*Festgelegte Zinszahlungstage*

Specified Interest Period(s) [ ] [weeks/months/other – specify]  
*Festgelegte Zinsperiode(n)* [ ] [Wochen/ Monate/ andere angeben]

**Business Day Convention**  
***Geschäftstagskonvention***

☐ Modified Following Business Day Convention  
*Modifizierte-Folgender-Geschäftstags-Konvention*

☐ FRN Convention (specify period(s)) [ ] [months/other – specify]  
*FRN-Konvention (Zeitraum angeben)* [ ] [Monate/ andere – angeben]

☐ Following Business Day Convention  
*Folgender-Geschäftstags-Konvention*

☐ Preceding Business Day Convention  
*Vorhergegangener-Geschäftstags-Konvention*

**Relevant Financial Centres**  
**Relevante Finanzzentren**

[ ]

**Rate of Interest**  
**Zinssatz**

☐ Screen Rate Determination  
*Bildschirmfeststellung*

☐ LIBOR (11.00 a.m. London time/London Business Day/  
London Interbank Market)  
*LIBOR (11.00 Londoner Ortszeit/Londoner Geschäftstag/  
Londoner Interbankenmarkt)*

Screen page  
*Bildschirmseite*

[ ]

☐ EURIBOR (11.00 a.m. Brussels time/TARGET Business Day/  
Euro Interbank Market)  
*EURIBOR (11.00 Brüsseler Ortszeit/TARGET-Geschäftstag/  
Euro-Interbankenmarkt)*

Screen page  
*Bildschirmseite*

[ ]

☐ EURO-LIBOR (11.00 a.m. London time/London Business Day/  
London Interbank Market)  
*EURO-LIBOR (11.00 Londoner Ortszeit/Londoner Geschäftstag/  
Londoner Interbankenmarkt)*

Screen page  
*Bildschirmseite*

[ ]

☐ Other (specify)  
*Sonstige (angeben)*

[ ]

Screen page  
*Bildschirmseite*

[ ]

**Margin**  
**Marge**

[ ] per cent. per annum  
[ ] % per annum

☐ plus  
*plus*

☐ minus  
*minus*

**Interest Determination Date**  
**Zinsfestlegungstag**

☐ Second Business Day prior to Commencement of Interest Period  
*Zweiter Geschäftstag vor Beginn der jeweiligen Zinsperiode*

☐ First day of each Interest Period  
*Erster Tag der jeweiligen Zinsperiode*

☐ Other (specify)  
*Sonstige (angeben)*

[ ]

**Reference Banks (if other than as specified in § 3(2)) (specify)**  
**Referenzbanken (sofern abweichend von § 3 Absatz 2) (angeben)**

[ ]

☐ ISDA Determination\*  
*ISDA-Feststellung*

[specify details]  
[Details einfügen]

☐ Other Method of Determination/Indexation (insert details  
(including Margin, Interest Determination Date, Reference Banks,  
fall-back provisions))  
*Andere Methoden der Bestimmung/Indexierung  
(Einzelheiten angeben (einschließlich Zinsfestlegungstag,  
Marge, Referenzbanken, Ausweichungsbestimmungen))*

[ ]

\* ISDA Determination should only be applied in the case of Notes permanently represented by a Global Note because the ISDA Agreement and the ISDA Definitions have to be attached to the relevant Notes.  
*ISDA-Feststellung sollte nur dann gewählt werden, wenn die betreffenden Schuldverschreibungen durch eine Dauerglobalurkunde verbrieft werden, weil das ISDA Agreement und die ISDA Definitions den Schuldverschreibungen beizufügen sind.*

**Minimum and Maximum Rate of Interest**  
**Mindest- und Höchstzinssatz**

- ☐ Minimum Rate of Interest [ ] per cent. per annum  
*Mindestzinssatz* [ ] % per annum
- ☐ Maximum Rate of Interest [ ] per cent. per annum  
*Höchstzinssatz* [ ] % per annum
- ☐ **Zero Coupon Notes**  
**Nullkupon-Schuldverschreibungen**
- Accrual of Interest**  
**Auflaufende Zinsen**
- Amortisation Yield [ ] per cent. per annum  
*Emissionsrendite* [ ] % per annum

**Day Count Fraction\***  
**Zinstagequotient**

- ☐ Actual/Actual
- ☐ Insert other relevant Actual/Actual Methodology pursuant to ISMA [ ]  
*Andere relevante Actual/Actual-Methode nach ISMA einfügen*
- ☐ Actual/Actual (Actual/365)
- ☐ Actual/365 (Fixed)
- ☐ Actual/360
- ☐ 30/360 or 360/360 (Bond Basis)
- ☐ 30E/360 (Eurobond Basis)

**PAYMENTS (§ 4)**  
**ZAHLUNGEN (§ 4)**

**Dual Currency Notes**  
**Doppelwährungs-Schuldverschreibungen**

Relevant Currencies for payments of Principal and/or Interest and any [ ]  
relevant exchange rate formulas (specify all)  
*Relevante Währungen für Zahlungen auf Kapital und/oder Zinsen und alle*  
*relevanten Wechselkursformeln (alle angeben)*

**Payment Business Day**  
**Zahlungstag**

Relevant Financial Centre(s) (specify all) [ ]  
*Relevante Finanzzentren (alle angeben)*

**REDEMPTION (§ 5)**  
**RÜCKZAHLUNG (§ 5)**

**Final Redemption**  
**Rückzahlung bei Endfälligkeit**

Maturity Date [ ]  
*Fälligkeitstag*

Redemption Month [ ]  
*Rückzahlungsmonat*

**Final Redemption Amount**  
**Rückzahlungsbetrag**

- ☐ Principal Amount (for each Specified Denomination)  
*Nennbetrag (für jede festgelegte Stückelung)*
- ☐ Final Redemption Amount (for each Specified Denomination) [ ]  
*Rückzahlungsbetrag (für jede festgelegte Stückelung)*

\* Complete for all Notes  
*Für alle Schuldverschreibungen ausfüllen.*

- ☐ Indexed Redemption Amount (specify index and/or formula by reference to which the Final Redemption Amount is to be calculated) [ ]  
*Indexierter Rückzahlungsbetrag (Index und/oder Formel, auf dessen/deren Grundlage der Rückzahlungsbetrag zu berechnen ist, angeben)*

#### Early Redemption

##### Vorzeitige Rückzahlung

#### Early Redemption at the Option of the Issuer

##### Vorzeitige Rückzahlung nach Wahl der Emittentin

[Yes/No]  
[Ja/Nein]

Minimum Redemption Amount  
*Mindestrückzahlungsbetrag*

[ ]

Higher Redemption Amount  
*Höherer Rückzahlungsbetrag*

[ ]

Call Redemption Date(s)  
*Wahlrückzahlungstag(e) (Call)*

[ ]

Call Redemption Amount(s)  
*Wahlrückzahlungsbetrag/-beträge (Call)*

[ ]

Minimum Notice to Holders  
*Mindestkündigungsfrist*

[ ]

Maximum Notice to Holders  
*Höchstkündigungsfrist*

[ ]

#### Early Redemption at the Option of a Holder

##### Vorzeitige Rückzahlung nach Wahl des Gläubigers

[Yes/No]  
[Ja/Nein]

Put Redemption Date(s)  
*Wahlrückzahlungstag(e) (Put)*

[ ]

Put Redemption Amount(s)  
*Wahlrückzahlungsbetrag/-beträge (Put)*

[ ]

Minimum Notice to Issuer  
*Mindestkündigungsfrist*

[ ] days  
[ ] Tage

Maximum Notice to Issuer (never more than 60 days)  
*Höchstkündigungsfrist (nie mehr als 60 Tage)*

[ ] days  
[ ] Tage

#### Early Redemption Amount

##### Vorzeitiger Rückzahlungsbetrag

Zero Coupon Notes:  
*Nullkupon-Schuldverschreibungen:*

Reference Price  
*Referenzpreis*

[ ]

#### THE FISCAL AGENT[, ] [AND] [THE CALCULATION AGENT] [AND THE PAYING AGENTS] (§ 6) DER FISCAL AGENT[, ] [UND] [DIE BERECHNUNGSSTELLE] [UND DIE ZAHLSTELLEN] (§ 6)

Calculation Agent/Specified Office\*  
*Berechnungsstelle/Bezeichnete Geschäftsstelle*

[ ]

Required Location of Calculation Agent (specify)  
*Vorgeschriebener Ort für Berechnungsstelle (angeben)*

[ ]

☐ Paying Agents  
*Zahlstellen*

☐ Additional Paying Agent(s)/Specified Office(s)  
*Zahlstelle(n)/Bezeichnete Geschäftsstelle(n)*

[ ]

\* Not to be completed if Fiscal Agent is to be appointed as Calculation Agent.  
*Nicht auszufüllen, falls Fiscal Agent als Berechnungsstelle bestellt werden soll.*

**TAXATION (§ 7)**  
**STEUERN (§ 7)**

- ☐ No Additional Amounts payable on account of taxes or duties payable by reason of an international treaty  
*Keine zusätzlichen Beträge zahlbar für Steuern und Abgaben, die aufgrund eines internationalen Vertrages erhoben werden*

**NOTICES (§ [12])\*\***  
**MITTEILUNGEN (§ [12])**

**Place and Medium of Publication**  
**Ort und Medium der Bekanntmachung**

- ☐ United Kingdom (Financial Times)  
*Vereinigtes Königreich (Financial Times)*
- ☐ Luxembourg (Luxemburger Wort)  
*Luxemburg (Luxemburger Wort)*
- ☐ Germany (Börsen-Zeitung)  
*Deutschland (Börsen-Zeitung)*
- ☐ Other (specify) [ ]  
*Sonstige (angeben)*

**GENERAL PROVISIONS APPLICABLE TO THE NOTE(S)**  
**ALLGEMEINE BESTIMMUNGEN HINSICHTLICH DER SCHULDVERSCHREIBUNG(EN)**

**Listing(s)**

**Börsenzulassung(en)**

[Yes/No]  
[Ja/Nein]

- ☐ Luxembourg
- ☐ Other (insert details) [ ]  
*Sonstige (Einzelheiten einfügen)*

**Method of Distribution**  
**Vertriebsmethode**

- ☐ Non-syndicated  
*Nicht syndiziert*
- ☐ Syndicated  
*Syndiziert*

**Management Details**

**Einzelheiten bezüglich des Bankenkonsortiums**

Management Group or Dealer (specify) [ ]  
*Bankenkonsortium oder Dealer (angeben)*

**Commissions**  
**Provisionen**

Management/Underwriting Commission (specify) [ ]  
*Management- und Übernahmeprovision (angeben)*

Selling Concession (specify) [ ]  
*Verkaufsprovision (angeben)*

Listing Commission (specify) [ ]  
*Börsenzulassungsprovision (angeben)*

Other (specify) [ ]  
*Sonstige (angeben)*

**Stabilising Dealer/Manager**  
**Kursstabilisierender Dealer/Manager**

[insert details/None]  
[Einzelheiten einfügen/Keiner]

\*\* Not to be completed for registered Notes.  
*Nicht auszufüllen für Namensschuldverschreibungen.*



**Securities Identification Numbers**  
**Wertpapierkennnummern**

Common Code <i>Common Code</i>	[    ]
ISIN <i>ISIN</i>	[    ]
German Securities Code <i>Wertpapierkennnummer (WKN)</i>	[    ]
Any other securities number <i>Sonstige Wertpapiernummer</i>	[    ]

<b>Supplemental Tax Disclosure (specify)*</b> <b><i>Zusätzliche Steueroffenlegung (einfügen)</i></b>	[    ]
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**Selling Restrictions**  
***Verkaufsbeschränkungen***

- ☐ TEFRA C  
*TEFRA C*
- ☐ TEFRA D  
*TEFRA D*
- ☐ Neither TEFRA C nor TEFRA D  
*Weder TEFRA C noch TEFRA D*

Additional Selling Restrictions (specify) <i>Zusätzliche Verkaufsbeschränkungen (angeben)</i>	[    ]
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<b>Rating</b> <b><i>Rating</i></b>	[    ]
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<b>Governing law</b> <b><i>Anwendbares Recht</i></b>	<b>German law</b> <b><i>Deutsches Recht</i></b>
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<b>Other Relevant Terms and Conditions (specify)</b> <b><i>Andere relevante Bestimmungen (einfügen)</i></b>	[    ]
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\* Supplemental tax disclosure should be provided if the Notes would be classified as financial innovations (*Finanzinnovationen*) under German tax law.  
*Zusätzliche Angaben zur steuerlichen Situation sollten erfolgen, wenn die Schuldverschreibungen nach deutschem Steuerrecht als Finanzinnovationen eingeordnet würden.*

**[Listing:\***

**[Börsenzulassung:**

The above Pricing Supplement comprises the details required to list this issue of Notes pursuant to the listing of the Euro 5,000,000,000 Debt Issuance Programme of IKB Deutsche Industriebank Aktiengesellschaft and IKB Finance B.V. (as from **[insert Settlement Date for the Notes]**).

*Das vorstehende Konditionenblatt enthält die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen gemäß Börsenzulassung des Euro 5.000.000.000,- Debt Issuance Programme der IKB Deutsche Industriebank Aktiengesellschaft und der IKB Finance B.V. (ab dem **[Tag der Begebung der Schuldverschreibungen einfügen]**) erforderlich sind.*

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

*Die Emittentin übernimmt die Verantwortung für die in diesem Konditionenblatt enthaltenen Informationen.*

The Chase Manhattan Bank, London

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(as Fiscal Agent) *(als Fiscal Agent)*

IKB Deutsche Industriebank Aktiengesellschaft

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(as Issuer) *(als Emittentin)*

IKB Deutsche Industriebank Aktiengesellschaft Luxembourg Branch

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(as Issuer) *(als Emittentin)*

IKB Finance B.V.

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(as Issuer) *(als Emittentin)*

**[In the case of Notes issued through IKB Deutsche Industriebank Aktiengesellschaft Luxembourg Branch insert:**

***Im Falle von Schuldverschreibungen, die über die IKB Deutsche Industriebank Aktiengesellschaft Filiale Luxemburg begeben werden, einfügen:***

The Issuer expressly confirms its agreement with § 13(2) of the Terms and Conditions for the purposes of Article 1 of the First Protocol to the European Convention on Jurisdiction and Enforcement of Judgements in Civil and Commercial Matters signed at Brussels on September 27, 1968, as amended.

*Die Emittentin bestätigt ausdrücklich ihr Einverständnis mit § 13(2) der Emissionsbedingungen für Zwecke des Artikel 1 des Ersten Protokolls zum Europäischen Übereinkommen über die gerichtliche Zuständigkeit und die Vollstreckung gerichtlicher Entscheidungen in Zivil- und Handelssachen, das am 27. September 1968 in Brüssel unterzeichnet wurde, in seiner jeweils geltenden Fassung.*

IKB Deutsche Industriebank Aktiengesellschaft Luxembourg Branch

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(as Issuer) *(als Emittentin)*

\* Include only in the version of the Pricing Supplement which is submitted to the relevant stock exchange in the case of Notes to be listed on such stock exchange.

*Nur in derjenigen Fassung des Konditionenblattes einzufügen, die der betreffenden Börse, bei der die Schuldverschreibungen zugelassen werden sollen, vorgelegt wird.*

## **IKB AG**

### **Incorporation, Seat and Objects**

IKB AG (from time to time referred to hereinafter as the “Bank” and, together with its consolidated subsidiaries, the “IKB Group”) is a private German bank. Its activities date back to September 30, 1924 when IKB AG was first incorporated in Berlin as Bank für deutsche Industrieobligationen (“BAFIO”) to manage the reparation payments owed by German companies pursuant to the Treaty of Versailles. In 1931, IKB AG moved on to provide trade and long-term fixed rate investment financing, initially to the agricultural sector and later to medium sized companies. Although a private bank, IKB AG performs important functions as leading arranger of public programme loans funded by government promotion agencies. On March 29, 1949 IKB AG was incorporated in Düsseldorf and is registered today in Düsseldorf and Berlin for an indefinite period of time as a stock corporation under the laws of the Federal Republic of Germany (“Germany”). IKB AG is registered in the commercial registers of the local court of Düsseldorf under no. HRB 1130 and of the local court of Berlin-Charlottenburg under no. HRB 8860.

IKB AG has its registered offices at Wilhelm-Böttskes-Strasse 1, D-40474 Düsseldorf, and at Bismarckstraße 105, D-10625 Berlin.

In accordance with its Articles of Association (*Satzung*), IKB AG engages in the promotion of industry and commerce, in particular by the provision of medium and long-term loans, equity and real estate finance and structured finance to medium-sized businesses. Leasing services are also provided. Within this framework, IKB AG primarily targets companies (usually family-owned) with an annual turnover of between DM 10 million and DM 1 billion, i.e. the so-called German *Mittelstand*.

### **Branches, Subsidiaries and Major Shareholdings**

IKB Group's business is conducted primarily in Germany but also includes activities elsewhere. Apart from its operations in Düsseldorf and Berlin, IKB AG maintains registered branches in Frankfurt am Main, Hamburg, Leipzig, Munich, Stuttgart and in Luxembourg. IKB AG further maintains branches in London and Paris and a representative office in Hong Kong.

The Bank has a banking subsidiary in Luxembourg (IKB International S.A.) and finance subsidiaries in New York, Paris and Amsterdam (IKB Capital Corporation, IKB Financière France S.A. and IKB Finance B.V.) (See “IKB FINANCE”). The consolidated subsidiaries of IKB AG further include IKB Leasing GmbH, Hamburg, and IKB Leasing Berlin GmbH, Berlin, which concentrate on equipment and machinery leasing, ILF Immobilien-Leasing-Fonds Verwaltung GmbH & Co. Objekt Wilhelm-Böttskes-Strasse KG, Düsseldorf, IKB Immobilien Management GmbH, Düsseldorf, a property consultancy company, and MORSUS Immobilien GmbH & Co. KG Objekt Karl-Theodor-Strasse, Düsseldorf. In accordance with German law and generally accepted accounting principles, the Bank does not consolidate a number of its subsidiaries. Through its non-consolidated subsidiary IKB Beteiligungsgesellschaft mbH, Düsseldorf, the Bank provides private equity and mezzanine instruments to medium- and small-sized companies, to the latter generally in co-operation with *Kreditanstalt für Wiederaufbau*.

The Bank also has a 100% stake in IKB Immobilien Leasing GmbH, Düsseldorf, a property leasing company. Further, IKB AG holds a 26% stake in National-Bank AG, Essen.

### **Share Capital and Ownership**

The issued and fully paid share capital of IKB AG presently amounts to EUR 225,280,000.– divided into 88 million bearer shares of no par value (*Stückaktien*), each of which confers one vote. Pursuant to the Bank's Articles of Association, the Board of Directors (*Vorstand*), with the approval of the Supervisory Board (*Aufsichtsrat*), is authorized to increase the share capital by up to EUR 76,693,782.18 until September 5, 2002. Further, IKB AG's share capital is conditionally increased by up to EUR 25,600,000.– (divided into up to 10 million shares) depending on the exercise by bearers of their respective conversion or option rights under convertible bonds, bonds with option warrants, or profit participation certificates (*Genussscheine*) with conversion or option rights issued by the Bank until September 5, 2002.

The share capital of the Bank was restated (from Deutsche Marks) into euros with effect from April 1, 1999. This resulted in the total share capital being expressed in an uneven number of euros. In order to avoid the consequence of the redenomination of the shares in euros, after which the notional value of each share was expressed in a fractional amount, the shareholders of the Bank voted at the Annual General Meeting of the Bank on September 3, 1999 to increase the share capital of the Bank by EUR 311,572.27 to EUR 225,280,000.–. This increase was effected by means of a transfer from the Bank's capital reserves, and without any increase in the number of the Bank's shares.

By operation of German law this increase resulted in an increase in the existing conditional capital (*bedingtes Kapital*) of the Bank to EUR 25,600,000.– upon registration of the increase in the Berlin and Düsseldorf Commercial Registers on September 17, 1999 and on September 24, 1999.

In addition, the shareholders of the Bank voted at the Annual General Meeting on September 3, 1999 to increase the conditional capital of the Bank, the aggregate amount of such conditional capital depending upon the exercise of conversion or option rights, as described on the previous page. This increase resulted in the conditional capital amounting to up to EUR 22,528,000.– divided into up to 8,800,000 shares. This increase is relevant only for conversion or option rights issued by the Bank prior to September 3, 2004. These shareholder resolutions take effect upon entry in the commercial register, which was undertaken with the registrations referred to above.

In addition, as of March 31, 2000, IKB AG had outstanding EUR 439.3 million fully paid non-voting profit participation certificates (*Genussscheine*). Profit participation certificates are issued in bearer form and participate in profits and losses of IKB AG.

After having doubled its IKB-stake from 10% to approx. 20%, Allianz AG is now the largest single shareholder. Other major shareholders currently include the German Trust for Industry Research (*Stiftung Industrieforschung*) (11.46%). A number of German insurance companies hold a combined stake of around 25% in the Bank. The remaining shares are widely distributed among institutional and private shareholders.

The shares of the Bank have been admitted for trading and official quotation on the stock exchanges of Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart and through the XETRA-Trading-System.

### **Statutory Control**

In common with all other enterprises that are engaged in one or more of the financial activities defined in the German Banking Act (*Gesetz über das Kreditwesen*) as “banking business”, IKB AG is subject to the licensing requirements and other provisions of the Banking Act. Notably, IKB AG is subject to supervision by the Federal Banking Supervisory Authority (“FBSA”). Such supervision is carried out in close co-operation with the Deutsche Bundesbank, the German central bank, and ensures that IKB AG conducts its business in accordance with the provisions of the Banking Act and other applicable German laws and requirements.

### **Capital Adequacy**

German capital adequacy rules provide for capital adequacy requirements dealing with counterparty risk and market risk. In relation to the former, each bank must maintain a ratio (its “solvency” ratio) of regulatory banking capital to risk-adjusted assets of at least eight per cent. The risk-adjusted assets of a bank (the sum of which is the denominator of the solvency ratio) is computed as follows: Assets are assigned to one of five basic categories of relative credit risk (0%, 10%, 20%, 50% and 100%) depending on the debtor or the type of collateral, if any, securing the respective assets. The balance sheet value of each asset item is multiplied by the percentage weight applicable to its risk category to arrive at the risk-adjusted value. Off-balance sheet items, such as financial guarantees, letters of credit, swaps and other financial derivatives, are subject to a two-tier adjustment. First their value (in the case of guarantees and letters of credit, their amount, and in each case of swaps and other derivatives, their value computed on a market or time basis) is adjusted according to their risk classification (20%, 50% and 100%) depending on the type of instrument. Then the off-balance sheet items are assigned, like balance sheet assets, to the credit risk categories depending on the type of the counterparty or the debtor or the type of collateral, if any, securing the respective assets and multiplied by the applicable percentage weight.

The market risk positions of a bank are comprised of (i) its foreign exchange position; (ii) its commodities position; (iii) its trading book positions, including some positions involving counterparty risk, as well as interest rate and equity market risk; and (iv) its options transactions position. The market risk positions are net positions, risk-adjusted in accordance with detailed rules. As of the close of each business day, the sum of the net risk-adjusted market risk positions of a bank must not exceed the sum of (i) the difference between its regulatory banking capital and 8% of its aggregate amount of risk-adjusted risk assets and (ii) its Tier 3 capital. (“Tier 3 capital” consists of (i) net profits, i.e., the proportionate profit of a bank which would result from closing all trading book positions at the end of given day, less (a) all foreseeable expenses and distributions and (b) losses arising from the banking book which are likely to arise upon a liquidation of the bank and (ii) short-term subordinated debt meeting certain requirements.)

## Fiscal Year

The fiscal year of IKB AG runs from April 1 of each year to March 31 of the following year.

## Business Activities

The IKB Group offers a selected range of commercial and investment banking services to its customers with the specific exception of deposit taking. As from April 1, 1999, the Bank has reorganised its business activities in five divisions:

- Corporate Lending
- Structured Finance
- Equity Finance
- Real Estate Finance
- Treasury

## Domestic Corporate Lending

The Bank's core competence is the extension of medium and long-term loans to a diverse range of companies in all industry sectors with an annual turnover of between DM 10 million and DM 1 billion (typically independent and individually or family-owned and managed), i.e. the so-called German *Mittelstand*. The *Mittelstand* represents the backbone of the German economy and includes a number of world market leaders in specialist niche products, with export ratios of up to 80%. Loans are generally extended at fixed interest rates with maturities of up to 10 years. 90% of the Bank's lending is secured by collateral, usually mortgages on land and buildings and/or the transfer of equipment for security purposes.

The IKB Group offers advisory and consultancy services to its customers, in particular in the areas of structuring investments and identifying relevant public programme loans funded by *Kreditanstalt für Wiederaufbau*, *Deutsche Ausgleichsbank*, *Bayerische Landesanstalt für Aufbaufinanzierung* and *European Investment Bank* and others through instrumentalities serving public policy objectives. IKB AG matches such subsidised public programme loans with its own debt financing products in order to offer tailor-made financing solutions for its customers.

As at March 31, 2000, over 90% of the IKB AG's lending was domestic with around half to manufacturing companies and around a third to companies in the service sector. Lending was split between over 9,100 customers with an average loan size of just below EUR 2.3 million.

The following table sets forth the distribution of IKB AG's domestic loan portfolio by sector as of March 31 of the years indicated.

**Domestic Loan Portfolio Distribution by Sector**

Industry	Outstanding on March 31,			
	1997	1998	1999	2000
	(Percentage Share)			
Manufacturing Sector .....	47.0	47.6	47.6	49.3
Basic and producer goods industries .....	15.1	14.8	15.5	17.8
Capital goods industries .....	14.4	14.7	14.7	13.8
Consumer goods industries .....	17.5	18.1	17.4	17.7
Service Sector .....	35.5	34.7	35.5	37.8
Trade and Distribution .....	12.8	13.6	12.9	12.9
Construction .....	2.3	2.0	1.7	0.0
Other .....	2.4	2.1	2.3	0.0
Total .....	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

## Structured Finance

The structured finance division covers domestic project finance as well as all international activities, i.e. international investment finance, *Hermes*-covered export finance, international project finance and participation in syndicated loans at international financial centres (London, Paris, New York).

## **Equity Finance**

The equity finance division comprises acquisition finance as well as the provision of senior loans, mezzanine and equity capital to established companies. Moreover the Bank finances innovative technology-oriented companies, especially in the sectors of biotechnology, telecommunications and data processing.

## **Real Estate Finance**

The real estate finance division contains cash-flow oriented long-term financing of commercial property, closed-end real estate funds or structured projects by means of loans; leasing is also available. Moreover IKB AG provides consulting services as well as assistance in realising real estate projects.

## **Treasury**

The treasury division comprises the areas of funding and liquidity management, fixed income, asset and liability management of the loan portfolio and proprietary trading.

## **Funding and Liquidity Management**

In accordance with its Articles of Association, IKB AG does not take deposits. IKB AG funds its activities primarily through the issuance of medium and long-term bearer bonds, the granting of loans evidenced by transferable certificates of indebtedness (*Schuldscheindarlehen*) and borrowings from other banks, in part in combination with interest rate and/or exchange rate hedging via long-term swaps with top-rated German and foreign banks. The core of interbank funding is provided to IKB AG on a loan by loan basis by instrumentalities serving public policy objectives such as *Kreditanstalt für Wiederaufbau*, *Deutsche Ausgleichsbank*, *Bayerische Landesanstalt für Aufbaufinanzierung* and *European Investment Bank* under their respective programmes. The funds thus received by IKB AG are at preferential rates and are on-lent to its customers within the framework of such programmes.

## **Fixed Income**

Fixed income management focuses on the stabilisation of interest surplus emanating from the position of the liquidity book as well as on the long term creation of evaluation reserves.

Generally the Bank invests in top rated bonds, especially in floating rate notes, which with the use of swaps are being transformed into fixed interest rates. Occasionally various optional elements are embedded for further improvement of interest rate cash flows.

Risk management fully complies with the requirements relevant. The fixed income portfolio is permanently evaluated on a mark to market basis. Risk is also measured by using a value-at-risk approach.

## **Asset and Liability Management of the Loan Book**

It is the Bank's policy to match assets and liabilities to a fairly high degree. The funds borrowed from government promotion agencies are automatically matched with the loans provided to the customers. Loans funded in the capital markets are steered accordingly. The mismatch limits in place are limited.

Foreign currency exposure emanating from international loan business are hedged to a large extent.

## **Proprietary Trading**

The Bank is active in interest rate and stock market trading. Although proprietary trading is not of strategic relevance to the Bank's earnings, it is run as a profit centre and has produced stable profits over the years.

Risk is monitored online on a mark to market basis. A value at risk approach is also applied.

## **Certain Subsidiaries**

*IKB Beteiligungsgesellschaft mbH*, 100% owned by the Bank and *IKB Venture Capital GmbH*, 100% owned by IKB Beteiligungsgesellschaft mbH, both with registered offices at Wilhelm-Bötckes-Strasse 1, D-40474 Düsseldorf, are active in providing senior loans, mezzanine and equity capital to established companies as well as in financing innovative technology-oriented companies with silent participations or subordinated capital (especially in the sectors of biotechnology, telecommunications and data processing).

*IKB Leasing GmbH*, with its registered office at Heidenkampsweg 79, D-20097 Hamburg, and *IKB Leasing Berlin GmbH*, with its registered office at Frankfurter Allee 90, D-10247 Berlin, both 100% owned by the Bank, focus on equipment leasing operations; their leasing portfolios being dominated by printing machines, machine tools, injection molding machines, processing centers and industrial lorries and cars.

*IKB Immobilien Leasing GmbH*, with its registered office at Uerdinger Strasse 90, D-40474 Düsseldorf, 100% owned by the Bank, is active in real estate leasing. Operations focus primarily on production facilities, office buildings and commercial property. Real estate and large-scale plant leasing funds are launched by IKB Fonds GmbH.

*IKB Immobilien Management GmbH*, with its registered office at Wilhelm-Böttsches-Strasse 1, D-40474 Düsseldorf, 100% owned by the Bank, focuses on real estate consulting, real estate valuation, property development, project development and project management, sales co-ordination and corporate real estate services.

### **Credit Policies and Procedures**

IKB AG has established detailed credit policies and lending guidelines applicable to all of the Bank's financing activities. The entire loan approval process is supported by sophisticated IT-systems. The Bank uses a scoring system, which incorporates quantitative and qualitative information derived from the Bank's thorough knowledge of its core customer group, which has proven accurate over a number of years.

The Bank has a sophisticated monitoring system for following the loans from the application process through to repayment, which allows for continuous oversight of individual loans and the identification of potential problem loans by a number of key indicators, extracted from an extensive database.

### **Problem and Non-Performing Loans**

Problem and non-performing loans are tracked in a standardized process with automated procedures by a centralised loan recovery department. They are subject to timely provisioning at a conservative and prudent level. Recoveries from securities collateral have historically been good. A somewhat different procedure is followed for syndicated loans.

### **Employees and Labor Relations**

At March 31, 2000, IKB AG's total number of employees was 910, of which 15 employees were working in foreign branches.

Management considers relations with its employees to be good. There has been no material disruption of work as a result of labor unrest in recent years.

### **Management**

#### *Supervisory Board and Board of Directors*

Like all German stock corporations, the Bank has a two-tier board system. The Board of Directors (*Vorstand*) is responsible for the management of the Bank and the representation of the Bank with respect to third parties, while the Supervisory Board (*Aufsichtsrat*) appoints and removes the members of the Board of Directors and supervises the activities of the Board of Directors. The Supervisory Board may not make management decisions, but under the Articles of Association (*Satzung*) of the Bank, the Board of Directors must obtain the approval of the Supervisory Board for certain actions. In addition, the Bank maintains an Advisory Board and an Advisory Council. The Advisory Board is appointed by the Board of Directors with consent of the Supervisory Board, the Advisory Council is nominated by the Board of Directors and appointed by the Supervisory Board, to enhance contacts with industry and commerce. The members of the Advisory Board and the Advisory Council assist the Bank's Management by providing consultancy support.

In accordance with the German Works Constitution Act of 1952 (*Betriebsverfassungsgesetz 1952*), two thirds of the Bank's Supervisory Board consist of representatives elected by the shareholders and one third consists of representatives elected by the employees. Members are elected for three-year terms, and re-election is possible. The members of the Supervisory Board elect the chairman and the deputy chairman of the Supervisory Board. The chairman, who is typically a representative of the shareholders, has the deciding vote in the event of a deadlock.

The current composition of the Supervisory Board and the Board of Directors of IKB AG is as follows:

*Supervisory Board*

Dr. h.c. Tyll Necker  
Bad Oldesloe  
Managing director and shareholder of  
Hako Holding GmbH & Co.  
Chairman of the Board

Dr.-Ing. E.h. Hans-Olaf Henkel  
Köln  
President of the Federal Association of  
the German Industry e.V.  
Deputy Chairman of the Board

Jörg Bickenbach  
Düsseldorf  
State Secretary of the Ministry of Economy,  
Medium-Sized Businesses and Technology  
of Nordrhein-Westfalen

Ulrich Hartmann  
Düsseldorf  
Chairman of the Management Board of  
E.ON AG

Dr. Jürgen Heraeus  
Hanau  
Chairman of the Supervisory Board of  
Heraeus Holding GmbH

Hans W. Reich  
Frankfurt am Main  
Speaker of the Management Board of  
Kreditanstalt für Wiederaufbau

Prof. Dr. h.c. Reinhold Würth  
Künzelsau  
Chairman of the Advisory Board of  
the Würth Group

Herbert Hansmeyer  
München  
Member of the Management Board of  
Allianz Aktiengesellschaft  
Deputy Chairman of the Board

Dr. Jürgen Behrend  
Lippstadt  
Managing director of  
Hella KG Hueck & Co.

Hermann Franzen  
Düsseldorf  
Personal liable partner of  
Porzellanhaus Franzen KG

Dr. Joachim Henke  
Berlin  
Assistant Secretary of State of  
Ministry of Finance

Ernst Michel Kruse  
Frankfurt am Main  
formerly Speaker of the Management Board of  
BHF-Bank Aktiengesellschaft

Dipl.-Ing. Hans Peter Stihl  
Waiblingen  
Shareholder and Chairman of the Management of  
STIHL AG

*Employees' Representatives on the Supervisory Board*

Thomas Bleher  
Düsseldorf  
IKB Deutsche Industriebank Aktiengesellschaft

Wilhelm Lohscheidt  
Düsseldorf  
IKB Deutsche Industriebank Aktiengesellschaft

Jochen Schametat  
Düsseldorf  
IKB Deutsche Industriebank Aktiengesellschaft

Ulrich Wernecke  
Düsseldorf  
IKB Deutsche Industriebank Aktiengesellschaft

Roswitha Loeffler  
Berlin  
IKB Deutsche Industriebank Aktiengesellschaft

Rita Röbel  
Leipzig  
IKB Deutsche Industriebank Aktiengesellschaft

Dr. Carola Steingraber  
Berlin  
IKB Deutsche Industriebank Aktiengesellschaft



### *Board of Directors*

	<u>Date Appointed</u>	<u>Current Term Expires</u>
Claus Momburg	July 12, 1997	November 11, 2005
Joachim Neupel	July 1, 1989	June 30, 2004
Stefan Ortseifen	November 1, 1994	October 31, 2002
Georg-Jesko v. Puttkamer	November 1, 1994	October 31, 2002
Dr. Alexander v. Tippelskirch	April 1, 1984	March 31, 2004

### **Introduction of the Euro**

For its financial year 1999/00, the IKB Group has converted its base currency to euro.

### **Rating**

The long-term unsecured senior debt of the Bank has been assigned a rating of A+ by Fitch IBCA.

### **Recent Developments and Outlook**

It is anticipated that the expected improved economic conditions will have a beneficial impact on the Bank's business prospects. Moreover, the Bank expects once more to achieve higher than average growth in the Equity and Structured Financing divisions. True, systematic implementation of the forward-looking strategy of investing in human resources will lead to increased costs this year as well, however, the rate of increase will be considerably below last year's figures. In addition, the Bank makes strenuous efforts to achieve a decrease in risk provisioning. In short, this means that the results the Bank will achieve for the 2000/2001 financial year will also be satisfactory.

### **Auditors**

The auditors of IKB AG are KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Am Bonneshof 35, D-40474 Düsseldorf. KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft has audited the financial statements of IKB AG for the fiscal years ended March 31, 1997, 1998, 1999 and 2000 and in each case awarded unqualified opinions (*Bestätigungsvermerk*).

### **Selected Financial Information**

The selected audited balance sheet and profit and loss account data for the fiscal years ended March 31, 1997, March 31, 1998, March 31, 1999 and March 31, 2000 are derived from the audited consolidated financial statements of the Bank. The selected audited financial data set forth below have been prepared in accordance with German GAAP and should be read in conjunction with the audited consolidated financial statements for, 1997, 1998, 1999 and 2000 and the auditor's unqualified opinion thereon incorporated herein by reference. In accordance with German GAAP, the Bank's subsidiaries are consolidated, except as otherwise stated herein. For the non-consolidated subsidiaries the dividends received therefrom are reflected in the Bank's financial statements. See "Documents Incorporated by Reference" and the other financial data included herein.

## Balance Sheet Data

	Year ended March 31,			
	1997	1998	1999	2000
(Amounts in EUR millions, audited)				
<b>Assets</b>				
Liquid funds .....	2	8	171	12
Claims on banks .....	1,506	1,641	2,274	1,619
Claims on customers .....	19,175	20,771	22,188	23,576
Debentures .....	1,552	1,364	1,629	2,652
Investment and holding in associated and subsidiary companies .....	199	174	176	109
Fixed assets .....	197	223	223	214
Leasing assets .....	447	451	462	509
Other assets .....	577	537	538	474
<b>Total assets</b> .....	<u>23,655</u>	<u>25,169</u>	<u>27,661</u>	<u>29,165</u>
<b>Liabilities and shareholders' equity</b>				
Liabilities to banks .....	10,045	11,876	13,990	12,681
Liabilities to customers .....	2,663	2,482	2,501	2,414
Securitized liabilities .....	8,333	8,053	8,280	10,803
Provisions .....	242	235	237	248
Subordinated liabilities .....	474	473	472	582
Participation certificate capital .....	317	419	419	439
Fund for general bank risks .....	—	8	77	80
Equity capital (without net income for the year) .....	1,004	1,022	1,049	1,179
Other liabilities including profit of the year .....	577	601	636	739
<b>Total liabilities and shareholders' equity</b> .....	<u>23,655</u>	<u>25,169</u>	<u>27,661</u>	<u>29,165</u>

## Profit and Loss Account Data

	Year ended March 31,			
	1997	1998	1999	2000
(Amounts in EUR millions, audited)				
Interest income from loan operations and money market transactions, fixed interest securities and government-inscribed debt .....	1,802.2	1,863.8	2,048.5	2,145.1
Earnings from securities and holdings .....	11.0	20.0	12.9	43.0
Earnings from leasing operations .....	291.4	275.1	285.8	293.1
Interest expenditure .....	1,506.0	1,560.1	1,708.3	1,804.0
Expenditure and standard depreciation relating to leasing operations .....	247.9	233.6	245.3	251.8
<b>Net interest income</b> .....	<u>350.7</u>	<u>365.2</u>	<u>393.5</u>	<u>425.4</u>
Commission income .....	9.7	12.3	12.7	13.3
Commission expenditure .....	4.1	4.8	3.9	4.3
<b>Net commission income</b> .....	<u>5.6</u>	<u>7.5</u>	<u>8.8</u>	<u>9.0</u>
Net income from financial operations .....	4.9	8.1	6.6	-2.6
Personnel expenditure .....	78.6	82.5	87.4	99.9
Other administrative expenditure .....	41.4	49.6	51.3	56.3
<b>Administrative expenditure</b> .....	<u>120.0</u>	<u>132.1</u>	<u>138.7</u>	<u>156.2</u>
Balance of other operating income and expenditure .....	2.9	3.1	3.5	6.0
Provisions for risk .....	80.6	78.7	88.4	90.0
<b>Operating income</b> .....	<u>163.5</u>	<u>173.1</u>	<u>185.3</u>	<u>191.6</u>
Other income/expenditure .....	-14.8	-18.9	-10.1	-10.4
Taxes .....	74.6	77.9	84.3	81.8
<b>Net income for the year</b> .....	<u>74.1</u>	<u>76.3</u>	<u>90.9</u>	<u>99.4</u>

## Capitalisation of the IKB Group

The following table sets out the consolidated audited capitalisation of IKB Group as at March 31, 2000, based on the audited financial statements of IKB Group as at March 31, 2000.

	Year ended March 31,			
	1997	1998	1999	2000
	(Amounts in EUR millions, audited)			
Subscribed share capital .....	225	225	225	225
Silent participations .....	—	—	—	100
Capital reserves .....	568	568	568	568
Revenue reserves .....	211	229	256	286
Fund for general bank risks .....	—	8	77	80
Participation certificate capital .....	317	419	419	439
Subordinated liabilities .....	473	473	472	582
<b>Total shareholders' funds</b> .....	<b>1,794</b>	<b>1,922</b>	<b>2,017</b>	<b>2,280</b>
Short-term liabilities <sup>1)</sup>				
Liabilities to banks .....	1,496	3,222	6,070	3,172
Liabilities to non-banks .....	183	430	322	266
<b>Total short-term liabilities</b> .....	<b>1,679</b>	<b>3,652</b>	<b>6,392</b>	<b>3,978</b>
Medium-term liabilities <sup>2)</sup>				
Liabilities to banks .....	2,162	1,494	1,133	1,401
Liabilities to non-bank creditors .....	86	202	260	107
<b>Total medium-term liabilities</b> .....	<b>2,248</b>	<b>1,696</b>	<b>1,393</b>	<b>1,508</b>
Long-term liabilities <sup>3)</sup>				
Liabilities to banks .....	6,388	4,222	4,190	4,612
Liabilities to non-banks .....	2,394	926	599	1,295
<b>Total long-term liabilities</b> .....	<b>8,782</b>	<b>5,148</b>	<b>4,789</b>	<b>5,907</b>
More than five years <sup>4)</sup>				
Liabilities to banks .....		2,938	2,597	2,956
Liabilities to non-bank creditors .....		924	1,320	746
Provisions and other liabilities .....		3,862	3,917	3,702
<b>Total capitalisation</b> .....	<b>9,152</b>	<b>8,889</b>	<b>9,153</b>	<b>11,790</b>
	<b>23,655</b>	<b>25,169</b>	<b>27,661</b>	<b>29,165</b>

### Notes:

<sup>1)</sup> Year ended March 31, 1997:

Short-term debt has an agreed maturity or period of notice of less than three months (origin term).  
Year ended March 31, 1998, year ended March 31, 1999 and year ended March 31, 2000:

Short-term debt has a maturity or period of notice of up to three months (residual term).

<sup>2)</sup> Year ended March 31, 1997:

Medium-term debt has an agreed maturity or period of notice of three months to four years (origin term).  
Year ended March 31, 1998, year ended March 31, 1999 and year ended March 31, 2000:

Debt has a maturity or period of notice of more than three months up to one year (residual term).

<sup>3)</sup> Year ended March 31, 1997:

Long-term debt has an agreed maturity or period of notice of four years or more (origin term).  
Year ended March 31, 1998, year ended March 31, 1999 and year ended March 31, 2000:

Debt has a maturity or period of notice more than one year up to five years (residual term).

<sup>4)</sup> Residual term.

Save as disclosed herein, there has been no material adverse change in the capitalisation of the IKB Group since March 31, 2000.

## **IKB FINANCE**

### **Incorporation, Seat and Objects**

With registered offices at Strawinskylaan 3111, 1077 ZX Amsterdam, The Netherlands, IKB FINANCE was incorporated under the laws of The Netherlands as a limited liability company for an unlimited period of time on October 23, 1984. IKB FINANCE is registered under No. 33.179.357 in the Register of Commerce of Amsterdam. IKB FINANCE's corporate seat is Amsterdam, The Netherlands.

The objects of IKB FINANCE are:

- to arrange for financing in the broadest sense of the word on the international money and capital market, in particular to issue loans and to finance from other sources as well as to enter into loan agreements and to make available to third parties the funds thus obtained,
- to do everything necessary or useful to achieve its objects or everything connected therewith in the widest sense, including the participation in any other company or enterprise.

### **Ownership and Share Capital**

IKB FINANCE is a wholly-owned subsidiary of IKB AG.

The authorised share capital of IKB FINANCE amounts to NLG 1,000,000. It is divided into 1,000 voting shares of NLG 1,000 nominal value each. The issued and fully paid share capital of IKB FINANCE amounts to NLG 300,000.

### **Employees**

At March 31, 2000, IKB FINANCE had no employees.

### **Management**

The business and affairs of IKB FINANCE are managed by a Management Board which currently consists of three members. Two members of the Management Board acting jointly represent IKB FINANCE vis-à-vis to third parties. A Supervisory Board supervises the business strategy of the Management Board and the development of IKB FINANCE's business. The Supervisory Board also advises the Management Board.

The current members of the Management Board are:

J.R. baron de Vos van Steenwijk

Dr. A. Schmid

Th. Spijkerman

The current members of the Supervisory Board are:

Michael Braun

Head of Treasury  
Director, IKB AG

Jürgen Rauscher

Head of Accounting and Taxes  
Director, IKB AG

### **Fiscal Year**

The fiscal year of IKB FINANCE runs from April 1 of each year to March 31 of the following year.

### **Business Strategy**

IKB FINANCE's activities consist of financing directly and indirectly the activities of its parent company IKB AG. IKB FINANCE is to exploit the eurobond markets from its Dutch base, responding opportunistically to investor demand for senior unsecured issues with an IKB AG guarantee. Proceeds of such issues are generally on-lent to the parent company although on-lending to other group companies is also possible.

### **Auditors**

The auditors of IKB FINANCE are KPMG Accountants N.V., KPMG Gebouw, Burg. Rijnderslaan 10, NL-1185 MC Amstelveen. KPMG Accountants N.V. has audited the financial statements of IKB FINANCE for the fiscal years ended March 31, 1997, March 31, 1998, March 31, 1999 and March 31, 2000 and in each case has awarded an unqualified certificate.

### **Selected Financial Information**

The selected audited balance sheet and profit and loss account data for the fiscal years ended March 31, 1997, March 31, 1998, March 31, 1999 and March 31, 2000 are derived from the audited financial statements of IKB FINANCE. The financial statements of IKB FINANCE are denominated in NLG. The selected audited financial data set forth below have been prepared in accordance with the applicable rules, regulations and accounting standards of the laws of The Netherlands. The selected audited financial data set forth below should be read in conjunction with the audited financial statements for fiscal 1996/97, fiscal 1997/98, fiscal 1998/99 and fiscal 1999/2000 and the auditor's report thereon incorporated herein by reference. See "Documents Incorporated by Reference".

## Balance Sheet Data

	Fiscal Year Ended March 31, 1997	Fiscal Year Ended March 31, 1998	Fiscal Year Ended March 31, 1999	Fiscal Year Ended March 31, 2000
	(in EUR) (audited)			
<b>Fixed assets</b>				
Financial fixed assets .....	139,431,100	158,651,093	150,082,543	–
<b>Currents assets</b>				
Receivables and prepaid expenses .....	3,263,408	3,669,524	3,273,287	35,217
Cash .....	5,649,176	5,930,308	6,240,948	6,534,394
	8,912,584	9,499,832	9,514,235	6,569,611
<b>Current liabilities</b> .....	3,201,381	3,499,831	153,312,576	14,523
<b>Net current assets</b> .....	5,711,203	6,000,001	–143,798,341	6,555,088
<b>Total fixed and net current assets</b> .....	<u>145,142,303</u>	<u>164,651,094</u>	<u>6,284,202</u>	<u>6,555,088</u>
<b>Shareholders' equity</b>				
Called-up share capital .....	136,134	136,134	136,134	136,134
Other reserves .....	–	–	5,863,867	6,148,068
Retained earnings .....	5,298,707	5,575,069	–	–
Profit for the year .....	276,362	288,798	284,201	270,886
	5,711,203	6,000,001	6,284,202	6,555,088
<b>Long-term debt</b> .....	139,431,100	158,651,093	–	–
	<u>145,142,303</u>	<u>164,651,094</u>	<u>6,284,202</u>	<u>6,555,088</u>

## Profit and Loss Account Data

	Fiscal Year Ended March 31, 1997	Fiscal Year Ended March 31, 1998	Fiscal Year Ended March 31, 1999	Fiscal Year Ended March 31, 2000
	(in EUR) (audited)			
Interest income .....	9,146,070	10,494,352	9,945,265	7,456,792
Other income .....	105,653	111,574	109,059	72,196
	9,251,723	10,605,926	10,054,324	7,528,988
Interest expenses .....	8,506,415	9,794,333	9,257,773	6,859,407
Other financing expenses .....	305,653	334,607	293,205	206,693
Foreign exchange differences .....	–39,923	–21,212	14,054	–19,077
	8,772,146	10,107,728	9,565,032	7,047,023
Net income from financial activities .....	479,578	498,198	489,292	481,965
Less: General and administration expenses ..	53,182	53,369	52,060	66,127
<b>Profit from ordinary operations</b> .....	426,395	444,829	437,232	415,838
Taxation .....	150,033	156,031	153,031	144,952
<b>Net profit for the year</b> .....	<u>276,362</u>	<u>288,798</u>	<u>284,201</u>	<u>270,886</u>

## Capitalization

The following table sets forth the capitalization of IKB FINANCE at March 31, 2000. Unless otherwise noted in this Information Memorandum, as of its date there has been no material change in the capitalization of IKB FINANCE since March 31, 2000.

	Fiscal Year Ended March 31, 2000 (in EUR) (audited)
Bonds and notes outstanding .....	-
Other liabilities .....	14,523
<b>Total debt</b> .....	<u>14,523</u>
<b>Shareholders' equity</b>	
Called-up share capital .....	136,134
Other reserves .....	6,148,068
Retained earnings .....	-
Profit for the year .....	270,886
<b>Total shareholders' capital</b> .....	<u>6,555,088</u>
<b>Total capitalization</b> .....	<u>6,569,611</u>

Since March 31, 2000, IKB FINANCE has not issued any Notes.

## TAXATION

### Germany

The following is a general discussion of certain German income tax consequences of the acquisition and ownership of the Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws (including tax treaties) currently in force and as applied on the date of this Information Memorandum, which are subject to change, possibly with retroactive effect.

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE LAWS APPLICABLE IN THE FEDERAL REPUBLIC OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

### *Tax Residents*

Payments of interest on the Notes, including interest having accrued up to the sale of a Note and credited separately ("**Accrued Interest**") to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (plus solidarity surcharge (*Solidarit tszuschlag*) at a rate of 5.5% thereon). Such interest is also subject to trade tax if the Notes form part of the property of a German trade or business.

Upon maturity of a Note the initial subscriber to a Note receives, in addition to, or, as in the case of a zero coupon Note, instead of the current interest on the Note, taxable investment income in an amount equal to the difference between the issue price of the Note and the redemption amount ("**Original Issue Discount**") if the Original Issue Discount exceeds certain thresholds. Provided that the Note can be classified as a financial innovation (*Finanzinnovation*) under German tax law, including, among other things, zero coupon Notes or discounted Notes, and is purchased or disposed of while outstanding, the Original Issue Discount to the extent attributable to the period over which the holder of a Note (hereinafter referred to as: the "**Holder**") has held such Note or, alternatively, the difference between the proceeds from the sale or redemption and the purchase price is subject to personal or corporate income tax in the year of the sale or maturity of the Note, unless the Notes form part of the property of a German trade or business, in which case the annual increase in value of the Note, as calculated at the time of their acquisition, must be taken into account *pro rata temporis* as interest income and also is subject to trade tax.

Capital gains from the disposal of Notes, other than income from Original Issue Discount, as defined above, are only taxable to a German tax-resident individual if the Notes are disposed of within one year after their acquisition or form part of the property of a German trade or business, in which case the capital gains are also subject to trade tax. Capital gains derived by German resident corporate holders of the Notes will be subject to corporate income tax (plus solidarity surcharge at the rate of 5.5% thereon) and trade tax.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank (the "**Disbursing Agent**") a 30% withholding tax on interest payments (*Zinsabschlagsteuer*), plus 5.5% solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65% of the gross interest payment. Withholding tax on interest is also imposed on Accrued Interest. If the Notes qualify as financial innovations, as explained above, and are kept in a custodial account which the Holder maintains with a Disbursing Agent such custodian will generally withhold tax at a rate of 30% (plus solidarity surcharge at a rate of 5.5% thereon) from the difference between the issue or purchase price of the Notes and the redemption amount or sales proceeds if the Holder has kept the Note in the custodial account since the time of issuance or acquisition, respectively. Otherwise the 30% withholding tax is applied to 30% of the amounts paid in partial or final redemption of the Notes or the proceeds from the sale of the Notes, respectively.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest paid by the Holder to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the Holder is an individual (i) whose Note does not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property, and (ii) who filed a withholding certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the face of the withholding certificate.



Withholding tax and solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts overwithheld will entitle the Holder to a refund, based on an assessment to tax.

#### *Nonresidents*

Interest, including Accrued Interest, paid to a nonresident is subject to German personal or corporate income tax (plus solidarity surcharge at a rate of 5.5% thereon) only if the Notes form part of the business property of a permanent establishment (in which case such interest is also subject to trade tax) or a fixed base maintained in Germany by the Holder or if the interest income otherwise constitutes German-source income.

Original Issue Discounts, as defined above, will be taxed to a nonresident Holder only if interest payable under the Notes is taxable to him. Capital gains from a disposal of the Notes are only taxable to a nonresident Holder if they form part of the business property of a permanent establishment or fixed base of the nonresident Holder in Germany.

Nonresidents of Germany are, in general, exempt from German withholding tax on interest and solidarity surcharge thereon. However, if the Notes are held in a custodial account of a Holder with a Disbursing Agent and the interest income constitutes German-source income (such as income effectively connected with a German trade or business for which a permanent establishment, including a permanent representative, or fixed base is maintained in Germany; income from the letting and leasing of German property; etc.), withholding tax on interest and solidarity surcharge will be deducted at source.

If the Notes can be classified as financial innovations under German tax law, including, among other things, zero coupon or discounted Notes, and the interest paid or accrued on the Notes constitutes German-source income (as explained above), and the Notes form part of the business property of a permanent establishment (in which case such interest is also subject to trade tax) or a fixed base maintained in Germany by the Holder or if the interest income otherwise constitutes German-source income, and the Notes are held in a custodial account which a Holder maintains with a Disbursing Agent, then such Agent will generally withhold tax at a rate of 30% (plus solidarity surcharge at a rate of 5.5% thereon) from the difference between the issue or purchase price of the Notes and the redemption amount or sales proceeds if the Holder has kept the Note in such custodial account since the time of issuance or acquisition, respectively. Otherwise the 30% withholding tax is applied to 30% of the proceeds from the redemption or disposal of the Notes.

Withholding tax and solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the nonresident. Amounts overwithheld will entitle the Holder to a refund, based on an assessment to tax.

#### *Gift and Inheritance Tax*

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

#### *Stamp Duty*

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

If this proposal were adopted in its current form the Issuer would not as a result thereof be obligated to pay additional amounts under Section 7 (Taxation) of the Terms and Conditions of the Notes.

#### **The Netherlands**

##### *General*

The following describes the principal Netherlands tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each investor should consult his or her own professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the tax legislation, published case law, and other regulations in force as of August 7, 2000, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

#### *Dividend Withholding Tax*

Income from the Notes is not subject to Netherlands withholding tax provided that such income will not depend and not be deemed to depend on profits realised or distributed by the Issuer.

#### *Individual Income Tax and Corporate Income Tax*

##### *Residents of the Netherlands*

Income from the Notes and capital gains derived upon the disposal, transfer or alienation of the Notes by a holder of Notes that is a resident or deemed to be a resident of the Netherlands, are subject to Netherlands income tax. Capital gains derived by individuals are not taxable insofar the capital gains can not be considered income for Netherlands tax purposes and provided that:

- (i) the holder of the Notes does not have an enterprise or an interest in an enterprise and to which enterprise or part of an enterprise as the case may be, the Notes are attributable; or
- (ii) such holder does not have a substantial interest or a deemed substantial interest in the Issuer as defined in article 20a Income Tax Act 1964.

An individual may be entitled to an interest exemption of NLG 1,000 a year (NLG 2,000 a year for married couples and registered partners).

##### *Non-residents of the Netherlands*

A holder of the Notes that is not a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes is not subject to Netherlands income tax in respect of income from the Notes and capital gains realised on the disposal, transfer or alienation of the Notes, provided that:

- (i) the holder of the Notes does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands ("Netherlands enterprise") and to which Netherlands enterprise or part thereof, as the case may be, the Notes are attributable;
- (ii) such holder does not have a substantial interest or a deemed substantial interest in the Issuer as defined in article 20a Income Tax Act 1964, or, in the event that such holder does have or is deemed to have such interest, it forms part of the business assets of an enterprise;
- (iii) such holder does not carry out and has not carried out employment activities in the Netherlands nor carries or carried out employment activities outside the Netherlands for which the remuneration is subject to Netherlands wage withholding tax and to which employment activities the Notes are attributable; or
- (iv) such holder is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Notes are attributable.

Generally, the holder of the Notes will have a substantial interest, as referred to above, if the holder, his or her spouse (including registered partner), hold(s), alone or together, whether directly or indirectly, (a) the ownership of, or certain other rights over, shares representing 5% or more of the total issued and outstanding capital of the Issuer (or the issued and outstanding capital of any class of shares in the Issuer), or (b) the rights to acquire shares, whether or not already issued, that represent at any time 5% or more of the total issued and outstanding capital of the Issuer (or the issued and outstanding capital of any class of shares in the Issuer) or (c) the ownership of certain profit participating certificates that relate to 5% or more of the annual profit of the Issuer and/or to 5% or more of the liquidation proceeds of the Issuer.

A deemed substantial interest, as referred to above, is present if a holder of the Notes does not, but his or her spouse (including registered partner), (foster) children, certain other relatives or certain persons sharing his or her household do have a substantial interest in the Issuer. A deemed substantial interest is also present if part of a substantial interest has been disposed of, or is deemed to have been disposed of, on a non-recognition basis as a result whereof the substantial interest in the Issuer has been reduced to less than 5%.

The above description does not cover all possible situations where a substantial interest or a deemed substantial interest is considered to exist.

#### *Net Wealth Tax*

##### *Residents of the Netherlands*

Netherlands net wealth tax applies to individuals who are a resident or deemed to be a resident of the Netherlands to the extent that the net wealth of the individual exceeds his or her personal allowance. The net wealth tax is levied at a rate of 0.7% of the fair market value of the Notes at the beginning of the relevant year.

##### *Non-residents of the Netherlands*

Netherlands net wealth tax applies to individuals only. An individual holder of the Notes who is not a resident nor deemed to be a resident of the Netherlands is not subject to Netherlands net wealth tax with respect to the Notes provided that at the beginning of the relevant year:

- (i) such individual does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable; or
- (ii) such individual is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands other than by way of securities or through an employment contract, and to which enterprise the Notes are attributable.

#### *Gift and Inheritance Taxes*

##### *Residents of the Netherlands*

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of gift by, or on the death of, a holder of the Notes who is a resident or deemed to be a resident of the Netherlands at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purpose of the Netherlands gift and inheritance tax, if he or she has been a resident of the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purpose of the Netherlands gift tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift. Applicable tax treaties may override deemed residency.

##### *Non-residents of the Netherlands*

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of gift by, or as a result of the death of, a holder of the Notes who is neither a resident nor deemed to be a resident of the Netherlands, unless

- (i) such holder at the time of the gift has or at the time of his or her death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are or were attributable;
- (ii) the Notes are or were attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor is or the deceased was entitled to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death, other than by way of securities or through an employment contract; or
- (iii) in the case of a gift of the Notes by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

#### *Other Taxes and Duties*

No Netherlands registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a holder of the Notes in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

## *Income Tax Act 2001*

The Netherlands Parliament has approved a new Income Tax Act 2001 (the "Act"), which is scheduled to become effective as from January 1, 2001. The Act will substantially change the Netherlands income tax system with respect to individuals who are a resident or deemed to be a resident of the Netherlands. The new legislation will, in general, not substantially change the Netherlands income tax consequences, as described above, for a holder of the Notes, who is not a resident nor deemed to be a resident of the Netherlands.

Under the new legislation, individuals, who are a resident or deemed to be a resident of the Netherlands will, after deduction of certain allowances, be taxed annually with respect to income from "savings and investments" at a flat rate of 30% on a deemed income of 4% of the average of the individual's "yield basis" (*rendementsgrondslag*) at the beginning of the year and the individual's yield basis at the end of the year.

The individual's yield basis is, generally speaking, the fair market value of all assets and liabilities of the individual excluding:

- (i) the assets and liabilities that are taken into account in determining income from "work and personal residence";
- (ii) the assets and liabilities that are taken into account in determining income from a "substantial interest" in a company;
- (iii) certain other assets and liabilities that are specifically exempt under the Act.

The Notes will normally be included in the individual's yield basis, as a result of which an individual holder will no longer be subject to tax on the actual income from the Notes, but will be taxable on the 4% deemed income. Special transition rules apply to interest income that accrued during the year 2000. An individual may be entitled to an interest exemption of NLG 1,000 (NLG 2,000 a year for married couples and registered partners) with respect to interest income that accrued during the year 2000 and that is taxable in 2001.

In certain circumstances, for example, if:

- (i) the Notes are issued under such terms and conditions that the Notes in fact have the function of equity of the Issuer; or
  - (ii) the interest payable with respect to the Notes has at the time of issuance thereof, been determined in such a way that, considering the whole term of the Notes, the interest is to a large extent, legally or in practice, dependent on the profits of the Issuer;
  - (iii) the holder of the Notes has an enterprise or an interest in an enterprise and to which enterprise or part of an enterprise as the case may be, the Notes are attributable;
  - (iv) the holder of the Notes has, or his or her spouse (including registered partner), certain relatives or certain persons sharing his household have, a substantial interest in the share capital of the Issuer,
- all benefits (including capital gains) derived from the Notes will be taxed as income from work and personal residence at the progressive income tax rates of the Act, the maximum being 52%.

As part of this new legislation, the Netherlands net wealth tax is to be abolished.

Each prospective investor is urged to consult a professional tax adviser as to the specific consequences of the new legislation with respect to the acquisition, holding and disposal of the Notes.

## **Luxembourg**

Holders who are neither resident in, nor engaged in a trade or business through a permanent establishment in, Luxembourg will not be subject to taxes or duties in Luxembourg with respect to payments under the Notes or gains realised upon disposal or repayment of the Notes. Holders not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Notes, and Holders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding the Notes.

No stamp, value, issue, registration, transfer or similar taxes or duties will be payable in Luxembourg by Holders in connection with the issue of the Notes.

Holders who are domiciled in Luxembourg or maintain a permanent establishment therein with which the Notes are effectively connected will be subject to Luxembourg taxation as provided for by applicable tax provisions.

### **Proposed EU Withholdings Tax Directive**

In May 1998, the European Commission presented to the Council of Ministers of the European Union a proposal for a directive which would oblige member states to adopt either a "withholding tax system" or an "information reporting system" in relation to interest. Interest within the meaning of the proposal includes also discounts and premiums. It is uncertain whether this proposal will be adopted and whether or not it would take its current form. The "withholding tax system" would require a paying agent established in a member state to withhold tax at a minimum of 20% from any interest paid to an individual resident in another member state unless such an individual presents a certificate obtained from the tax authorities of the member state in which he resides confirming that those authorities are aware of the payment due to that individual. The "information reporting system" would require a member state to supply to other member states details of any payment of interest made by a paying agent within its jurisdiction to an individual resident in another member state. For these purposes, the term "paying agent" is defined broadly and includes an agent who collects interest on behalf of an individual beneficially entitled thereto. If this proposal is adopted, it will not apply to interest paid before January 1, 2001.

## SUBSCRIPTION AND SALE

In a dealer agreement (as amended and supplemented from time to time the “**Dealer Agreement**”) dated July 30, 1999 the Dealers have agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “**Terms and Conditions of the Notes**” above. In the Dealer Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issuance of Notes under the Programme.

### **Selling Restrictions**

#### *General*

Each Dealer has represented and agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Information Memorandum or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and that neither the Issuer nor the Guarantor (if IKB FINANCE is the Issuer) and any other Dealer shall have any responsibility therefor.

Neither the Issuer nor the Guarantor (if IKB FINANCE is the Issuer) and any of the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

#### *United States of America*

(a) Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act, and, except as provided in the relevant Pricing Supplement with respect to Notes with a maturity on the issue date of one year or less, may not be offered or sold within the United States or to, or for the account or benefit of, United States persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

(b) Except as provided in the relevant Pricing Supplement with respect to Notes with a maturity on the issue date of one year or less, each Dealer has represented and agreed that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and notified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act.

Accordingly, each Dealer further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirements of Regulation S.

(c) Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the restricted period with respect to such Tranche. Each Dealer also represented and agreed that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the restricted period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and no Dealer (or persons covered by Rule 903 (c)(2)(iv)) may offer or sell any Notes constituting part of its allotment within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 or Rule 904 Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S”.

Terms used in the above paragraph have the meanings given to them by Regulation S.

Each Dealer represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

(d) Notes, other than Notes with an initial maturity of one year or less, will be issued in accordance with the provisions of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "TEFRA D Rules"), or in accordance with the provisions of United States Treasury Regulation Section 1.163-5(c)(2)(i)(C) (the "TEFRA C Rules"), as specified in the applicable Pricing Supplement.

In addition, in respect of Notes issued in accordance with the TEFRA D Rules, each Dealer represented and agreed that:

(i) except to the extent permitted under United States Treasury Regulation Section 1.163-5(c)(2)(i)(D), (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(iii) if such Dealer is a United States person, it represented that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6); and

(iv) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) repeats and confirms the agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii).

Terms used in the above paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

In addition, where the TEFRA C Rules are specified in the relevant Pricing Supplement as being applicable to any Tranche of Notes, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represented and agreed that it has not offered sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer represented and agreed in connection with the original issuance of Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its United States office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the TEFRA C Rules.

(e) Each issue of index-, commodity- or currency-linked Notes shall be subject to such additional United States selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Pricing Supplement. Each Dealer represented and agreed that it shall offer, sell and deliver such Notes only in compliance with such additional United States selling restrictions.

*United Kingdom of Great Britain and Northern Ireland ("United Kingdom")*

Each Dealer represented and agreed that:

(i) in relation to Notes which have a maturity of one year or more and which are to be listed on the London Stock Exchange, it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part IV of the Financial Services Act 1986 except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the Financial Services Act 1986;

(ii) in relation to Notes which have a maturity of one year or more and which are not to be listed on the London Stock Exchange, it has not offered or sold and, prior to the expiry of the period of six months from the Issue Date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

(iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of any Notes, other than, in relation to any Notes to be listed on the London Stock Exchange, any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the Financial Services Act 1986, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996, as amended, or is a person to whom such document may otherwise lawfully be issued or passed on; and

(iv) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### *Federal Republic of Germany*

Each Dealer represented and agreed not to offer or sell Notes in the Federal Republic of Germany other than in compliance with the Securities Selling Prospectus Act (*Verkaufsprospektgesetz*) of December 13, 1990 in the version of the publication of July 17, 1996 (as amended), or any other laws and regulations applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

#### *The Netherlands*

Each Dealer represented and agreed with the relevant Issuer (and each further Dealer appointed under the Programme will be required to represent and agree with the relevant Issuer) that it has not and will not offer, sell or transfer any Notes except in accordance with the applicable laws and regulations of The Netherlands, which at the date of this Information Memorandum require that:

Except in circumstances where one of the exceptions of Article 3 of the 1995 Act on the supervision of the securities trade, as amended (*Wet toezicht effectenverkeer 1995*, the "**Securities Act**") or a dispensation or one of the other exemptions under or pursuant to Article 4 of the Securities Act is applicable and the conditions attached thereto are fully complied with, it has not directly or indirectly offered, sold, delivered or transferred and will not directly or indirectly offer, sell, deliver or transfer in The Netherlands (or anywhere in the world in the case of Notes issued by IKB FINANCE) any Notes (including rights representing an interest in a Global Note) other than (i) Notes with an individual denomination of at least NLG 100,000 or the equivalent thereof in any other currency or (ii) (a) to persons (including legal entities) who trade or invest in securities in the conduct of their profession or trade within the meaning of the Securities Act and its implementing regulations (which includes banks, investment banks, securities firms, insurance companies, pension funds, other institutional investors and treasury departments and finance companies of large enterprises) and (b) with due observance of Article 2 Paragraph 2 of the Exemption regulation pursuant to the Securities Act (*Vrijstellingsregeling Wet toezicht effectenverkeer 1995*).

#### *Japan*

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**"). Each Dealer represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except only pursuant to an exemption which will result in compliance with the Securities and Exchange Law and any applicable laws, regulations and guidelines of Japan.

#### *France*

Each of the Issuers and the Guarantor and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are being issued outside of France, and that it has not offered or sold, and will not offer or sell Notes in France, and has not distributed and will not distribute or cause to be distributed in France this Information



Memorandum or any other offering material relating to the Notes, except to (i) qualified investors (*investisseurs qualifiés*) or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*), all as defined in Article 6 of Ordinance no. 67-833 dated September 28, 1967 (as amended) and Decree no. 98-880 dated October 1, 1998.

*Luxembourg*

Each Dealer represented and agreed that it will not publicly offer or sell any Notes in the Grand-Duchy of Luxembourg except for Notes for which the requirements of Luxembourg law concerning public offerings of securities have been met.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the Issue of Notes under the Programme (and, in the case of IKB AG, the Guarantee) have been duly authorised by the Management Board and the executive committee (*Präsidium*) of the Supervisory Board of IKB AG on January 12 and February 4, respectively, and by the Management Board and the Supervisory Board of IKB FINANCE on July 23 and July 20, 1999, respectively.

The Issuers and the Guarantor have obtained or will obtain all necessary consents, approvals, authorisations or other orders from regulatory authorities in connection with the issue and performance of the Notes to be issued under the Programme from time to time.

### Listing

Application has been made to list the Notes in bearer form issued under the Programme on the Luxembourg Stock Exchange. So long as Notes in bearer form are capable of being issued under the Programme and are listed on the Luxembourg Stock Exchange, the Issuers will maintain a Paying Agent in the City of Luxembourg, currently Chase Manhattan Bank Luxembourg S.A., and all notices concerning such Notes will be published in a leading daily newspaper having general circulation in Luxembourg, expected to be the *Luxemburger Wort*. A legal notice relating to the Programme and the constitutional documents of the Issuers and the Guarantor have been lodged with the Registrar of the District Court in Luxembourg (*Greffier en chef du Tribunal d'Arrondissement de et à Luxembourg*), where such documents may be examined and copies obtained on request.

The Luxembourg Stock Exchange has allocated to the Programme the number 12167 for listing purposes.

*The Issuers have undertaken to ensure services of the Notes through a credit institution located in Luxembourg (currently Chase Manhattan Bank Luxembourg S.A.) as long as any Notes remain outstanding and listed on the Luxembourg Stock Exchange.*

However, Notes may be issued under the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the relevant Issuer and the relevant Dealer(s) may agree.

### Documents Available

So long as Notes are capable of being issued under the Programme and are listed on the Luxembourg Stock Exchange, copies of the following documents will, when published, be available for inspection at and with respect to items (b) and (c) below available without charge from the specified office of the Paying Agent for the time being in the City of Luxembourg and, with respect to the documents relative to such Issuer or the Guarantor, the principal office of IKB AG in Düsseldorf and the office of IKB FINANCE:

- (a) the Articles of Association of each Issuer;
- (b) the non-consolidated and consolidated audited financial statements of IKB AG and the non-consolidated audited financial statements of IKB FINANCE in respect of the financial years ended March 31, 2000, 1999 and 1998;
- (c) all future audited financial statements (whether consolidated or non-consolidated for IKB AG or non-consolidated for IKB FINANCE) of each Issuer and all future published interim financial statements (if any) of each Issuer (including the interim consolidated and non-consolidated financial statements of IKB AG which are currently published on September 30 and December 31 of each year; IKB FINANCE neither publishes any interim nor consolidated financial statements at the date hereof);
- (d) this Information Memorandum, the Dealer Agreement, the Fiscal Agency Agreement and any other relevant documents (including, without limitation, any Pricing Supplement or future amendments or supplements to or replacements of this Information Memorandum) published in connection with listed Notes.

In addition, a copy of the documents set out in (d) above will be available for inspection at the specified office of the relevant Paying Agent where so required by the rules of the relevant stock exchange on which any Series of Notes is to be listed.

### Clearstream and Euroclear

The Notes (other than Notes in registered form) have been accepted for clearance through Clearstream and Euroclear. If the Notes (other than Notes in registered form) are to clear through any other relevant clearing system (which, in the case of Notes listed on the Luxembourg Stock Exchange, must be in

accordance with the rules of the Luxembourg Stock Exchange), the appropriate information will be specified in the applicable Pricing Supplement. The appropriate codes for each particular Tranche to be held through the relevant clearing system allocated by the relevant clearing system will be contained in the applicable Pricing Supplement.

### **Material Change**

Save as disclosed herein, there has been no adverse change in the financial position, business or operations of either of the Issuers which is material in the context of the Programme or the issue and offering of the Notes thereunder since March 31, 2000.

### **Litigation**

There are no litigation, arbitration or administrative proceedings which are likely to jeopardise the ability of the relevant Issuer to fulfil its obligations in respect of the Notes or which are otherwise material in the context of the Programme to which either of the Issuers is a party, nor, to the best of each Issuer's knowledge and belief, are any such proceedings pending or threatened.

### **Legends**

Bearer Notes will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code". The sections referred to in such legend provide that a United States person who holds a bearer Note generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such bearer Note and any gain (which might otherwise be characterised as capital gain) realised on such sale, exchange or redemption will be treated as ordinary income.

### **Banking Act 1987 (Exempt Transactions) Regulations 1997**

Notes (including Sterling Notes) in respect of which the issue proceeds are to be accepted by any Issuer in the United Kingdom and which are issued pursuant to an exempt transaction under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the "**Regulations**") will constitute commercial paper, shorter term debt securities or longer term debt securities (in each case, as defined in the Regulations), as specified in the applicable Pricing Supplement, in each case issued in accordance with regulations made under Section 4 of the Banking Act 1987. The repayment of the principal and payment of any interest or premium in connection with Notes issued by IKB FINANCE, which is neither an authorised institution nor a European authorised institution (as such terms are defined in the Regulations) will be guaranteed by IKB AG, which is neither an authorised institution nor a European authorised institution.

In relation to any Notes which are issued pursuant to an exempt transaction under regulation 13(3) of the Regulations where such Notes would fall within regulation 13(4)(a) or (b) of the Regulations:

- (a) the relevant Issuer confirms that, as of the date hereof, it has complied with its obligations under the relevant rules (as defined in the Regulations) in relation to the admission to and listing of any Notes issued under the Programme and of any previous issues made by it and listed on the same exchange as any Notes issued under the Programme;
- (b) the relevant Issuer confirms that it will have complied with its obligations under the relevant rules in relation to the admission to listing of such Notes by the time such Notes are so admitted; and
- (c) the relevant Issuer confirms that, as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about any Notes issued under the Programme, any previous issues made under it and listed on the same exchange as the Notes issued under Programme, or any Notes falling within regulation 13(4)(a) or (b) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of such Notes as they fall due.

In relation to Notes which are issued pursuant to an exempt transaction under regulation 13(3) of the Regulations and fall within Regulation 13(4)(b), the relevant Issuer has complied and will continue to comply with its obligations under the Regulations to lodge all relevant information (as defined in the Regulations) in relation to any such Notes with the London Stock Exchange Limited.

It should be noted that the foregoing shall not be taken as a representation or implication of any present or future statement or certification by or on behalf of the Luxembourg Stock Exchange.

## **Issuers**

**IKB Deutsche Industriebank Aktiengesellschaft**  
Wilhelm-Böttkes-Strasse 1  
D-40474 Düsseldorf

**IKB Finance B.V.**  
Strawinskylaan 3111  
NL-1077 ZX Amsterdam

**IKB Deutsche Industriebank Aktiengesellschaft  
Luxembourg Branch**  
2, rue Jean Monnet  
L-2180 Luxembourg

## **Arranger**

**Merrill Lynch International**  
Ropemaker Place  
25 Ropemaker Street  
GB-London EC2Y 9LY

## **Dealers**

**ABN AMRO Bank N.V.**  
250 Bishopsgate  
GB-London EC2M 4AA

**BNP Paribas**  
10 Harewood Avenue  
GB-London NW1 6AA

**Deutsche Bank Aktiengesellschaft**  
Große Gallusstrasse 10-14  
D-60272 Frankfurt am Main

**DG BANK**  
**Deutsche Genossenschaftsbank AG**  
Am Platz der Republik  
D-60265 Frankfurt am Main

**Dresdner Bank Aktiengesellschaft**  
Jürgen-Ponto-Platz 1  
D-60301 Frankfurt am Main

**Bayerische Hypo- und Vereinsbank AG**  
Arabellastrasse 12  
D-81925 München

**Merrill Lynch International**  
Ropemaker Place  
25 Ropemaker Street  
GB-London EC2Y 9LY

**Morgan Stanley Bank AG**  
Junghofstrasse 13-15  
D-60311 Frankfurt am Main

**UBS AG,**  
**acting through its business group UBS Warburg**  
1 Finsbury Avenue  
GB-London EC2M 2PP

**Westdeutsche Landesbank Girozentrale**  
Herzogstrasse 15  
D-40217 Düsseldorf

## **Fiscal Agent, Calculation Agent and Registrar**

**The Chase Manhattan Bank**  
Trinity Tower  
9 Thomas More Street  
GB-London E1 9YT

### **German Paying Agent**

**Chase Manhattan Bank AG**  
Grüneburgweg 2  
D-60322 Frankfurt am Main

### **Luxembourg Paying Agent**

**Chase Manhattan Bank Luxembourg S.A.**  
5, rue Plaetis  
L-2338 Luxembourg

### **Luxembourg Listing Agent**

**Paribas Luxembourg**  
10A Boulevard Royal  
L-2093 Luxembourg

### **Legal Advisors**

#### **To IKB AG**

in respect of German law

#### **IKB Deutsche Industriebank Aktiengesellschaft**

**Legal Department**  
Wilhelm-Bötzkes-Strasse 1  
D-40474 Düsseldorf

#### **To the Dealers**

in respect of German law

#### **Hengeler Mueller Weitzel Wirtz**

Bockenheimer Landstrasse 51  
D-60325 Frankfurt am Main

in respect of Dutch law

**Allen & Overy**  
Apollolaan 15  
NL-1077 AB Amsterdam

in respect of Luxembourg law

**Elvinger, Hoss & Prussen**  
2, Place Winston Churchill  
L-2014 Luxembourg

### **Auditors**

#### **To IKB AG**

**KPMG Deutsche Treuhand-Gesellschaft**  
**Aktiengesellschaft**  
**Wirtschaftsprüfungsgesellschaft**  
Am Bonneshof 35  
D-40474 Düsseldorf

#### **To IKB FINANCE**

**KPMG Accountants N.V.**  
KPMG Gebouw  
Burg. Rijnderslaan 10  
NL-1185 MC Amstelveen