

**Supplement No. 2 dated 13 July 2015
to the Base Prospectus dated 28 November 2014**



IKB Deutsche Industriebank Aktiengesellschaft ("IKB")

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

Debt Issuance Programme (the "Programme")

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

This supplement no. 2 (the "**Supplement**") constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, (the "**Prospectus Directive**") and Article 13 of the Luxembourg Law on Prospectuses for Securities (*loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005, as amended, (the "**Prospectus Act**") to the Base Prospectus dated 28 November 2014 (the "**Base Prospectus**"), which has been prepared in connection with the Programme established by IKB (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus (as supplemented by supplement no. 1 to the Base Prospectus dated 11 February 2015 (the "**Supplement No. 1**")) and all documents incorporated by reference in the Base Prospectus.

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

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

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

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A. Introduction

On 17 June 2015, IKB published its Annual Report 2014/2015 as of and for the financial year ended 31 March 2015 (the "**Annual Report 2014/2015**"). Following the publication of the Annual Report 2014/2015, the sections entitled "A. SUMMARY", "B. RISK FACTORS", "D. DESCRIPTION OF THE ISSUER" and "I. DOCUMENTS INCORPORATED BY REFERENCE" contained in the Base Prospectus shall be amended as follows to provide updated information with regard to the Issuer and certain risks relating to the Issuer.

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

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

- a. The subsection commencing on page 9 of the Base Prospectus which is entitled "Section B - The Issuer - B.12 - Selected Historical Key Financial Information" shall be replaced in its entirety as follows:

B.12	Selected Historical Key Financial Information	<p>Summary of Selected Financial Information</p> <p>Unless specified otherwise below, the following table sets out the key financial information of IKB in accordance with the German Commercial Code (<i>Handelsgesetzbuch</i>; "HGB") extracted from the consolidated financial statements as of and for the financial year ended 31 March 2015 and as of and for the financial year ended 31 March 2014 and from the consolidated interim financial statements as of and for the six months period ended 30 September 2014. The consolidated financial statements of IKB as of and for the financial years ended 31 March 2015 and 31 March 2014 were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC") and PwC has issued an unqualified auditors' report in each case.</p> <p>Consolidated Balance Sheet</p> <table border="1"> <thead> <tr> <th style="text-align: left;">in € million</th> <th style="text-align: right;">31 Mar. 2015</th> <th style="text-align: right;">30 Sept. 2014 (unaudited)</th> <th style="text-align: right;">31 Mar. 2014</th> </tr> </thead> <tbody> <tr> <td colspan="4">Assets</td> </tr> <tr> <td>Cash reserve</td> <td style="text-align: right;">35</td> <td style="text-align: right;">16</td> <td style="text-align: right;">22</td> </tr> <tr> <td>Receivables from banks</td> <td style="text-align: right;">2,300</td> <td style="text-align: right;">2,180</td> <td style="text-align: right;">2,235</td> </tr> <tr> <td>Receivables from customers</td> <td style="text-align: right;">11,090</td> <td style="text-align: right;">11,510</td> <td style="text-align: right;">12,263</td> </tr> <tr> <td>Bonds and other fixed-income securities</td> <td style="text-align: right;">6,529</td> <td style="text-align: right;">7,778</td> <td style="text-align: right;">7,507</td> </tr> <tr> <td>Equities and other non-fixed-income securities</td> <td style="text-align: right;">483</td> <td style="text-align: right;">566</td> <td style="text-align: right;">568</td> </tr> <tr> <td>Assets held for trading</td> <td style="text-align: right;">271</td> <td style="text-align: right;">305</td> <td style="text-align: right;">318</td> </tr> <tr> <td>Equity investments</td> <td style="text-align: right;">23</td> <td style="text-align: right;">25</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Investments in associates</td> <td style="text-align: right;">14</td> <td style="text-align: right;">13</td> <td style="text-align: right;">45</td> </tr> <tr> <td>Leasing assets</td> <td style="text-align: right;">1,030</td> <td style="text-align: right;">1,089</td> <td style="text-align: right;">1,170</td> </tr> <tr> <td>Prepaid expenses</td> <td style="text-align: right;">75</td> <td style="text-align: right;">108</td> <td style="text-align: right;">122</td> </tr> <tr> <td>Deferred tax assets</td> <td style="text-align: right;">243</td> <td style="text-align: right;">248</td> <td style="text-align: right;">249</td> </tr> <tr> <td>Remaining assets</td> <td style="text-align: right;">318</td> <td style="text-align: right;">184</td> <td style="text-align: right;">207</td> </tr> </tbody> </table>	in € million	31 Mar. 2015	30 Sept. 2014 (unaudited)	31 Mar. 2014	Assets				Cash reserve	35	16	22	Receivables from banks	2,300	2,180	2,235	Receivables from customers	11,090	11,510	12,263	Bonds and other fixed-income securities	6,529	7,778	7,507	Equities and other non-fixed-income securities	483	566	568	Assets held for trading	271	305	318	Equity investments	23	25	25	Investments in associates	14	13	45	Leasing assets	1,030	1,089	1,170	Prepaid expenses	75	108	122	Deferred tax assets	243	248	249	Remaining assets	318	184	207
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Total assets		22,410	24,023	24,732
Some totals may be subject to discrepancies due to rounding differences.				
in € million	31 Mar. 2015	30 Sept. 2014	31 Mar. 2014	
			(unaudited)	
Equity and liabilities				
Liabilities to banks	8,893	9,718	10,169	
Liabilities to customers	8,165	9,311	9,630	
Securitised liabilities	1,512	1,274	1,072	
Liabilities held for trading	280	306	334	
Deferred income	113	144	154	
Provisions	398	265	261	
Subordinated liabilities	971	974	971	
Profit participation capital	32	32	32	
Fund for general banking risks	580	574	574	
Remaining liabilities	465	368	552	
Equity	1,000	1,055	983	
Total equity and liabilities	22,410	24,023	24,732	
Contingent liabilities and Other obligations				
	2,236	2,628	2,424	
Some totals may be subject to discrepancies due to rounding differences.				
Consolidated Income Statement				
in € million	31 Mar. 2015	1 April – 30 Sept. 2014	31 Mar. 2014	1 April – 30 Sept. 2013
		(un- audited)		(un- audited)
Expenses				
Lease expenses	-208	-101	-205	-94
Interest expenses	-937	-495	-1,074	-556
Commission expenses	-13	-5	-13	-7
Net trading results	-	-	-	-
General administrative expenses	-303	-149	-275	-134
a) Personnel expenses	-183	-88	-161	-79
aa) Wages and salaries	-153	-74	-139	-67
ab) Social security, post-employment and other employee benefit costs	-31	-14	-23	-12
thereof: for pensions	-13	-5	-6	-3
b) Other administrative expenses	-119	-61	-113	-55
Depreciation and write-downs of intangible and tangible assets	-359	-183	-403	-206
a) On lease assets	-349	-178	-392	-200
b) On intangible and tangible assets	-10	-5	-10	-5
Other operating expenses	-1,098	-50	-302	-262
Expenses for the addition to the fund for general banking risks	-5	-	-403	-128
Depreciation and write-downs of receivables, specific securities and additions to loan loss provisions	-65	-24	-88	-59

		Depreciation and write-downs of equity investments, investments in affiliated companies and long-term investments	-16	-15	-40	-8
		Expenses of assumption of losses	0	-	-	-
		Extraordinary expenses	-5	-2	-5	-2
		Income taxes	-119	-15	135	111
		Other taxes not reported under "Other operating expenses"	-1	-1	-2	-1
		Net income for the year	-5	-73	-32	-8
		Total expenses	-3,132	-1,113	-2,706	-1,352
		in € million	31 Mar. 2015	1 April – 30 Sept. 2014 (un-audited)	31 Mar. 2014	1 April – 30 Sept. 2013 (un-audited)
		Income				
		Lease income	628	313	680	337
		Interest income from	1,104	580	1,280	650
	a)	Lending and money market transactions	945	493	1,104	564
	b)	Fixed-income securities and government-inscribed debts	159	87	175	86
		Current income from	52	12	22	2
	a)	Equities and other non-fixed-income securities	46	8	18	1
	b)	Equity investments	2	1	2	1
	c)	Investments in Associates	2	1	2	1
	d)	Investments in affiliated companies	2	2	-	-
		Income from profit-pooling, profit transfer and partial profit transfer agreements	-	-	-	-
		Commission income	56	22	42	21
		Net trading results	8	2	6	5
		thereof: addition to trading-related special reserve according to section 340e (4) HGB	1	-	1	-
		Income from reversals of write-downs on receivables and certain securities and from the reversal of loan loss provisions	-	-	-	-
		Income from reversals of write-downs of equity investments, investments in affiliated companies and long-term investment securities	416	115	188	69
		Other operating income	866	68	488	268
		Income from the reversal of the fund for general banking risks	-	-	-	-
		Extraordinary income	2	1	2	-
		Income from assumption of losses	-	-	-	-
		Net loss for the year	-	-	-	-
		Total income	3,132	1,113	2,706	1,352
		Net income for the year	5	73	32	8

Loss carryforward from the previous year	-2,376	-2,376	-2,408	-2,408
Withdrawals from capital reserves	-	-	-	-
Withdrawals from revenue reserves	-	-	-	-
Withdrawals from profit participation capital	-	-	-	-
Withdrawals from silent partnership contributions	-	-	-	-
Allocations to revenue reserves	-	-	-	-
Replenishment of profit participation capital	-	-	-	-
Net accumulated losses	-2,372	-2,303	-2,376	-2,401

Some totals may be subject to discrepancies due to rounding differences.

Consolidated Cash Flow Statement

in € million	2014/15	2013/14
Cash flow from operating activities	-1,327.3	34.5
Cash flow from investing activities	1,349.7	303.1
Cash flow from financing activities	-10.0	-402.3
Cash funds at beginning of period	22.2	86.9
Cash funds at end of period	34.6	22.2

Some totals may be subject to discrepancies due to rounding differences

Summary of Regulatory Indicators

Regulatory capital situation of IKB Group in accordance with CRR/CRD IV¹⁾:

in € million	31 Mar. 2015	31 Mar. 2014
Total risk-weighted assets (RWA)	13,340	14,069
Own funds	2,228	2,271
CET 1 ratio	10.9%	10.4%
T 1 ratio	13.3%	12.9%
Own funds ratio	16.7%	16.1%

Some totals may be subject to discrepancies due to rounding differences.

¹⁾ All figures after approval of the accounts and taking into consideration the addition to the fund for general banking risks in CET 1 at the reporting date and the phase-in and phase-out provisions of the Capital Requirement Regulation ("CRR") for 2015 and the previous year. The CET 1 ratios were calculated in accordance with the current legal status of the CRR as at 31 March 2015 and for the previous year, including transitional provisions and the interpretations published by the supervisory authorities. The possibility that future EBA/ECB standards and interpretations or other supervisory actions will lead to a retrospective change in the CET 1 ratio cannot be ruled out.

Material adverse change in the prospects of the Issuer

There has been no material adverse change in the prospects of IKB AG that has occurred since the date of the last audited consolidated financial statements as of and for the financial year ended 31 March 2015.

Significant change in the financial or

On 23 October 2013, IKB AG was added to the list of banks which had to participate in the comprehensive assessment ("CA") of the European Central Bank ("ECB"). As a benchmark for the Asset Quality Review

	trading position	<p>("AQR"), which is part of the comprehensive assessment, the ECB determined the minimum ratio for the Common Equity Tier 1 ("CET 1") capital to be 8%. The ECB's aim was to conduct a rigorous investigation of banks' balance sheets before it assumed responsibility for uniform banking supervision in the Eurozone on 4 November 2014.</p> <p>On 26 October 2014, the ECB published the final results of its CA. IKB successfully passed the CA and more than fulfilled the capital requirements for the AQR, the baseline scenario and the adverse scenario of the stress test on the basis of the Common Equity Tier 1 capital available as at 31 December 2013. Furthermore, IKB in the meantime has increased its CET 1 capital by more than €110 million since 31 December 2013.</p>
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- b. **The subsection commencing on page 13 of the Base Prospectus which is entitled "Section B - The Issuer - B.13 - Recent developments which are to a material extent relevant to the evaluation of the Issuer's solvency" shall be replaced in its entirety as follows:**

B.13	Recent developments which are to a material extent relevant to the evaluation of the Issuer's solvency	<p>Valin Funds</p> <p>The investment fund by the name of "Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF" founded by IKB on 3 June 2014 was successfully closed in January 2015 with capital commitments from investors in a total amount of €475 million. The investors are German and foreign institutional investors who have the option of investing either directly into units of the fund or in rated debt securities. IKB itself is invested with €23.7 million. The fund's investment objective is to acquire senior loans from German Mittelstand clients with total annual sales of at least €250 million. IKB acts as the fund's investment manager. The fund started investing in April 2015.</p> <p>Participation of IKB in the comprehensive assessment by the European Central Bank</p> <p>On 26 October 2014, the European Central Bank (ECB) published the final results of its Europe-wide, multi-stage review of 130 European banks (comprehensive assessment). The ECB's aim was to identify risks and weaknesses at the banks before the single supervisory mechanism for the euro zone came into force on 4 November 2014. Key elements of the comprehensive assessment included an examination of the quality of bank assets as at 31 December 2013 as part of the asset quality review (AQR) and a future-oriented stress test to examine banks' resilience in the event of a deterioration in economic conditions. The stress test encompassed two different scenarios. The baseline scenario simulated typical economic development over a three-year period, while the adverse scenario assumed a serious economic crisis in the euro zone. For the purpose of the AQR, the ECB set a benchmark for Common Equity Tier 1 capital (CET 1) of 8% as at 31 December 2013. For the stress test, the benchmark for the baseline scenario was also 8% for CET 1, while the benchmark for the adverse scenario was 5.5% for CET 1, albeit with a differing capital definition to the AQR in both scenarios. Both the capital definition and the capital requirements that would result taking into account the pro rata phase-in regulations of the CRR for the three-year analysis horizon were applied in the stress test. The stress test data was adjusted to reflect the results of the AQR in a process known as join-up.</p> <p>IKB successfully completed the comprehensive assessment. IKB entered the comprehensive assessment with a CET 1 ratio of 9.36% on 31 December 2013. The AQR results led to an adjustment in the CET 1</p>
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		<p>ratio of 31 basis points to 9.05% for the purpose of the comprehensive assessment. IKB achieved a CET 1 ratio of 8.69% in the baseline scenario and 6.53% in the adverse scenario of the stress test. The results achieved by IKB in the comprehensive assessment mean that even as of 31 December 2013 no capitalisation measures were required.</p> <p>It should be noted that the methodology applied by the ECB for the purpose of the asset quality review differs from the accounting provisions of the German Commercial Code (HGB), in some cases significantly. The methodology on which the AQR is based serves solely to enable the ECB to assess capital resources. IKB examined the results of the AQR for their impact on accounting and came to the conclusion that no adjustments need to be made.</p> <p>IKB remained under the direct supervision of the Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>; "BaFin") and Deutsche Bundesbank even after 4 November 2014 as it was not classified as a major institution within the meaning of Art. 6 (4) of Regulation (EU) No. 1024/2013 (<i>Single Supervisory Mechanism Regulation</i>).</p> <p>Compilation of recovery plan according to Sections 47 et seq. of the German Banking Act (<i>Kreditwesengesetz</i> – "KWG") as applicable until 31 December 2014 and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (<i>Mindestanforderungen an die Ausgestaltung von Sanierungsplänen</i> – "MaSan")</p> <p>The BaFin requested IKB AG to compile a recovery plan according to Sections 47 et seq. of the KWG as applicable until 31 December 2014 and MaSan. On 30 July 2014, IKB AG submitted its recovery plan to BaFin. The recovery plan has to be updated every year on a regular basis.</p> <p>Rio Debt Holdings</p> <p>In December 2014, IKB AG – through its Luxembourg-based subsidiary IKB Lux Beteiligungen S.à.r.l. – purchased the Mezzanine Loan that had originally been granted by LSF Aggregated Lendings S.à.r.l., a company of the Lone Star Funds group, to Rio Debt Holdings (Ireland) Limited. The transfer was made at arm's length conditions. The Mezzanine Loan which has been redeemed with one US-Dollar outstanding entitles IKB Lux Beteiligungen S.à.r.l. to receive 20% of all expected interest and principal payments on assets within the Rio Portfolio. The Junior Lender, IKB Invest GmbH, will receive the residual 80% of interest and principal payments.</p> <p>Dissenting view of the tax authorities</p> <p>Towards the end of the financial year 2014/2015, the tax authorities informed IKB AG that they had a dissenting view on the application of section 8c of the German Corporate Income Tax Act (<i>Körperschaftsteuergesetz</i>; "KStG") / section 10a of the German Trade Tax Act (<i>Gewerbesteuergesetz</i>; "GewStG") in connection with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009, and that they intended to issue tax assessment notices to this extent.</p> <p>Potential sale of IKB</p> <p>A sale of IKB by its current majority shareholder Lone Star remains possible at any time. The Board of Managing Directors remains open to supporting these plans.</p>
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- c. In the subsection commencing on page 25 of the Base Prospectus which is entitled "D.2 - Key information on the key risks that are specific to the Issuer or its industry - Risks relating to IKB and its Business" the second bullet point shall be deleted in its entirety and the following wording shall be added as new 17th bullet point after the bullet point "Rights of creditors of IKB may be adversely affected by measures pursuant to the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz* – "KredReorgG") and the German Banking Act (KWG)." and before the bullet point "Reputational risk could cause harm to IKB and its business prospects":

		<ul style="list-style-type: none"> ▪ There is a risk of additional taxes due to a dissenting view of the tax authorities on the application of the German Corporate Income Tax Act (KStG) and the German Trade Tax Act (GewStG).
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- d. In the subsection commencing on page 25 of the Base Prospectus which is entitled "D.2 - Key information on the key risks that are specific to the Issuer or its industry - Risks relating to IKB and its Business" the 18th bullet point shall be replaced in its entirety as follows:

		<ul style="list-style-type: none"> ▪ Reputation risk could cause harm to IKB and its business prospects.
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- e. In the subsection commencing on page 26 of the Base Prospectus which is entitled "D.3 - Key information on the key risks that are specific to the securities" the subsection entitled "Bail-in" (as added by Supplement No. 1) shall be replaced in its entirety as follows:

		<p>Bail-in</p> <p>The holder of Notes is exposed to the risk of a bail-in. Under the Act on the Recovery and Resolution of Institutions and Financial Groups (<i>Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen</i>) claims for payment of principal, interest or other amounts under the Notes may be subject to a conversion into one or more instruments that constitute Common Equity Tier 1 capital for the Issuer, such as ordinary shares, or a permanent reduction, including to zero, by intervention of the competent resolution authority. The holder of Notes would have no claim against the Issuer in such a case and there would be no obligation of the Issuer to make payments under the Notes. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and unable to continue its regulated activities without such conversion or write-down or without a public sector injection of capital. The resolution authority will have to exercise its power in a way that results in (i) Common Equity Tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into Common Equity Tier 1 capital instruments in accordance with their order of priority and (iii) thereafter, eligible liabilities - as those under the Notes - being converted into Common Equity Tier 1 capital instruments or written down on a permanent basis in accordance with a set order of priority. The holder of Notes should</p>
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		consider the risk that he may lose all of his investment, including the principal amount plus any accrued interest if such bail-in occurs. On 29 April 2015, the German Federal Government adopted a draft bill (<i>Regierungsentwurf</i>) of a Resolution Mechanism Act (<i>Abwicklungsmechanismusgesetz- AbwMechG</i>). The draft bill proposes, <i>inter alia</i> , that, in the event of an insolvency proceeding, certain senior unsecured debt instruments (as the Notes) shall by operation of law be subordinated. As a consequence, a larger loss share will be allocated to these instruments in an insolvency or bail-in scenario. Such change of the insolvency and bail-in waterfalls is intended to have retrospective effect (unless insolvency proceedings are instituted prior to 1 January 2016), and would thus affect the Notes.
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2. Amendments to the subsection commencing on page 30 of the Base Prospectus which is entitled "2. GERMAN TRANSLATION OF THE SUMMARY"

a. The subsection commencing on page 32 of the Base Prospectus which is entitled "Abschnitt B - Die Emittentin - B.12 - Ausgewählte wesentliche historische Finanzinformationen" shall be replaced in its entirety as follows:

B.12	Ausgewählte wesentliche historische Finanzinformationen	<p>Zusammenfassung ausgewählter Finanzinformationen</p> <p>Sofern nachstehend nicht anders angegeben, enthält die nachstehende Tabelle die wesentlichen Finanzdaten der IKB nach Handelsgesetzbuch ("HGB"), die dem Konzernabschluss zum und für das am 31. März 2015 und zum und für das am 31. März 2014 abgeschlossene Geschäftsjahr sowie dem Halbjahreskonzernabschluss zum und für den am 30. September 2014 abgeschlossenen 6-Monats-Zeitraum entnommen wurden. Die Konzernabschlüsse der IKB zum und für die am 31. März 2015 und 31. März 2014 abgeschlossenen Geschäftsjahre wurden von der PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC") geprüft, und PwC hat jeweils einen uneingeschränkten Bestätigungsvermerk erteilt.</p> <p>Konzernbilanz</p> <table border="1"> <thead> <tr> <th style="text-align: left;">in Mio. €</th> <th style="text-align: center;">31. März 2015</th> <th style="text-align: center;">30. Sept. 2014 (ungeprüft)</th> <th style="text-align: center;">31. März 2014</th> </tr> </thead> <tbody> <tr> <td>Aktiva</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Barreserve</td> <td style="text-align: right;">35</td> <td style="text-align: right;">16</td> <td style="text-align: right;">22</td> </tr> <tr> <td>Forderungen an Kreditinstitute</td> <td style="text-align: right;">2.300</td> <td style="text-align: right;">2.180</td> <td style="text-align: right;">2.235</td> </tr> <tr> <td>Forderungen an Kunden</td> <td style="text-align: right;">11.090</td> <td style="text-align: right;">11.510</td> <td style="text-align: right;">12.263</td> </tr> <tr> <td>Schuldverschreibungen und andere festverzinsliche Wertpapiere</td> <td style="text-align: right;">6.529</td> <td style="text-align: right;">7.778</td> <td style="text-align: right;">7.507</td> </tr> <tr> <td>Aktien und andere nicht festverzinsliche Wertpapiere</td> <td style="text-align: right;">483</td> <td style="text-align: right;">566</td> <td style="text-align: right;">568</td> </tr> <tr> <td>Handelsbestand</td> <td style="text-align: right;">271</td> <td style="text-align: right;">305</td> <td style="text-align: right;">318</td> </tr> <tr> <td>Beteiligungen</td> <td style="text-align: right;">23</td> <td style="text-align: right;">25</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Anteile an assoziierten Unternehmen</td> <td style="text-align: right;">14</td> <td style="text-align: right;">13</td> <td style="text-align: right;">45</td> </tr> <tr> <td>Leasingvermögen</td> <td style="text-align: right;">1.030</td> <td style="text-align: right;">1.089</td> <td style="text-align: right;">1.170</td> </tr> <tr> <td>Rechnungsabgrenzungsposten</td> <td style="text-align: right;">75</td> <td style="text-align: right;">108</td> <td style="text-align: right;">122</td> </tr> <tr> <td>Aktive latente Steuern</td> <td style="text-align: right;">243</td> <td style="text-align: right;">248</td> <td style="text-align: right;">249</td> </tr> <tr> <td>Übrige Aktiva</td> <td style="text-align: right;">318</td> <td style="text-align: right;">184</td> <td style="text-align: right;">207</td> </tr> <tr> <td>Summe der Aktiva</td> <td style="text-align: right;">22.410</td> <td style="text-align: right;">24.023</td> <td style="text-align: right;">24.732</td> </tr> </tbody> </table> <p>Summendifferenzen sind Rundungsdifferenzen.</p>	in Mio. €	31. März 2015	30. Sept. 2014 (ungeprüft)	31. März 2014	Aktiva				Barreserve	35	16	22	Forderungen an Kreditinstitute	2.300	2.180	2.235	Forderungen an Kunden	11.090	11.510	12.263	Schuldverschreibungen und andere festverzinsliche Wertpapiere	6.529	7.778	7.507	Aktien und andere nicht festverzinsliche Wertpapiere	483	566	568	Handelsbestand	271	305	318	Beteiligungen	23	25	25	Anteile an assoziierten Unternehmen	14	13	45	Leasingvermögen	1.030	1.089	1.170	Rechnungsabgrenzungsposten	75	108	122	Aktive latente Steuern	243	248	249	Übrige Aktiva	318	184	207	Summe der Aktiva	22.410	24.023	24.732
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in Mio. €	31. März 2015	30. Sept. 2014 (ungeprüft)	31. März 2014	
Passiva				
Verbindlichkeiten gegenüber Kreditinstituten	8.893	9.718	10.169	
Verbindlichkeiten gegenüber Kunden	8.165	9.311	9.630	
Verbriefte Verbindlichkeiten	1.512	1.274	1.072	
Handelsbestand	280	306	334	
Rechnungsabgrenzungsposten	113	144	154	
Rückstellungen	398	265	261	
Nachrangige Verbindlichkeiten	971	974	971	
Genussrechtskapital	32	32	32	
Fonds für allgemeine Bankrisiken	580	574	574	
Übrige Verbindlichkeiten	465	368	552	
Eigenkapital	1.000	1.055	983	
Summe der Passiva	22.410	24.023	24.732	
Eventualverbindlichkeiten und Andere Verpflichtungen	2.336	2.628	2.424	
Summendifferenzen sind Rundungsdifferenzen				
Konzern-Gewinn- und Verlustrechnung				
in Mio. €	2014/15	1. April - 30. Sept. 2014 (ungeprüft)	2013/14	1. April - 30. Sept. 2013 (ungeprüft)
Aufwendungen				
Leasingaufwendungen	-208	-101	-205	-94
Zinsaufwendungen	-937	-495	-1.074	-556
Provisionsaufwendungen	-13	-5	-13	-7
Nettoaufwand des Handelsbestands	-	-	-	-
Allgemeine Verwaltungsaufwendungen	-303	-149	-275	-134
a) Personalaufwand	-183	-88	-161	-79
aa) Löhne und Gehälter	-153	-74	-139	-67
ab) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	-31	-14	-23	-12
darunter: für Altersversorgung	-13	-5	-6	-3
b) andere Verwaltungsaufwendungen	-119	-61	-113	-55
Abschreibungen und Wertberichtigungen auf immaterielle Anlagewerte und Sachanlagen	-359	-183	-403	-206
a) auf Leasingvermögen	-349	-178	-392	-200
b) auf immaterielle Anlagewerte und Sachanlagen	-10	-5	-10	-5
Sonstige betriebliche Aufwendungen	-1.098	-50	-302	-262

	Aufwendungen aus der Zuführung zum Fonds für allgemeine Bankrisiken	-5	-	-403	-128
	Abschreibungen und Wertberichtigungen auf Forderungen und bestimmte Wertpapiere sowie Zuführungen zu Rückstellungen im Kreditgeschäft	-65	-24	-88	-59
	Abschreibungen und Wertberichtigungen auf Beteiligungen, Anteile an verbundenen Unternehmen und wie Anlagevermögen behandelte Wertpapiere	-16	-15	-40	-8
	Aufwendungen aus Verlustübernahme	0	-	-	-
	Außerordentliche Aufwendungen	-5	-2	-5	-2
	Steuern vom Einkommen und vom Ertrag	-119	-15	135	111
	Sonstige Steuern, soweit nicht unter dem Posten "Sonstige betriebliche Aufwendungen" ausgewiesen	-1	-1	-2	-1
	Jahresüberschuss	-5	-73	-32	-8
	Summe der Aufwendungen	-3.132	-1.113	-2.706	-1.352
		2014/15	1. April - 30. Sept. 2014 (un-geprüft)	2013/14	1. April - 30. Sept. 2013 (un-geprüft)
	in Mio.€				
	Erträge				
	Leasingerträge	628	313	680	337
	Zinserträge aus	1.104	580	1.280	650
	a) Kredit- und Geldmarktgeschäften	945	493	1.104	564
	b) festverzinslichen Wertpapieren und Schuldbuchforderungen	159	87	175	86
	Laufende Erträge aus	52	12	22	2
	a) Aktien und anderen nicht festverzinslichen Wertpapieren	46	8	18	1
	b) Beteiligungen	2	1	2	1
	c) Anteile an assoziierten Unternehmen	2	1	2	1
	d) Anteilen an verbundenen Unternehmen	2	2	-	-
	Erträge aus Gewinngemeinschaften, Gewinnabführungs- oder Teilgewinnabführungsverträgen	-	-	-	-
	Provisionserträge	56	22	42	21
	Nettoertrag des Handelsbestands	8	2	6	5
	davon: Einstellung in	1	-	1	-

Sonderposten nach § 340e Abs. 4 HGB				
Erträge aus Zuschreibungen zu Forderungen und bestimmten Wertpapieren sowie aus der Auflösung von Rückstellungen im Kreditgeschäft	-	-	-	-
Erträge aus Zuschreibungen zu Beteiligungen, Anteilen an verbundenen Unternehmen und wie Anlagevermögen behandelten Wertpapieren	416	115	188	69
Sonstige betriebliche Erträge	866	68	488	268
Erträge aus der Auflösung des Fonds für allgemeine Bankrisiken	-	-	-	-
Außerordentliche Erträge	2	1	2	-
Erträge aus Verlustübernahme	-	-	-	-
Jahresfehlbetrag	-	-	-	-
Summe der Erträge	3.132	1.113	2.706	1.352
Jahresüberschuss/-fehlbetrag	5	73	32	8
Verlustvortrag aus dem Vorjahr	-2.376	-2.376	-2.408	-2.408
Entnahmen aus der Kapitalrücklage	-	-	-	-
Entnahmen aus Gewinnrücklagen	-	-	-	-
Entnahmen aus Genussrechtskapital	-	-	-	-
Entnahmen Stille Einlage	-	-	-	-
Einstellungen in Gewinnrücklagen	-	-	-	-
Wiederauffüllung des Genussrechtskapitals	-	-	-	-
Bilanzverlust	-2.372	-2.303	-2.376	-2.401

Summendifferenzen sind Rundungsdifferenzen.

Konzern-Kapitalflussrechnung

in Mio. €	2014/15	2013/14
Cashflow aus laufender Geschäftstätigkeit	-1.327,3	34,5
Cashflow aus Investitionstätigkeit	1.349,7	303,1
Cashflow aus der Finanzierungstätigkeit	-10,0	-402,3
Finanzmittelfonds am Anfang der Periode	22,2	86,9
Finanzmittelfonds am Ende der Periode	34,6	22,2

Summendifferenzen sind Rundungsdifferenzen.

Regulatorische Kapitalausstattung

Regulatorische Kapitalsituation der IKB-Gruppe unter CRR/CRD IV¹⁾:

in Mio. €	31. März 2015	31. März 2014
Total Risk Weighted Assets (RWA)	13.340	14.069
Own Funds	2.228	2.271
CET 1 Ratio	10,9%	10,4%
T 1 Ratio	13,3%	12,9%
Own Funds Ratio	16,7%	16,1%

Summendifferenzen sind Rundungsdifferenzen.

		¹⁾ Alle Angaben nach Bilanzfeststellung und unter stichtagsgleicher Zurechnung der Dotierung des Fonds für allgemeine Bankrisiken im CET 1 sowie unter Berücksichtigung der Ein- und Ausphasungsregelungen der Capital Requirement Regulation (" CRR ") des Jahres 2015 bzw. des Vorjahres. Die CET 1-Quoten wurden nach aktuellem Rechtsstand der CRR zum 31. März 2015 bzw. zum 31. März des Vorjahres inklusive Übergangsvorschriften sowie der bekannten Interpretationen der Aufsicht und deren Auslegung ermittelt. Es ist nicht auszuschließen, dass zukünftige EBA-/EZB-Standards/Interpretationen bzw. sonstige aufsichtliche Handlungen retrograd zu einer abweichenden CET 1-Quote führen können.
	Wesentliche Verschlechterung der Aussichten der Emittentin	Seit dem Datum des letzten Konzernabschlusses zum und für das am 31. März 2015 abgeschlossene Geschäftsjahr sind keine wesentlichen Veränderungen in den Aussichten der IKB AG eingetreten.
	Wesentliche Veränderung in der Finanzlage bzw. Handelsposition	<p>Am 23. Oktober 2013 wurde die IKB AG in die Liste der Banken aufgenommen, die an dem Comprehensive Assessment ("CA") der Europäischen Zentralbank ("EZB") teilnehmen. Als Benchmark für den Asset Quality Review ("AQR"), der Teil des Comprehensive Assessments ist, hat die EZB eine Mindestquote von 8% Common Equity Tier 1 ("CET 1") Kapital festgelegt. Ziel der EZB war eine rigorose Durchleuchtung der Bankbilanzen, bevor sie ab dem 4. November 2014 die einheitliche Bankenaufsicht im Euro-Raum übernommen hat.</p> <p>Am 26. Oktober 2014 hat die EZB die Ergebnisse des CA veröffentlicht. Die IKB hat das CA erfolgreich abgeschlossen und die Kapitalanforderungen für das AQR, das Baseline Szenario und das Adverse Szenario des Stresstests bereits auf der Grundlage des per 31. Dezember 2013 vorhandenen harten Kernkapitals mehr als erfüllt. Darüber hinaus hat die IKB ihr hartes Kernkapital (CET 1) mittlerweile seit dem 31. Dezember 2013 um über €110 Mio. gesteigert.</p>

- b. The subsection commencing on page 37 of the Base Prospectus which is entitled "**Abschnitt B - Die Emittentin - B.13 - Letzte Entwicklungen, die für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant sind**" shall be replaced in its entirety as follows:

B.13	Letzte Entwicklungen, die für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant sind	<p>Valin Funds</p> <p>Der am 3. Juni 2014 durch die IKB gegründete Investmentfonds Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF, wurde im Januar 2015 mit Kapitalzusagen von Investoren in Höhe von €450 Mio. erfolgreich geschlossen. Investoren sind deutsche und ausländische institutionelle Anleger, die die Wahl haben, direkt in Anteile des Fonds oder in Schuldverschreibungen mit Rating zu investieren. Die IKB ist mit €23,7 Mio. investiert. Die Anlagestrategie des Fonds sieht vor, Senior Loans deutscher Mittelstandsunternehmen mit einem Jahresumsatz von mindestens €250 Mio. für das Portfolio zu erwerben. Die IKB fungiert als Investment Manager. Der Fonds hat im April 2015 seine Investitionstätigkeit aufgenommen.</p> <p>Teilnahme der IKB am Comprehensive Assessment der Europäischen Zentralbank</p> <p>Die Europäische Zentralbank (EZB) hat am 26. Oktober 2014 die finalen Ergebnisse ihrer europaweiten mehrstufigen Überprüfung von 130 europäischen Banken (<i>Comprehensive Assessment</i>) veröffentlicht. Ziel der EZB war die Aufdeckung von Risiken und Schwachstellen der</p>
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		<p>Banken, bevor sie ab dem 4. November 2014 die einheitliche Bankenaufsicht im Euro-Raum übernommen hat. Wesentliche Elemente des Comprehensive Assessments waren die Prüfung der Qualität der zum 31. Dezember 2013 vorhandenen Bankaktiva im Rahmen des Asset Quality Reviews (AQR) sowie ein zukunftsgerichteter Stresstest, der die Widerstandsfähigkeit der Banken unter verschärften Rahmenbedingungen untersuchen sollte. Der Stresstest umfasste zwei unterschiedliche Szenarien. Im Basisszenario (<i>Baseline Scenario</i>) des Stresstests wurde ein typischer Konjunkturverlauf über einen Zeitraum von drei Jahren simuliert, während das Stressszenario (<i>Adverse Scenario</i>) von einer schweren Wirtschaftskrise im Euro-Raum ausging. Die EZB hat eine Benchmark von 8% für die harte Kernkapitalquote (CET 1-Quote) für den AQR, bezogen auf den Stichtag 31. Dezember 2013, festgelegt. Für den Stresstest galt im Baseline Scenario ebenfalls eine Benchmark von 8% CET 1 und im Adverse Scenario eine Benchmark von 5,5% CET 1, in beiden Szenarien allerdings mit einer gegenüber dem AQR abweichenden Kapitaldefinition. Für den Stresstest galten sowohl die Kapitaldefinition als auch die Kapitalanforderungen, die sich unter Berücksichtigung der raterlichen Phase-in-Regelungen der CRR für den dreijährigen Betrachtungshorizont ergeben. Die Aufsatzwerte des Stresstests wurden durch den sogenannten Join-up-Prozess um die Ergebnisse des AQR angepasst.</p> <p>Die IKB hat das Comprehensive Assessment erfolgreich abgeschlossen. Die IKB war zum 31. Dezember 2013 mit einer CET 1-Quote von 9,36% in das Comprehensive Assessment gestartet. Durch die AQR-Ergebnisse kam es für Zwecke des Comprehensive Assessments zu einer Adjustierung der CET 1-Quote um 31 Basispunkte auf 9,05%. Im Baseline Scenario des Stresstests erreichte die IKB eine CET 1-Quote von 8,69% und im Adverse Scenario eine CET 1-Quote von 6,53%. Aufgrund der erreichten Comprehensive-Assessment-Ergebnisse waren auch bereits per 31. Dezember 2013 keine Kapitalmaßnahmen notwendig.</p> <p>Hervorzuheben ist, dass die von der EZB für die Zwecke des Asset Quality Reviews zugrunde gelegte Methodik zum Teil deutlich von handelsrechtlichen Rechnungslegungsgrundsätzen abgewichen ist. Die dem AQR zugrunde liegende Methodik dient ausschließlich der Beurteilung der Kapitalausstattung durch die EZB. Die IKB hat die ihr mitgeteilten Prüfungsergebnisse aus dem AQR auf Auswirkungen auf die Rechnungslegung untersucht und ist zu dem Ergebnis gekommen, dass keine Anpassungen vorzunehmen sind.</p> <p>Die IKB ist auch nach dem 4. November 2014 unter der direkten Aufsicht der Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") und der Deutschen Bundesbank verblieben, da sie nicht als bedeutendes Institut im Sinne des Art. 6 Abs. 4 der Verordnung (EU) Nr. 1024/2013 (<i>Single Supervisory Mechanism-/SSM-Verordnung</i>) eingestuft worden ist.</p> <p>Erstellung eines Sanierungsplans gemäß §§ 47 ff. Kreditwesengesetz ("KWG") und den Mindestanforderungen an die Ausgestaltung von Sanierungsplänen ("MaSan")</p> <p>Die BaFin hat die IKB AG aufgefordert, einen Sanierungsplan gemäß §§ 47 ff. KWG und MaSan zu erstellen. Die IKB AG hat am 30. Juli 2014 ihren Sanierungsplan der BaFin vorgelegt. Der Sanierungsplan muss jedes Jahr regelmäßig überarbeitet werden.</p> <p>Rio Debt Holdings</p> <p>Die IKB AG hat im Dezember 2014 durch ihr Luxemburger Tochterunternehmen IKB Lux Beteiligungen S.à.r.l. das Mezzanine Loan angekauft, das die LSF Aggregated Lendings S.à.r.l., eine Gesellschaft der Lone Star Funds-Gruppe, an Rio Debt Holdings</p>
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		<p>(Ireland) Limited vergeben hatte. Das Geschäft wurde zu marktüblichen Konditionen abgewickelt. Das Mezzanine Loan, das bis auf einen US-Dollar getilgt ist, berechtigt die IKB Lux Beteiligungen S.à.r.l. zum Erhalt von 20% aller noch zu erwartenden Zins- und Tilgungszahlungen auf Wertpapiere aus dem Rio-Portfolio. Die übrigen 80% aller noch zu erwartenden Zins- und Tilgungszahlungen auf Wertpapiere aus dem Rio-Portfolio stehen der IKB Invest GmbH als Junior Lender zu.</p> <p>Abweichende Auffassung der Finanzverwaltung</p> <p>Die IKB AG wurde gegen Ende des Geschäftsjahres 2014/2015 von der Finanzverwaltung darüber informiert, dass diese eine abweichende Auffassung zur Anwendung von §§ 8c Körperschaftssteuergesetz ("KStG"), 10a Gewerbesteuergesetz ("GewStG") im Zusammenhang mit der unterjährig erfolgten Kapitalerhöhung der IKB AG und dem anschließenden Verkauf der IKB-Anteile der KfW an Lone Star im Geschäftsjahr 2008/2009 vertritt und entsprechende Steuerbescheide zu erlassen beabsichtigt.</p> <p>Potenzieller Verkauf der IKB</p> <p>Ein Verkauf der IKB durch ihren Hauptanteilseigner Lone Star bleibt jederzeit möglich. Der Vorstand behält es sich vor, diese Pläne zu unterstützen.</p>
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- c. In the subsection commencing on page 50 of the Base Prospectus which is entitled "D.2 - Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind - Risikofaktoren bezüglich der IKB und ihrer Geschäftstätigkeit" the second bullet point shall be deleted in its entirety and the following wording shall be added as new 17th bullet point after the bullet point "Rechte von Gläubigern der IKB könnten durch Maßnahmen nach dem Gesetz zur Reorganisation von Kreditinstituten (Kreditinstitute-Reorganisationsgesetz) und dem Gesetz über das Kreditwesen (Kreditwesengesetz) nachteilig betroffen sein." and before the bullet point "Reputationsrisiken könnten die IKB und ihre Geschäftsaussichten beeinträchtigen.":

		<ul style="list-style-type: none"> ▪ Es besteht ein Risiko zusätzlicher Steuern aufgrund einer abweichenden Auffassung der Finanzverwaltung zur Anwendung des Körperschaftssteuergesetzes und des Gewerbesteuergesetzes.
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- d. In the subsection commencing on page 52 of the Base Prospectus which is entitled "D.3 - Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind" the subsection entitled "Bail-in" (as added by Supplement No. 1) shall be replaced in its entirety as follows:

		<p>Bail-In</p> <p>Der Inhaber der Schuldverschreibungen ist dem Risiko eines Bail-in ausgesetzt. Nach dem Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen können Ansprüche auf Zahlung von Kapital, Zinsen oder sonstigen Beträgen im Rahmen der Schuldverschreibungen infolge des Eingriffs der zuständigen Abwicklungsbehörde unter Umständen einer Umwandlung in ein oder mehrere Instrumente, die zum harten Kernkapital der Emittentin zählen, wie beispielsweise Stammaktien, oder einer dauerhaften Verringerung, auch bis auf Null, unterworfen sein. Der Inhaber der</p>
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		<p>Schuldverschreibungen hätte in einem solchen Fall keine Ansprüche gegen die Emittentin und es bestünde keine Verpflichtung der Emittentin zur Leistung von Zahlungen auf die Schuldverschreibungen. Dies wäre der Fall, wenn sich die Emittentin als "nicht existenzfähig" (wie in den jeweils anwendbaren Gesetzen definiert) herausstellt oder von der zuständigen Aufsichtsbehörde als "nicht existenzfähig" eingestuft wird und ohne diese Umwandlung bzw. eine Herabschreibung oder eine Kapitalspritze der öffentlichen Hand nicht länger imstande wäre, ihren regulierten Geschäftstätigkeiten nachzugehen. Die Abwicklungsbehörde hat ihre Befugnisse so auszuüben, dass (i) zunächst Instrumente des harten Kernkapitals (wie beispielsweise Stammaktien der Emittentin) im Verhältnis zu den entsprechenden Verlusten herabgeschrieben werden, (ii) daraufhin der Kapitalbetrag der sonstigen (zum zusätzlichen Kernkapital oder Ergänzungskapital zählenden) Kapitalinstrumente dauerhaft herabgeschrieben oder entsprechend ihrer Rangfolge in Instrumente des harten Kernkapitals umgewandelt wird, und (iii) schließlich berücksichtigungsfähige Verbindlichkeiten, wie beispielsweise Verbindlichkeiten aus den Schuldverschreibungen, in Instrumente des harten Kernkapitals umgewandelt oder entsprechend einer festgelegten Rangfolge dauerhaft herabgeschrieben werden. Der Inhaber der Schuldverschreibungen sollte im Falle eines solchen Bail-in das Risiko eines Totalverlusts seiner Anlage, einschließlich des Nennbetrags zuzüglich aufgelaufener Zinsen, berücksichtigen. Am 29. April 2015 hat die Bundesregierung den Regierungsentwurf eines Abwicklungsmechanismusgesetzes (AbwMechG) beschlossen. Dieser sieht unter anderem vor, dass bestimmte unbesicherte nicht-nachrangige Schuldtitel (wie die Schuldverschreibungen) in der Insolvenz kraft Gesetzes nachrangig sein sollen. Dadurch entfällt auf derartige Schuldtitel in der Insolvenz oder bei einer Maßnahme der Gläubigerbeteiligung ein entsprechend größerer Verlustanteil. Diese Änderung des Insolvenzranges und der Reihenfolge der Gläubigerbeteiligung soll (sofern nicht das Insolvenzverfahren vor dem 1. Januar 2016 eröffnet wird) rückwirkend erfolgen und würde daher die Schuldverschreibungen betreffen.</p>
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C. Amendments to the section commencing on page 57 of the Base Prospectus which is entitled "B. RISK FACTORS"

1. Amendments to the subsection commencing on page 57 of the Base Prospectus which is entitled "1. RISK FACTORS RELATING TO THE NOTES".

The subsection entitled "Bail-in" (as added by Supplement No. 1) shall be replaced in its entirety as follows:

Bail-in

The Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen*) – which is the transposition into German law of the EU framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") – may result in claims for payment of principal, interest or other amounts under the Notes being subject to a conversion into one or more instruments that constitute Common Equity Tier 1 ("**CET 1**") capital for the Issuer, such as ordinary shares, or a permanent reduction, including to zero, by intervention of the competent resolution authority. Each of these measures are hereinafter referred to as a "**Regulatory Bail in**". The Holders would have no claim against the Issuer in such

a case and there would be no obligation of the Issuer to make payments under the Notes. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and unable to continue its regulated activities without such conversion or write-down or without a public sector injection of capital. The resolution authority will have to exercise its power in a way that results in (i) Common Equity Tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into Common Equity Tier 1 capital instruments in accordance with their order of priority and (iii) thereafter, eligible liabilities – as those under the Notes – being converted into Common Equity Tier 1 capital instruments or written down on a permanent basis in accordance with a set order of priority. The extent to which the principal amount of the Notes may be subject to a Regulatory Bail-in will depend on a number of factors that are outside the Issuer's control, and it will be difficult to predict when, if at all, a Regulatory Bail-in will occur. Potential investors should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if a Regulatory Bail-in occurs. On 29 April 2015, the German Federal Government adopted a draft bill (*Regierungsentwurf*) of a Resolution Mechanism Act (*Abwicklungsmechanismusgesetz* - AbwMechG). The draft bill proposes, *inter alia*, that, in the event of an insolvency proceeding, certain senior unsecured debt instruments (as the Notes) (excluding debt instruments whose payoff (i) is contingent on the occurrence or non-occurrence of a future uncertain event other than the evolution of a reference interest rate, or (ii) is settled other than by way of a money payment) shall by operation of law be subordinated. As a consequence, a larger loss share will be allocated to these instruments in an insolvency or bail-in scenario. Such change of the insolvency and bail-in waterfalls is intended to have retrospective effect (unless insolvency proceedings are instituted prior to 1 January 2016), and would thus affect the Notes.

2. Amendments to the subsection commencing on page 66 of the Base Prospectus which is entitled "2. RISK FACTORS RELATING TO THE ISSUER"

- a. **In the subsection commencing on page 66 of the Base Prospectus which is entitled "2.1 Risk Factors relating to the Economic and Financial Market Situation - *IKB has been and may continue to be affected by low growth rates in all major industrialised countries as well as volatile financial markets due to high debt levels among European sovereigns and an on-going crisis management by major central banks.*" the first paragraph and the second paragraph shall be replaced in their entirety as follows:**

A renewed escalation of the Eurozone sovereign debt crisis cannot be excluded and remains a risk, especially in light of continued policy uncertainty relating to Greece. In most industrialized countries and especially European countries, national debt levels have increased substantially over recent years. Although fiscal consolidation has reduced the budget deficits in recent times, weak growth has caused debt ratios to continue to drift higher. In most member countries of the European Economic and Monetary Union, the level of sovereign debt exceeds 60% of gross domestic product, which is the limit set by the Treaty of Maastricht. In some countries (e.g. Italy), sovereign debt exceeds well over 100% of the gross domestic product while others such as Spain continue to have elevated debt and deficit levels. Weak economic growth remains a major constraint for a speedy stabilization and an ultimate reduction in sovereign debt levels. For many countries of the Eurozone, weak credit extension remains an impediment to growth. While the Eurozone is showing signs of an overall economic stabilization, uncertainty remains over the strength and sustainability of the recovery. Moreover, multiple geopolitical crises could fundamentally increase the downside risks facing the global and European economy. As a result, risk premiums could show renewed signs of widening. However, the European Central Bank's ("ECB") programme of quantitative easing should prevent any major widening in risk premiums. The programme aims at easing monetary policy by way of purchasing government bonds, asset-

backed securities and covered bonds (Quantitative Easing). The programme should also secure lower interest rates for the Eurozone states, thereby enhancing debt sustainability over time. However, risks remain high and weaker than expected economic growth will likely cause a re-escalation of the Eurozone sovereign debt crisis, thereby undermining the recapitalisation of banks and other financial services providers. Together with increased uncertainty over growth prospects for emerging markets, risks to the global growth outlook in general and Germany's export prospects in particular remain.

Further risk could emanate from a change in monetary policy. The US Fed is generally expected to start increasing its key lending rate in the second half of 2015. An ultimate change in the Fed's policy will likely cause a general repricing of assets across financial markets. Noteworthy changes in Eurozone interest rates could also lead to changes in the portfolio composition of major financial institutions, thereby altering and possibly adversely affecting prices of certain financial assets.

- b. In the subsection commencing on page 68 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - IKB faces liquidity risks, which it may fail to mitigate if it is unable to raise sufficient funding." the third paragraph shall be replaced in its entirety as follows:**

Depending on the development of its new business, IKB expects its liquidity requirements to amount to between €7 billion and €8 billion during the course of the next twelve months. As previously, the main options currently available for refinancing these requirements are accepting customer deposits and promissory note loans, secured borrowing on the interbank market (cash and term deposits) and participating in ECB tenders. Further options for IKB are bearer bonds, selling balance sheet assets and collateralised refinancing structures.

- c. In the subsection commencing on page 68 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - IKB faces liquidity risks, which it may fail to mitigate if it is unable to raise sufficient funding." the following wording shall be added as fifth and last paragraph:**

The fundamental changes to the business model of IKB have been made. IKB's income statement is still effected by the restructuring cost by certain degrees and the start-up cost for new business activities. Therefore, the expected economic goals may not be achieved as scheduled, which may adversely affect IKB's business and financial condition.

- d. The subsection commencing on page 68 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - IKB's business and the roll out of new business activities may not yield benefits in line with IKB's strategy expectations." shall be deleted in its entirety.**
- e. In the subsection commencing on page 69 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - IKB's risk management measures may not be successful." the last sentence of the only paragraph shall be replaced in its entirety as follows:**

The failure of IKB's risk management systems and risk management measures could have a material adverse effect on IKB's financial condition.

- f. The subsection commencing on page 70 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - IKB's business performance could be adversely affected if its capital is not managed effectively" shall be replaced in its entirety as follows:**

IKB's business performance could be adversely affected if its capital is not managed effectively.

Effective management of IKB's capital is critical to its ability to operate its business and to pursue its strategy. IKB is required by regulators in the Federal Republic of Germany and in other jurisdictions in which it undertakes regulated activities to maintain adequate capital. The maintenance of adequate capital is also necessary to enhance IKB's financial flexibility in the face of continuing turbulence and uncertainty in the global economy.

Where methods and processes have not changed since the start of the financial year 2014/2015, no detailed presentation is provided in the following paragraph and readers should refer to IKB's Annual Report 2014/2015 (see the section entitled "Risk report" set out on pages 30 to 70 of the Annual Report 2014/2015).

Since 1 January 2014, IKB has calculated its regulatory capital resources in accordance with the provisions of the CRR/CRD IV. It applies the standardised approach for credit risk for counterparty default risk, the base indicator approach for operational risk, and the standard regulatory methods for market price risk (interest risk: duration method; option risk: delta plus method or scenario matrix method). IKB continues to use the regulatory netting approach to determine the net basis of measurement for derivatives, taking account of existing netting agreements. The tables set out in the subsection entitled "Risk report - Regulatory capital resources and risk-bearing capacity" on page 33 of IKB's Annual Report 2014/2015 provide an overview of the regulatory risk items, equity base and ratios as applicable.

g. In the subsection commencing on page 72 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *IKB's business entails compliance risks.*" the third paragraph shall be replaced in its entirety by the following two paragraphs:

As part of the risk inventory and the annual update to the risk analysis (Anti Money Laundering and Fraud Prevention), the business activities of IKB indicate elevated risks of money laundering or terrorist financing in comparison with previous years. This is due to the increase of business with contractual partners and economic beneficiaries outside the European Union ("EU") and Switzerland as well as business activities with complex configurations for the benefit of third parties, for example funds. The expansion into Commodity Trade Finance business with business partners domiciled outside of the EU involves a higher degree of money laundering, fraud and reputational risk which is mitigated, controlled and managed by applying adequate enhanced due diligence measures.

As a result of economic sanctions imposed on Russia by the United States of America ("**United States**") and the EU, further due diligence measures and controls were adopted across the bank to ensure strict compliance with these sanctions requirements.

h. The subsection commencing on page 74 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *Risk related to structured credit products.*" shall be replaced in its entirety as follows:

Risk related to structured credit products

The risks from IKB's remaining structured credit products in terms of the book value amount to €324 million. This amount can be divided into items solely referencing corporate and state risks amounting to €200 million, €49 million assigned to the strategic core businesses of IKB primarily derived from the securitisation of own loans and finally €75 million remaining risk from mortgage investments (including subprime) which were transferred to the special purpose vehicle Rio Debt Holdings.

- i. **The subsection commencing on page 74 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *The special audit in respect of IKB AG could have an adverse effect on its reputation and prospects.*" shall be replaced in its entirety as follows:**

The special audit in respect of IKB AG could have an adverse effect on its reputation and prospects.

Upon request of IKB AG's shareholders a special auditor has been appointed to examine whether members of IKB AG's board of managing directors or the supervisory board breached their duties in connection with the causes of the crisis at IKB. The special auditor submitted its final report to IKB AG in late February 2014. In September 2014, the report was submitted to the commercial register and published on IKB's website. The special auditor's report will also be an item for the next Annual General Meeting of IKB AG scheduled for August 2015. The possibility that the facts and assessments included in the report will lead to the initiation of legal proceedings against IKB by third parties cannot be ruled out.

- j. **The subsection commencing on page 74 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *Increased regulation of the financial services industry could have an adverse effect on IKB's operations.*" shall be replaced in its entirety as follows:**

Increased regulation of the financial services industry could have an adverse effect on IKB's operations.

Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United States, in EU member states and elsewhere have provided additional capital and funding requirements and are implementing other measures including increased regulatory control in their respective banking sectors including by imposing enhanced capital requirements.

Regulatory reforms which have been implemented or planned and which tighten the equity and liquidity standards, as well as the general increased regulatory monitoring demand increased capital requirements from IKB and could significantly affect IKB's business model and the competitive environment in which IKB interacts.

This applies, for example, to the Basel-III regulations which came into force on the European level on 1 January 2014 by the implementation of Regulation (EU) No. 575/2013 (CRR), Directive 2013/36/EU (CRD IV) as well as the corresponding German implementation acts.

It applies in particular with regard to the BRRD. The BRRD contains additional or amended regulatory provisions which may affect the Issuer and the Notes. The BRRD's provisions have already been implemented into German law (BRRD-Umsetzungsgesetz), providing as a key element a national law for the recovery and resolution of institutions and financial groups (German Recovery and Resolution Act, *Sanierungs- und Abwicklungsgesetz*; the "SAG") which is already in force and which enhances the former provisions contained in the German Banking Act (*Kreditwesengesetz*, the "KWG"). The SAG provides certain resolution tools as, e.g., a permanent write-down of liabilities (as the Notes) or their conversion into equity of the Issuer, a transfer of claims and/or liabilities of the Issuer or even a resolution of the Issuer. These resolution tools may have a substantial effect on the rights of Holders and may have a material adverse effect on the enforcement of claims under the Notes. Besides, the Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15 July 2014 establishing uniform rules and a uniform mechanism for the resolution of credit institutions and certain investment firms in the framework of

a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**"), whose provisions will mainly be applicable as of 1 January 2016 without further implementation into national law will cause a major shift in competencies. Instead of the respective national authority (or in case of a cross-border group resolution, the authority responsible for the group resolution), the single resolution board established with respect to a uniform resolution pursuant to Art. 42 SRM Regulation will execute tasks and exercise competences under the SRM Regulation.

In particular, the Issuer may be subject to the following measures which might also affect Holders.

The Issuer may be subject to a restructuring or reorganisation procedure pursuant to the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*, the "**KredReorgG**"). While a restructuring procedure generally may not interfere with rights of creditors, the reorganisation plan established under a reorganisation procedure may provide measures that affect the rights of any Holder as the credit institution's creditor against its will, including a reduction of existing claims or a suspension of payments. The rights of Holders may be adversely affected by the reorganisation plan which might be adopted irrespective of their particular voting behaviour by a majority vote.

The SAG and the SRM Regulation provide tools which enable the competent supervisory or resolution authorities to restructure or dissolve credit institutions and investment firms if there is a potential default risk regarding the respective credit institution or investment firm and provided that the default risk may not be prevented by other effective means and the application of the tool serves the public interest. These resolution tools, in accordance with the BRRD, include among others a "bail-in" instrument enabling the competent resolution authority to convert relevant capital instruments or certain eligible liabilities into shares or common capital tier 1 capital instruments or to write them down in whole or in part. By suspension, modification and termination (in whole or in part) of the rights under the Notes, the resolution tools may materially affect the rights of the Holders. The extent to which the claims resulting from the Notes forfeit due to the "bail-in" instrument depends on a number of factors, on which the Issuer potentially has no influence. The Holder would have no claim against the Issuer in such a case and there would be no obligation of the Issuer to make payments under the Notes. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and unable to continue its regulated activities without such conversion or write-down or without a public sector injection of capital. On 29 April 2015, the German Federal Government adopted a draft bill (*Regierungsentwurf*) of a Resolution Mechanism Act (*AbwMechG*). The draft bill proposes, *inter alia*, that, in the event of insolvency proceedings, certain senior unsecured debt instruments (as the Notes) (excluding debt instruments whose payoff (i) is contingent on the occurrence or non-occurrence of a future uncertain event other than the evolution of a reference interest rate, or (ii) is settled other than by way of a money payment) shall by operation of law be subordinated. As a consequence, a larger loss share will be allocated to these instruments in an insolvency or bail-in scenario. Such change of the insolvency and bail-in waterfalls is intended to have retrospective effect (unless insolvency proceedings are instituted prior to 1 January 2016), and would thus affect the Notes.

If the resolution conditions are met, and a bail-in is not sufficient to restore the viability of the credit institution, the competent resolution authority may as an alternative issue a transfer order pursuant to which the Issuer would be forced to transfer its shares or assets and liabilities in whole or in part to a so-called bridge bank or an asset management company. In the context of a transfer order, the Issuer as initial debtor of the Notes may be replaced by another debtor (which may have a fundamentally different risk tolerance or creditworthiness than the Issuer). Alternatively, the claims may remain towards the initial debtor (i.e. the Issuer), but the situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the

transfer order; in such a scenario the initial debtor (i.e. the Issuer) will be liquidated and the Holders will suffer substantial losses or even a total loss.

The German Act on the Ring-Fencing of Risks and for the Wind-Down of Credit Institutions and Financial Groups (*Gesetz zur Abschirmung von Risiken und zur Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen*; "**Trennbankengesetz**") incorporates provisions into the KWG providing that, even without the occurrence of a resolution or recovery event, credit institutions may be obliged to transfer positions which are regarded as being "risk entailing" to a legally and financially independent financial trading institution (separation of banking activities). As a result, the competent authority may, from 1 July 2016 on, prohibit the Issuer from carrying out certain types of activities in order to avoid risks, and may order the Issuer to transfer positions which are regarded by the legislator as being "risk entailing" to a legally and financially independent financial trading institution. The claims of the Holders may be negatively affected thereby including, in particular, that the Issuer as initial debtor of the Notes may be replaced by another debtor (who may have a completely different risk tolerance or creditworthiness than the Issuer). Alternatively, the claims may continue to be towards the Issuer, however, the situation with regard to IKB's assets, business activity and/or creditworthiness may not necessarily be the same as prior to the transfer order. It is planned that pursuant to the Regulation of the European Parliament and of the Council on structural measures improving the resilience of EU credit institutions, which are considered to be systemically important, such EU credit institutions shall be restricted by the competent authorities with regard to their business activities, including a prohibition of proprietary trading and the separation of certain trading activities. The draft of this regulation has been published by the European Commission on 28 January 2014. This could in the future - in comparison to the *Trennbankengesetz* – have further impairments in relation to the Issuer's ability to meet its obligations under the Notes.

The aforementioned measures may result in a default of all claims under the Notes and thus to a total loss of the investment of the Holder. There may be negative effects in the market value of the Notes even before the execution of such rights. In addition, the Issuer's assets may be withdrawn under these measures, which further adversely affects the ability of the Issuer to meet its payment obligations under the Notes.

It is generally not or only partly possible to predict future market turmoil, regulatory measures and further legislative projects.

The occurrence of any of the risks set out above could have materially adverse effects on IKB's business operations and financial condition.

k. The subsection on page 75 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - Rights of creditors of IKB may be adversely affected by measures pursuant to the German Act on the Reorganisation of Credit Institutions (Kreditinstitute-Reorganisationsgesetz – "KredReorgG") and the German Banking Act (KWG)." shall be replaced in its entirety as follows:

Rights of creditors of IKB may be adversely affected by measures pursuant to the German Act on the Reorganisation of Credit Institutions (Kreditinstitute-Reorganisationsgesetz – "KredReorgG") and the German Banking Act ("KWG").

The reorganisation plan established under a reorganisation procedure may provide measures that affect the Holders' rights as IKB's creditors against their will, including a reduction of existing claims or a suspension of payments. The Holders' rights may be adversely affected by the reorganisation plan which might be adopted irrespective of their particular voting behaviour by a majority vote.

The German Act on the Ring-Fencing of Risks and for the Wind-Down of Credit Institutions and Financial Groups (*Gesetz zur Abschirmung von Risiken und zur Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen*; "**Trennbankengesetz**") incorporates provisions into the KWG providing that, even without the occurrence of a resolution or recovery event, credit institutions may be obliged to transfer positions which are regarded as being "risk entailing" to a legally and financially independent financial trading institution (separation of banking activities). As a result, the competent authority may, from 1 July 2016 on, prohibit the Issuer from carrying out certain types of activities in order to avoid risks, and may order the Issuer to transfer positions which are regarded by the legislator as being "risk entailing" to a legally and financially independent financial trading institution. The claims of the Holders may be negatively affected thereby including, in particular, that the Issuer as initial debtor of the Notes may be replaced by another debtor (who may have a completely different risk tolerance or creditworthiness than the Issuer). Alternatively, the claims may continue to be towards the Issuer, however, the situation with regard to IKB's assets, business activity and/or creditworthiness may not necessarily be the same as prior to the transfer order. It is planned that pursuant to the Regulation of the European Parliament and of the Council on structural measures improving the resilience of EU credit institutions, which are considered to be systemically important, such EU credit institutions shall be restricted by the competent authorities with regard to their business activities, including a prohibition of proprietary trading and the separation of certain trading activities. The draft of this regulation has been published by the European Commission on 28 January 2014. This could in the future - in comparison to the *Trennbankengesetz* – have further impairments in relation to the Issuer's ability to meet its obligations under the Notes.

- I. **The following subsection shall be added as a new subsection after the subsection on page 75 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - Rights of creditors of IKB may be adversely affected by measures pursuant to the German Act on the Reorganisation of Credit Institutions (Kreditinstitute-Reorganisationsgesetz – "KredReorgG") and the German Banking Act (KWG).":**

There is a risk of additional taxes due to a dissenting view of the tax authorities on the application of the German Corporate Income Tax Act (KStG) and the German Trade Tax Act (GewStG)

Towards the end of the financial year 2014/2015, the tax authorities informed IKB AG that they had a dissenting view on the application of section 8c of the German Corporate Income Tax Act (KStG) / section 10a of the German Trade Tax Act (GewStG) in connection with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009, and that they intended to issue tax assessment notices to this extent. The dispute currently involves a total amount of €291 million, which was recognised in the income statement as at 31 March 2015 in the amount of €145 million through the recognition of a provision and the write-down of an existing tax receivable. The tax authorities have informed IKB AG for the first time in the financial year 2014/2015 about the procedure with respect to sections 8c KStG / 10a GewStG which is the reason for the announced tax assessment notices.

IKB AG has conducted a comprehensive tax risk assessment of the view held by the tax authorities with the assistance of internal and external experts. On the basis of the outcome of such risk assessment, IKB AG has opted to apply the prudence principle set out in the German Commercial Code (HGB) and has recognised a tax provision for corporation tax, the solidarity surcharge and the interest attributable to the corporation tax in the total amount of €140 million, as well as to write down an existing tax receivable in the amount of €5 million.

However, no provision was recognised for trade tax or the corresponding interest. There is a possibility that this risk will need to be reassessed as proceedings continue. The risk with respect to trade tax becoming finally payable currently amounts to around €117 million plus interest of

0.5% per month (assuming an assessment notice by 30 June 2015: €29 million). If this risk were to occur, IKB would be able to release a part of the fund for general banking risks (section 340g HGB) and, as far as this risk is considered, IKB would not show a loss in the financial statements. If this risk were to occur and as far as this risk is considered, IKB would still meet the minimum capital requirements of the banking supervisory authorities.

- m. **The subsection commencing on page 75 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *Reputational risk could cause harm to IKB and its business prospects.*" shall be replaced in its entirety as follows:**

Reputation risk could cause harm to IKB and its business prospects

Reputation risk is the risk of negative perception by IKB's stakeholders (e.g. customers, counterparties, shareholders, investors, depositors, market analysts, rating agencies, employees, other relevant stakeholders or regulatory authorities) that could result in losses, falling income, rising costs, reduced equity or falling liquidity by, for example, adversely affecting IKB's ability to conduct existing or new business, maintain customer relationships or make use of sources of refinancing (e.g. the interbank or securitisation market), either now or in the future.

Reputation risks frequently result from other types of risk and compound these as a result of their public impact.

It is generally not possible to quantify the probability and the consequences of the occurrence of a reputation risk.

- D. **Amendments to the section commencing on page 88 of the Base Prospectus which is entitled "D. DESCRIPTION OF THE ISSUER"**

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

- a. **In the subsection commencing on page 89 of the Base Prospectus which is entitled "2.1 General Information / History and Development - 2.1.1 Auditors" the last sentence of the second paragraph shall be replaced in its entirety as follows:**

For further information, please see below "2.9 Financial Information – 2.9.3 Legal Proceedings – Special Audit under German Stock corporation law.

- b. **In the subsection commencing on page 91 of the Base Prospectus which is entitled "2.3 Business Overview - 2.3.2 Principal Activities" the subsection entitled "*Credit Products*" shall be replaced in its entirety as follows:**

Credit Products

The Credit Products segment comprises the activities from IKB AG's lending and leasing business. This includes in particular regular loans, acquisition finance loans, public programme loans as well as IKB's new business approaches Commodity Trade Finance ("**CTF**") loans and Asset Based Lending ("**ABL**"), and IKB Leasing business. In addition, the business operations in respect of collateralised loan obligations, which relate to the loans of this segment, are included in this segment.

- c. **In the subsection commencing on page 91 of the Base Prospectus which is entitled "2.3 Business Overview - 2.3.2 Principal Activities" the first paragraph of the subsection entitled "Advisory and Financial Markets" shall be replaced in its entirety as follows:**

Advisory and Financial Markets

The Advisory and Financial Markets sub-segment bundles IKB AG's range of services for Mergers & Acquisitions, structuring, private equity consultancy and asset management.

- d. **In the subsection commencing on page 91 of the Base Prospectus which is entitled "2.3 Business Overview - 2.3.2 Principal Activities" the subsection entitled "Significant New Activities" shall be replaced in its entirety by the following subsection:**

Significant New Activities

In 2011, IKB AG launched its online service "IKB direkt" for retail customers as a further source of refinancing by offering overnight and fixed term deposits with a term of up to ten years. Since then, IKB is constantly expanding its retail platform on an ongoing basis. By now, IKB offers an income plan to private investors, accounts for underage persons and the combination of overnight and term deposits. In addition to that, IKB AG has repealed its brand "IKB direkt" in order to offer retail and corporate solutions under one and the same brand, IKB Deutsche Industriebank AG.

Since July 2012, IKB is engaged in the field of issuing securities such as fixed interest bonds, floating rate bonds and step-up bonds, inter alia for retail customers. IKB aims to broaden its funding instruments continuously, e.g. by introduction of the product "*Kombigeld*". *Kombigeld* is an investment with fixed maturity and interest. Only up to 50% of the initial investment can be withdrawn before maturity.

IKB has created the legal and organisational framework for a diversified asset management by means of the Valin platform structured as SICAV. Due to IKB's Unique Selling Proposition ("**USP**") in the field of medium-sized companies and the specific asset know-how in various definable asset classes, it is intended to extend the Valin platform systematically by launching several sub funds. A Valin Mezzanine sub fund is already active in the market and a Valin Senior Debt sub fund has started investing in April 2015.

IKB AG has launched its new CTF business approach. In this context, the initial focus is on IKB's role as a participating provider of financing on the side of arranger banks that have been active in this area for a long time. The CTF business is to be established alongside the existing SME credit business.

Moreover, IKB has extended its product range by Asset Based Lending financing. This deals with comprehensive financing of warehouses and trade accounts receivables as well as cash receipts and with loans collateralised by working capital or possibly fixed assets.

- e. In the subsection commencing on page 92 of the Base Prospectus which is entitled "2.3 Business Overview - 2.3.3 Principal Markets / Competitive Position" the subsection entitled "*Geographical Markets*" shall be replaced in its entirety as follows:

Geographical Markets

The primary market for IKB AG's business is Germany. In addition to Germany, IKB's key international markets are France, Italy, Spain and for the leasing business Eastern Europe. Potential further extension of geographic focus might arise.

- f. In the subsection commencing on page 92 of the Base Prospectus which is entitled "2.3 Business Overview - 2.3.3 Principal Markets / Competitive Position" in the subsection entitled "*Competitors*" the first paragraph and the second paragraph shall be replaced in their entirety as follows:

IKB's main competitors in Germany are the big universal banks as well as some of the larger institutions in the public banking sector (large savings banks and state banks (*Landesbanken*)). Insurance companies investing in credits and funds as well as foreign banks are focussing on the German Mittelstand.

- g. The subsection commencing on page 93 of the Base Prosepectus which is entitled "2.3 Business Overview - 2.3.4 Summary of Regulatory Indicators" shall be replaced in its entirety as follows:

Summary of Regulatory Indicators

Since 1 January 2014, IKB has calculated its regulatory capital resources in accordance with the provisions of the CRR/CRD IV. It applies the standardised approach for credit risk for counterparty default risk, the standard method for the calculation of the credit valuation adjustment charge, the base indicator approach for operational risk, and the standard regulatory methods for market price risk (interest risk: duration method; option risk: delta plus method or scenario matrix method). IKB continues to use the regulatory netting approach to determine the net basis of measurement for derivatives, taking account of existing netting agreements. The following table provides an overview of the regulatory risk items, equity base and ratios as applicable on approval of the accounts.

Table: Regulatory capital situation of IKB Group in accordance with CRR / CRD IV¹

Figures in € million	31 Mar. 2015	31 Mar. 2014
Credit risk (including counterparty default risk)	12,736	13,528
Market risk equivalent	153	252
Operational risk	451	289
Total risk-weighted assets (RWA)	13,340	14,069
Common Equity Tier 1 (CET 1)	1,453	1,464
Additional Tier 1 (AT 1)	326	346
Total Tier 1 (T 1)	1,779	1,810

Figures in € million	31 Mar. 2015	31 Mar. 2014
Tier 2 (T 2)	448	461
Own funds	2,228	2,271
CET 1 ratio	10.9%	10.4%
T 1 ratio	13.3%	12.9%
Own funds ratio	16.7%	16.1%

Some totals may be subject to discrepancies due to rounding differences.

¹⁾ All figures after approval of the accounts and taking into consideration the addition to the fund for general banking risks in CET 1 at the reporting date and the phase-in and phase-out provisions of the CRR for 2015 and the previous year. The CET 1 ratios were calculated in accordance with the current legal status of the CRR as at 31 March 2015 and for the previous year, including transitional provisions and the interpretations published by the supervisory authorities. The possibility that future EBA/ECB standards and interpretations or other supervisory actions will lead to a retrospective change in the CET 1 ratio cannot be ruled out.

The decrease in risk-weighted assets (RWA) as at 31 March 2015 is primarily attributable to scheduled repayments, unscheduled repayments and sales of non-strategic assets accompanied by limited new business.

At 10.9% at Group level and 14.6% at individual IKB AG level, IKB's Common Equity Tier 1 ("CET 1") capital ratios are in excess of the minimum level of 8% required by the ECB as part of its comprehensive assessment (AQR and stress test baseline scenario). This means that IKB significantly exceeds the statutory minimum requirements in terms of CET 1.

The Board of Managing Directors expects it to be possible to meet the statutory minimum requirements in the future. Although the CRR has been binding with effect from 1 January 2014, there remains uncertainty with regard to the interpretation of the new regulation. This is also reflected in the large number of interpretation issues raised with the EBA, which are extremely important when it comes to interpreting the regulation. Furthermore, many technical regulatory standards to be announced by the EBA are not yet available in their final version or their publication has been delayed compared with the EBA's original timetable (see the addendum to the EBA's work programme for 2015 dated 27 March 2015). Further uncertainty is provided by the fact that the results of the international banking regulation process and the European project for uniform bank supervision are not always foreseeable. This relates in particular to the implementation of the regulations arising from the Banking Recovery and Resolution Directive ("**BRRD**") with national implementation in the form of the German Recovery and Resolution Act and preparations for the Supervisory Review and Evaluation Process (SREP) in accordance with the EBA guidelines. In addition, the Basel Committee (BCBS) has issued a number of consultation papers on the revision of the standardised approach for credit risk (BCBS 307), counterparty default risk (BCBS 279), revisions to the securitisation framework (BCBS 303), the trading book framework (BCBS 305), operational risk (BCBS 291) and capital floors for advanced measurement approaches (BCBS 306), the precise effect of which and the corresponding impact on future capital requirements cannot be definitively quantified at present. The binding date on which harmonised EU-wide banking supervisory legislation will come into force has also still yet to be defined.

- h. In the subsection commencing on page 96 of the Base Prospectus which is entitled "2.4. Organisational Structure / Description of the Group" the subsection entitled "Branches and Subsidiaries" shall be replaced in its entirety as follows:**

Branches and Subsidiaries

The IKB business is conducted primarily in Germany but also includes activities abroad. Apart from its operations in Düsseldorf, in Germany IKB AG maintains branches in Frankfurt/Main, Hamburg, Berlin, Munich and Stuttgart. In addition, IKB AG maintains branches in London, Luxembourg, Madrid, Milan and Paris. In London, new business is only obtained selectively.

- i. In the subsection commencing on page 96 of the Base Prospectus which is entitled "2.4 Organisational Structure / Description of the Group" the subsection entitled "Consolidated Entities" shall be replaced in its entirety as follows:**

Consolidated Entities

As at 31 March 2015, the consolidated entities were as follows:

A. Consolidated Subsidiaries	Share of capital in %
1. German subsidiaries	
Aleanta GmbH, Düsseldorf	100
Equity Fund GmbH, Düsseldorf	1) 100
IKB Leasing GmbH, Hamburg	1) 100
IKB Leasing Beteiligungsgesellschaft mbH, Düsseldorf	1) 100
IKB Beteiligungen GmbH, Düsseldorf	100
IKB Beteiligungsgesellschaft 1 mbH, Düsseldorf	100
IKB Beteiligungsgesellschaft 2 mbH, Düsseldorf	100
IKB Beteiligungsgesellschaft 3 mbH, Düsseldorf	100
IKB Beteiligungsgesellschaft 4 mbH, Düsseldorf	100
IKB Beteiligungsgesellschaft 5 mbH, Düsseldorf	100
IKB Data GmbH, Düsseldorf	100
IKB Equity Capital Fund GmbH, Düsseldorf	1) 100
IKB Grundstücks GmbH & Co. Objekt Holzhausen KG, Düsseldorf	100
IKB Grundstücks GmbH, Düsseldorf	100
IKB Invest GmbH, Düsseldorf	1) 100
IKB Projektentwicklung GmbH & Co. KG i.L., Düsseldorf	3) 100 ¹⁾
Istop 1 GmbH, Düsseldorf	1) 100
Istop 2 GmbH, Düsseldorf	1) 100
Istop 4 GmbH, Düsseldorf	1) 100
Istop 5 GmbH, Düsseldorf	1) 100
Istop 6 GmbH, Düsseldorf	1) 100
IKB Struktur GmbH, Düsseldorf	1) 100
Projektbeteiligung TH GmbH & Co. KG, Düsseldorf	1) 89.8
Tempelhofer Hafen GmbH & Co. KG, Düsseldorf	1) 94.9

MATRONA GmbH, Düsseldorf	1)	100
Zweite Equity Suporta GmbH, Düsseldorf	1)	100

2. Foreign subsidiaries

IKB Finance B.V., Amsterdam, Netherlands		100
IKB Funding LLC II, Wilmington, United States of America		100
IKB Funding LLC I, Wilmington, United States of America		100
IKB International S.A. i.L., Munsbach, Luxembourg	2)3)	100
IKB Leasing Austria GmbH, Vienna, Austria	1)	100
IKB Leasing ČR s.r.o., Prague, Czech Republic	1)	100
IKB Leasing Finance IFN SA, Bucharest, Romania	1)	100
IKB Leasing France S.A.R.L., Marne La Vallée, France	1)	100
IKB Leasing Kft., Budapest, Hungary	1)	100
IKB Leasing Polska Sp. z.o.o., Poznan (Posen), Poland	1)	100
IKB Leasing SR s.r.o., Bratislava, Slovakia	1)	100
IKB Leasing S.R.L., Bucharest, Romania	1)	100
IKB Lux Beteiligungen S.à.r.l., Munsbach, Luxembourg		100
IKB Pénzügyi Lizing Zrt., Budapest, Hungary	1)	100
STILL LOCATION S.à.r.l., Marne La Vallée, France	1)	100
IKBL Renting and Service S.r.l, Lainate (MI), Italy	1)	100
IKB Leasing geschlossene Aktiengesellschaft, Moscow, Russia	1)	100

3. Special Purpose Vehicles in accordance with Section 290 paragraph 2 No. 4 German Commercial Code

Bacchus 2008-2 Plc, Dublin 2, Ireland		
German Mittelstand Equipment Finance No. 1 S.A., Luxembourg, Luxembourg		
German Mittelstand Equipment Finance S.A., Luxembourg		
RIO DEBT HOLDINGS (IRELAND) LIMITED, Dublin, Ireland		

B. Associated Companies

Linde Leasing GmbH, Wiesbaden	1)	30.0
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Notes:

- 1) Indirect shareholding.
- 2) In Liquidation (bank licence returned).
- 3) In Liquidation.

j. The subsection on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.1 Statement on Material Adverse Change" shall be replaced in its entirety as follows:

2.5.1 Statement on Material Adverse Change

There has been no material adverse change in the prospects of IKB AG that has occurred since the date of the last audited consolidated financial statements as at and for the financial year ended 31 March 2015.

- k. **The subsection on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.2 Trend Information / Uncertainties" shall be replaced in its entirety as follows:**

2.5.2 Trend Information / Uncertainties

IKB AG is subject to the trends, uncertainties and influences explained in this Base Prospectus. Such uncertainties and influences may have a material effect on its business prospects for the remainder of the financial year 2015/2016 and for future periods. These include, in particular, the continuing uncertainty concerning developments in the international financial markets, the sovereign debt crisis, the global economy and political uncertainties due to increasing regulations. Additional uncertainty arises from the smouldering political crisis in Ukraine. For further information, please see "B. RISK FACTORS – 2. RISK FACTORS RELATING TO THE ISSUER – 2.1 Risk Factors relating to the Economic and Financial Market Situation".

IKB AG's business primarily focuses on Germany. Consequently, the economic conditions and cyclical momentum of Germany have particular influence on its results of operations.

The business model of IKB AG has been expanded. In addition to credit financing, IKB AG offers its corporate clients financial markets and advisory services in order to help them optimise their financing structure and gain access to the capital markets. IKB AG expects to be able to devote greater attention to customer business now that it has completed the restructuring process.

- l. **In the subsection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments" the subsection entitled "*Valin Funds*" shall be replaced in its entirety as follows:**

Valin Funds

The investment fund by the name of "Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF" founded by IKB on 3 June 2014 was successfully closed in January 2015 with capital commitments from investors in a total amount of €475 million. The investors are German and foreign institutional investors who have the option of investing either directly into units of the fund or in rated debt securities. IKB itself is invested with €23.7 million. The fund's investment objective is to acquire senior loans from German Mittelstand clients with total annual sales of at least €250 million. IKB acts as the fund's investment manager. The fund started investing in April 2015.

- m. **In the subsection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments" the subsection entitled "*Participation of IKB in the comprehensive assessment by the European Central Bank*" shall be replaced in its entirety as follows:**

Participation of IKB in the comprehensive assessment by the European Central Bank

IKB participated in the ECB's comprehensive assessment, which incorporated a supervisory risk assessment, an asset quality review and a stress test.

On 26 October 2014, the ECB published the final results of its Europe-wide, multi-stage review of 130 European banks (comprehensive assessment). The ECB's aim was to identify risks and weaknesses at the banks before the single supervisory mechanism for the euro zone came into force on 4 November 2014. Key elements of the comprehensive assessment included an examination of the quality of bank assets as at 31 December 2013 as part of the asset quality review ("**AQR**") and a future-oriented stress test to examine banks' resilience in the event of a deterioration in economic conditions. The stress test encompassed two different scenarios. The

baseline scenario simulated typical economic development over a three-year period, while the adverse scenario assumed a serious economic crisis in the euro zone. For the purpose of the AQR, the ECB set a benchmark for Common Equity Tier 1 capital (CET 1) of 8% as at 31 December 2013. For the stress test, the benchmark for the baseline scenario was also 8% for CET 1, while the benchmark for the adverse scenario was 5.5% for CET 1, albeit with a differing capital definition to the AQR in both scenarios. Both the capital definition and the capital requirements that would result taking into account the pro rata phase-in regulations of the CRR for the three-year analysis horizon were applied in the stress test. The stress test data was adjusted to reflect the results of the AQR in a process known as join-up.

IKB successfully completed the comprehensive assessment. IKB entered the comprehensive assessment with a CET 1 ratio of 9.36% on 31 December 2013. The AQR results led to an adjustment in the CET 1 ratio of 31 basis points to 9.05% for the purpose of the comprehensive assessment. IKB achieved a CET 1 ratio of 8.69% in the baseline scenario and 6.53% in the adverse scenario of the stress test. The results achieved by IKB in the comprehensive assessment mean that even as of 31 December 2013 no capitalisation measures were required.

It should be noted that the methodology applied by the ECB for the purpose of the asset quality review differs from the accounting provisions of the German Commercial Code, in some cases significantly. The methodology on which the AQR is based serves solely to enable the ECB to assess capital resources. IKB examined the results of the AQR with regard to their impact on accounting and came to the conclusion that no adjustments need to be made.

IKB remained under the direct supervision of BaFin and Deutsche Bundesbank even after 4 November 2014, as it was not classified as a major institution within the meaning of Art. 6 (4) of Regulation (EU) No. 1024/2013 (*Single Supervisory Mechanism Regulation*).

- n. **In the subsection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments" the subsection entitled "*Compilation of recovery plan according to Sections 47 et seq. of the German Banking Act (KWG) and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (Mindestanforderungen an die Ausgestaltung von Sanierungsplänen – "MaSan").*" shall be replaced in its entirety as follows:**

Compilation of recovery plan according to Sections 47 et seq. of the German Banking Act (KWG) as applicable until 31 December 2014 and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (Mindestanforderungen an die Ausgestaltung von Sanierungsplänen; "MaSan").

BaFin requested IKB AG to compile a recovery plan according to Sections 47 et seq. of the KWG as applicable until 31 December 2014 and the MaSan. On 30 July 2014, IKB submitted its recovery plan to BaFin. The recovery plan has to be updated every year on a regular basis.

- o. **In the subsection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends – 2.5.3 Recent Developments" the following subsections shall be added after the subsection entitled "*Compilation of recovery plan according to Sections 47 et seq. of the German Banking Act (KWG) as applicable until 31 December 2014 and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (Mindestanforderungen an die Ausgestaltung von Sanierungsplänen – "MaSan").*":**

Rio Debt Holdings

In December 2014, IKB AG - through its Luxembourg-based subsidiary IKB Lux Beteiligungen S.à.r.l. - purchased the Mezzanine Loan that had originally been granted by LSF Aggregated Lendings S.à.r.l., a company of the Lone Star Funds group, to Rio Debt Holdings (Ireland) Limited. The transfer was made at arm's length conditions. The Mezzanine Loan, which has been redeemed with one US-Dollar outstanding, entitles IKB Lux Beteiligungen S.à.r.l. to receive 20% of all expected interest and principal payments on assets within the Rio Portfolio. The Junior Lender, IKB Invest GmbH, will receive the residual 80% of interest and principal payments.

Dissenting view of the tax authorities

Towards the end of the financial year 2014/2015, the tax authorities informed IKB AG that they had a dissenting view on the application of section 8c of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*; "**KStG**") / section 10a of the German Trade Tax Act (*Gewerbsteuergesetz*; "**GewStG**") in connection with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009, and that they intended to issue tax assessment notices to this extent.

Potential sale of IKB

A sale of IKB by its current majority shareholder Lone Star remains possible at any time. The Board of Managing Directors remains open to supporting these plans.

- p. In the subsection commencing on page 100 of the Base Prospectus which is entitled "2.6 Administrative, Management and Supervisory Bodies - 2.6.1 Board of Managing Directors" the table and the first paragraph following the table (as replaced by Supplement No. 1) shall be replaced in their entirety as follows:**

Name	Date Appointed	Responsibilities	Principal Activities outside IKB AG
Dr. Michael H. Wiedmann (Chairman)	5 January 2015: appointed as Chairman of the Board of Managing Directors 1 March 2009: appointed as a regular member of the Board of Managing Directors	Sales Credit and Advisory Products Industry Groups Markets Treasury and Investments Legal Department Strategic Planning and Management of Participations Communications	n.a.
Dr. Dieter Glüder	29 July 2007	Credit Risk Controlling Finance Economic Research Group Audit Taxation	IKB Beteiligungen GmbH (Managing Director)

Name	Date Appointed	Responsibilities	Principal Activities outside IKB AG
Claus Momburg	12 November 1997	Credit Risk Management Information Technology Credit Treasury Operations Human Resources and Services Governance and Compliance Strategic Outsourcingmanagement and Group Procurement Group Project Portfolio Management Data Protection Information Security	n.a.

Hans-Jörg Schüttler, Chairman of the Board of Managing Directors as of 1 November 2008, has resigned from office with effect from the end of 4 January 2015.

q. In the subsection commencing on page 101 of the Base Prospectus which is entitled "2.6 Administrative, Management and Supervisory Bodies - 2.6.2 Supervisory Board" the table shall be replaced in its entirety as follows:

Name	End of Term	Principal Activities outside IKB AG
Bruno Scherrer (<i>Chairman</i>)	2017	Senior Advisor of Lone Star Funds
Dr. Karl-Gerhard Eick (<i>Deputy Chairman</i>)	2016	Director of KGE Asset Management Consulting Ltd.
Stefan A. Baustert	2017	Member of the Board of Managing Directors of QSC AG
Benjamin F. Dickgießer	2015	Director of Lone Star Europe Acquisitions LLP
Dr. Lutz-Christian Funke	2016	Head of Office of Corporate Management Affairs and Corporate Communications of KfW Group
Arndt G. Kirchhoff	2017	Managing Partner & CEO of KIRCHHOFF Holding GmbH & Co. KG
Bernd Klein	2015	Member of the Works Council Düsseldorf, Specialist Contracts and Collateral
Rainer Lenz	2016	Member of the Works Council Düsseldorf, Team leader Pricing, Portfolio Management and Fundamental Issues of Public Funding
Dr. Claus Nolting	2015	Attorney
Nicole Riggers	2017	Exempt Chairperson of the Works Council Düsseldorf, Chairperson of the General Works Council
Carmen Teufel	2015	Deputy Chairperson of the Works Council Stuttgart, Corporate Customer Analyst branch Baden-Württemberg
William D. Young	2015	Senior Vice President of Hudson Advisors UK Ltd.

- r. **In the subsection commencing on page 102 of the Base Prospectus which is entitled "2.6 Administrative, Management and Supervisory Bodies - 2.6.3 Advisory Board" the entry relating to "Friedhelm Loh" shall be deleted from the table contained in this subsection.**
- s. **In the subsection on page 104 of the Base Prospectus which is entitled "2.7 Major Shareholders" the first paragraph and the second paragraph shall be replaced in their entirety as follows:**

As at 31 March 2015, according to Section 5 of its Articles of Association, IKB AG's share capital amounted to € 1,621,465,402.88, represented by 633,384,923 bearer shares with no par value (*Stückaktien*), each of which confers one vote. The shares of IKB AG have been downlisted from trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) to the open market segments of the Düsseldorf Stock Exchange (*Düsseldorfer Wertpapierbörse*) (*Primärmarkt*) as well as the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (*Freiverkehr*) and are traded on the non-regulated markets (*Freiverkehr*) of several stock exchanges in Germany.

The following table shows the major shareholders of IKB AG as at 31 March 2015.

- t. **The subsection on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.1 Historical Financial Information" shall be replaced in its entirety as follows:**

2.9.1 Historical Financial Information

The Annual Report 2012/2013, the Annual Report 2013/2014, the Annual Report 2014/2015 (together, the "**Annual Reports of IKB**") and the 6-Month Report 2014/2015 of IKB are fully incorporated in, and form an integral part of, this Base Prospectus. The financial information incorporated by reference into this Base Prospectus is based on, in the case of the Annual Reports of IKB, the audited consolidated financial statements of IKB and its consolidated subsidiaries and special-purpose entities and, in the case of the 6-Month Report 2014/2015, the unaudited consolidated financial statements of IKB and its consolidated subsidiaries and special-purpose entities.

IKB's currency of presentation is the euro, and its financial year ends on 31 March of each year. IKB AG prepares unconsolidated financial statements in accordance with the German Commercial Code (*Handelsgesetzbuch*; "**HGB**"). IKB has prepared its consolidated financial statements as of and for the financial years ended 31 March 2013, 31 March 2014 and 31 March 2015 and as of and for the six months period ended 30 September 2014 in accordance with HGB.

- u. **The subsection on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.2 Audit of Financial Information" shall be replaced in its entirety as follows:**

2.9.2 Audit of Financial Information

The consolidated financial statements of IKB as of and for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 and the annual financial statements of IKB AG as of and for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 were audited by PwC and the auditors have issued in each case an unqualified auditors' report.

- v. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "*Legal Proceedings due to alleged incorrect capital market information*" shall be replaced in its entirety as follows:**

Legal proceedings due to alleged incorrect capital market information

More than 140 claims were made against IKB AG by investors in IKB AG securities since the start of the crisis in summer 2007. These claims related to the alleged incorrect content of the press release issued on 20 July 2007, partly also to the alleged false content of the financial press conference held on 28 June 2007 and the alleged incorrect content of capital market information prior to this date.

Originally, these proceedings had a total value in dispute of approximately €14.6 million. In addition, further shareholders and investors in other IKB AG securities approached IKB AG out of court with claims for damages.

All but one of these actions brought by investors have now been finally adjudicated or ended as a result of withdrawals. One case is pending at the Higher Regional Court of Düsseldorf.

IKB AG still considers the one outstanding claim not yet dismissed (with a remaining provisional value of around €12.000) and the out-of-court claims for damages to be unfounded. Nonetheless, even after more than seven years since the crisis broke out, the possibility of additional investors claiming damages against IKB AG cannot be completely ruled out. The success of these claims could increase the overall risk to which IKB AG is exposed.

- w. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "*Proceedings relating to IKB's Former Off-Balance Sheet Financing Vehicles*" shall be replaced in its entirety as follows:**

Proceedings relating to IKB's Former Off-Balance Sheet Financing Vehicles

It cannot completely be ruled out that claims for damages may be brought against IKB as a result of its activities in relation to Rhineland Funding and/or Rhinebridge.

- x. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "*Actions to Rescind Resolutions from General Meetings*" shall be replaced in its entirety as follows:**

Actions to Rescind Resolutions from General Meetings

With regard to resolutions of IKB AG's general meeting the following recessionary and revocation claim is currently still pending:

- Annual General Meeting held on 25 March 2009 (including agenda items 3 and 4: cancellation of the special audit with regard to the Board of Managing Directors and the Supervisory Board).

- y. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "Court Appointment of a Special Auditor" shall be replaced in its entirety as follows:**

Special Audit under German Stock Corporation Law

In August 2009, the Düsseldorf Regional Court, at the request of shareholders, resolved to appoint a special auditor to examine whether members of the Board of Managing Directors or the Supervisory Board of IKB AG committed breaches of duty in connection with certain transactions relating to the crisis at IKB. The Düsseldorf Regional Court awarded the special audit mandate to Dr. Harald Ring, a member of the Management Board of Treuhand- und Revisions-Aktiengesellschaft Niederrhein, Wirtschaftsprüfungsgesellschaft / Steuerberatungsgesellschaft, Krefeld, Federal Republic of Germany.

Appeals by IKB AG against the court appointment were unsuccessful. After the final and binding dismissal of IKB's remedies the special auditor took up his activities again.

Dr. Harald Ring submitted his 1,836-page final report to IKB AG in late February 2014.

On 17 April 2014, IKB AG petitioned the Düsseldorf Regional Court for protective proceedings according to Section 145 paragraph (4) of the German Stock Corporation Act (AktG).

On 12 August 2014, IKB AG obtained knowledge that the Düsseldorf Regional Court rejected IKB's petition. IKB did not appeal and thus the decision became final on 12 September 2014. The special audit report subsequently has been submitted to the commercial register in its original version. Shareholders are entitled to request a copy of the report. The Board of Managing Directors will be required to include the special audit report as an agenda item when convening the next Annual General Meeting.

The report comes to the conclusion that the then members of the Supervisory Board were not responsible for breaches of duty in connection with the events that triggered the crisis. Although the special audit report identifies individual breaches of duty for the then members of the Board of Managing Directors, these breaches of duty did not lead to the subsequent crisis at IKB or there is insufficient certainty that this was the case.

The Supervisory Board fully discussed and analysed the report in its meeting on 17 June 2014 and adopted a resolution to assert claims for damages against former members of the Board of Managing Directors for the failure to publish an ad-hoc announcement required by law in July 2007.

All in all, the possibility that the facts and assessments included in the report by the special auditor will lead to the initiation of legal proceedings against IKB by third parties cannot be ruled out.

- z. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "*Derivatives business*" shall be replaced in its entirety as follows:**

Derivatives Business

Several customers criticised the consulting services provided by IKB AG in connection with certain swap products. Corresponding suits are pending in five cases. Four cases have been appealed. One case is pending at a mediation body. The provisional total value in dispute is approximately €18.77 million. IKB AG defends itself against the accusations.

- aa. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the following subsection shall be added at the end of the section after the subsection entitled "*Derivatives business*":**

There is a risk of additional taxes due to a dissenting view of the tax authorities on the application of the German Corporate Income Tax Act (KStG) and the German Trade Tax Act (GewStG)

Towards the end of the financial year 2014/2015, the tax authorities informed IKB AG that they had a dissenting view on the application of section 8c of the German Corporate Income Tax Act (KStG) / section 10a of the German Trade Tax Act (GewStG) in connection with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009, and that they intended to issue tax assessment notices to this extent. The dispute currently involves a total amount of €291 million, which was recognised in the income statement as at 31 March 2015 in the amount of €145 million through the recognition of a provision and the write-down of an existing tax receivable. The tax authorities have informed IKB AG for the first time in the financial year 2014/2015 about the procedure with respect to sections 8c KStG / 10a GewStG which is the reason for the announced tax assessment notices.

IKB AG has conducted a comprehensive tax risk assessment of the view held by the tax authorities with the assistance of internal and external experts. On the basis of the outcome of such risk assessment IKB AG has opted to apply the prudence principle set out in the German Commercial Code (HGB) and has recognised a tax provision for corporation tax, the solidarity surcharge and the interest attributable to the corporation tax in the total amount of €140 million, as well as to write down an existing tax receivable in the amount of €5 million.

However, no provision was recognised for trade tax or the corresponding interest. There is a possibility that this risk will need to be reassessed as proceedings continue. The risk with respect to trade tax becoming finally payable currently amounts to around €117 million plus interest of 0.5% per month (assuming an assessment notice by 30 June 2015: €29 million). If this risk were to occur, IKB would be able to release a part of the fund for general banking risks (section 340g HGB) and, as far as this risk is considered, IKB would not show a loss in the financial statements. If this risk were to occur and as far as this risk is considered, IKB would still meet the minimum capital requirements of the banking supervisory authorities.

- bb. **The subsections on pages 108 and 109 of the Base Prospectus which are entitled "2.9 Financial Information - 2.9.4 Significant Changes in the Financial Position/2.9.5 Participation of the Bank in the comprehensive assessment by the European Central Bank/2.9.6/2.9.7 and 2.9.8" shall be replaced in their entirety as follows:**

2.9.4 Significant Changes in the Financial Position

IKB participated in the ECB's comprehensive assessment, which incorporated a supervisory risk assessment, an asset quality review and a stress test.

On 26 October 2014, the ECB published the final results of its Europe-wide, multi-stage review of 130 European banks (comprehensive assessment). The ECB's aim was to identify risks and weaknesses at the banks before the single supervisory mechanism for the euro zone came into force on 4 November 2014. Key elements of the comprehensive assessment included an examination of the quality of bank assets as at 31 December 2013 as part of the asset quality review (AQR) and a future-oriented stress test to examine banks' resilience in the event of a deterioration in economic conditions. The stress test encompassed two different scenarios. The baseline scenario simulated typical economic development over a three-year period, while the adverse scenario assumed a serious economic crisis in the euro zone. For the purpose of the AQR, the ECB set a benchmark for Common Equity Tier 1 capital (CET 1) of 8% as at 31

December 2013. For the stress test, the benchmark for the baseline scenario was also 8% for CET 1, while the benchmark for the adverse scenario was 5.5% for CET 1, albeit with a differing capital definition to the AQR in both scenarios. Both the capital definition and the capital requirements that would result taking into account the pro rata phase-in regulations of the CRR for the three-year analysis horizon were applied in the stress test. The stress test data was adjusted to reflect the results of the AQR in a process known as join-up.

IKB successfully completed the comprehensive assessment. IKB entered the comprehensive assessment with a CET 1 ratio of 9.36% on 31 December 2013. The AQR results led to an adjustment in the CET 1 ratio of 31 basis points to 9.05% for the purpose of the comprehensive assessment. IKB achieved a CET 1 ratio of 8.69% in the baseline scenario and 6.53% in the adverse scenario of the stress test. The results achieved by IKB in the comprehensive assessment mean that even as of 31 December 2013 no capitalisation measures were required.

It should be noted that the methodology applied by the ECB for the purpose of the asset quality review differs from the accounting provisions of the German Commercial Code, in some cases significantly. The methodology on which the AQR is based serves solely to enable the ECB to assess capital resources. IKB examined the results of the AQR with regard to their impact on accounting and came to the conclusion that no adjustments need to be made.

IKB remained under the direct supervision of BaFin and Deutsche Bundesbank even after 4 November 2014, as it was not classified as a major institution within the meaning of Art. 6 (4) of Regulation (EU) No. 1024/2013 (*Single Supervisory Mechanism Regulation*).

- cc. **In the subsection commencing on page 109 of the Base Prospectus which is entitled "2.10 Material Contracts - 2.10.1 Financing Agreements" the subsection entitled "SoFFin Guarantees" shall be deleted in its entirety.**
- dd. **In the subsection on page 112 of the Base Prospectus which is entitled "2.10 Material Contracts - 2.10.3 Other Agreements" the subsection entitled "Axa Lease" shall be replaced in its entirety as follows:**

Axa Lease

On 21 March 2006, IKB AG entered into a lease agreement with AXA Immoselect Hauptverwaltungsgebäude GmbH & Co Objekt Düsseldorf Uerdinger Straße KG regarding the property in Düsseldorf on which IKB's headquarters are located. The annual rent for the financial year 2014/2015 amounted to approximately €14.1 million; in future years, it may be adjusted in accordance with the consumer price index. The term of the agreement is until 31 March 2026, with an option for renewal.

- ee. **In the subsection commencing on page 112 of the Base Prospectus which is entitled "2.10 Material Contracts - 2.10.3 Other Agreements" the subsection entitled "XCOM AG" shall be replaced in its entirety as follows:**

XCOM AG

In 2010, IKB AG entered into a cooperation with XCOM AG, which provides for XCOM AG (and its affiliate Bank für Investments und Wertpapiere AG ("biw")) to provide IT- and banking services for IKB's online private banking platform. This cooperation has been entered into on a fixed first term until 31 June 2016.

2. Amendments to the subsection commencing on page 112 of the Base Prospectus which is entitled "4. DOCUMENTS ON DISPLAY"

The following wording shall be added as the new penultimate bullet point to the list of the bullet points:

- IKB's and IKB AG's compiled annual report for the financial year 2014/2015, including the management report and the audited consolidated financial statements and the audited annual financial statements as of and for the financial year ended 31 March 2015, prepared in accordance with the provisions of the German Commercial Code (HGB).

E. Amendments to the section commencing on page 619 of the Base Prospectus which is entitled "I. DOCUMENTS INCORPORATED BY REFERENCE"

The section entitled "I. DOCUMENTS INCORPORATED BY REFERENCE" shall be replaced in its entirety as follows:

I. DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into this Prospectus and are available as set out below and at the registered office of the Issuer:

Information incorporated by reference
Annual Report 2012/2013 (English Translation) of IKB consisting of, <i>inter alia</i> : Consolidated balance sheet of IKB Deutsche Industriebank AG as at 31 March 2013 (pages 76-77) Balance sheet of IKB Deutsche Industriebank AG as at 31 March 2013 (pages 78-79) Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2012 to 31 March 2013 (pages 80-81) Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2012 to 31 March 2013 (pages 82-83) Reconciliation of equity (pages 84-85) Consolidated cash flow statement (page 86) Notes on the consolidated cash flow statement (page 87) Notes on the annual and consolidated financial statements (pages 88-129) Auditors' Report (pages 131-134)
Annual Report 2013/2014 (English Translation) of IKB consisting of, <i>inter alia</i> : Consolidated balance sheet of IKB Deutsche Industriebank AG as at 31 March 2014 (pages 82-83) Balance sheet of IKB Deutsche Industriebank AG as at 31 March 2014 (pages 84-85) Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2013 to 31 March 2014 (pages 86-87) Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2013 to 31 March 2014 (pages 88-89) Consolidated cash flow statement (page 90)

<p>Notes on the consolidated cash flow statement (page 91)</p> <p>Notes to the annual and consolidated financial statements (pages 92-135)</p> <p>Auditors' Reports (pages 137-138)</p>
<p>Annual Report 2014/2015 (English Translation) of IKB consisting of, <i>inter alia</i>:</p> <p>Consolidated balance sheet of IKB Deutsche Industriebank AG as at 31 March 2015 (pages 80-81)</p> <p>Balance sheet of IKB Deutsche Industriebank AG as at 31 March 2015 (pages 82-83)</p> <p>Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 31 March 2015 (pages 84-85)</p> <p>Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 31 March 2015 (pages 86-87)</p> <p>Consolidated cash flow statement (page 88)</p> <p>Notes on the consolidated cash flow statement (page 89)</p> <p>Notes to the annual and consolidated financial statements (pages 90-135)</p> <p>Auditors' Reports (pages 136-137)</p>
<p>6-Month Report 2014/2015 as of 30 September 2014 (English Translation) of IKB consisting of, <i>inter alia</i>:</p> <p>Consolidated balance sheet of IKB Deutsche Industriebank AG as at 30 September 2014 (page 36)</p> <p>Balance sheet of IKB Deutsche Industriebank AG as at 30 September 2014 (page 38)</p> <p>Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 30 September 2014 (page 40)</p> <p>Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 30 September 2014 (page 42)</p> <p>Notes to the single-entity and consolidated financial statements (consensed) (page 44)</p> <p>Notes on the balance sheet (pages 46-51)</p> <p>Notes on the income statement (page 52)</p> <p>Review Report (page 59)</p>

The Annual Reports 2012/2013, 2013/2014, 2014/2015 and the 6-Month Report 2014/2015 of IKB are available on the Issuer's website www.ikb.de under "Investor Relations", "Financial Reports" ("*Finanzberichte*"). In addition, such documents together with this Base Prospectus and any Final Terms (for notes listed on the Luxembourg Stock Exchange) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

No documents referred to in any of the above documents are themselves incorporated into this Base Prospectus and accordingly other than the documents specifically identified above no other documents (including the contents of any websites referred to in this Base Prospectus) form part of this Base Prospectus for purposes of the Prospectus Directive.

Any information incorporated by reference that is not included in the cross-reference list above, is considered additional information and is not required by the relevant schedules of the Regulation (EC) No 809/2004 of 29 April 2004, as amended, implementing the Prospectus Directive.

F. Withdrawal Right

Any investor who may wish to exercise any withdrawal right arising pursuant to Article 16.2 of the Prospectus Directive or Article 13.2 of the Prospectus Act as a result of the publication of this Supplement must exercise that right on or before 15 July 2015. Such withdrawal, if any, is not required to contain any reasons for the withdrawal and is to be addressed in writing to IKB Deutsche Industriebank Aktiengesellschaft, Wilhelm-Bötzkes-Straße 1, 40474 Düsseldorf, Federal Republic of Germany. In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.