

**Third Supplement dated 01 July 2013
to the Registration Document dated 10 August 2012**

*This document constitutes a supplement (the "**Supplement**") which has been drawn up in accordance with Art. 16 subparagraph 1 and 2 of the Securities Prospectus Act (Wertpapierprospektgesetz – WpPG) which implements Directive 2003/71/EC of the European Parliament as amended by Directive 2010/73/EU and of the Council of 4 November 2003 (the "**Prospectus Directive**") into German law.*

*This Supplement is supplemental to and must be read in conjunction with the registration document of IKB Deutsche Industriebank Aktiengesellschaft ("**IKB AG**" or the "**Issuer**" or together with its consolidated subsidiaries and special-purpose entities, "**IKB**") dated 10 August 2012, as supplemented by a first supplement dated 7 December 2012 and by a second supplement dated 4 January 2013 (the "**Registration Document**") of the threepart base prospectuses consisting of the Registration Document, and*

- the summary note of IKB dated 20 September 2012, as supplemented by a first supplement dated 7 December 2012, by a second supplement dated 4 January 2013 and by a third supplement dated 01 July 2013, and the securities note of IKB dated 20 September 2012 with relation to the EUR 10,000,000,000 Debt Issuance Programme for the issuance of notes in bearer form (together the "**Base Prospectus 2012**");*
- the summary note of IKB dated 5 June 2013 as supplemented by a supplement dated 01 July 2013 and the securities note of IKB dated 5 June 2013 with relation to the EUR 400,000,000 Issuance Programme For Leveraged Floater (together the "**Base Prospectus Leveraged Floater**");*
- the summary note of IKB dated 6 June 2013 as supplemented by a supplement dated 01 July 2013 and the securities note of IKB dated 6 June 2013 with relation to the EUR 400,000,000 Issuance Programme For Reverse Floater (together the "**Base Prospectus Reverse Floater**"); and*
- the summary note of IKB dated 4 June 2013 as supplemented by a supplement dated 01 July 2013 and the securities note of IKB dated 4 June 2013 with relation to the EUR 1,000,000,000 Issuance Programme For Subordinated Notes (together the "**Base Prospectus Subordinated Notes**" and together with the Base Prospectus 2012, the Base Prospectus Leveraged Floater and the Base Prospectus Reverse Floater the "**Base Prospectuses**" and each of them a "**Base Prospectus**").*



Deutsche Industriebank

IKB Deutsche Industriebank Aktiengesellschaft

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

The Issuer has requested the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") to provide the competent authorities in the Grand Duchy of Luxembourg, the Republic of Austria, the Republic of Ireland and the United Kingdom of Great Britain and Northern Ireland within one day after approval regarding this Supplement has been granted with a certificate of approval attesting that the Supplement has been drawn up in accordance with the Securities Prospectus Act (*Wertpapierprospektgesetz – WpPG*). The Issuer may request the BaFin to provide the competent authorities in additional host Member States within the European Economic Area with a Notification.

This Supplement will be published in electronic form on the website of the Issuer (www.ikb.de).

Right to withdraw

On 28 June 2013, IKB Deutsche Industriebank Aktiengesellschaft published its Consolidated Annual Financial Statements (HGB) and its Annual Financial Statements as of 31 March 2013. The Consolidated Annual Financial Statements as of 31 March 2013 are based on the accounting standards of the HGB, while the previous Consolidated Annual Financial Statements had been drawn-up in accordance with the IFRS accounting standards. As the publication of the new annual statements based on new accounting standards is considered a relevant new fact in the meaning of Article 16 paragraph 1 of the Securities Prospectus Act, the Registration Document shall be supplemented.

Furthermore, a number of new facts (as further described in this Registration Document) shall be supplemented on occasion of this Supplement.

In accordance with Article 16 paragraph 3 of the Securities Prospectus Act, where the Registration Document relates to an offer of notes to the public, investors who have already agreed to purchase or subscribe for notes before this Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Supplement, to withdraw their acceptances *provided that* the new factor, mistake or inaccuracy referred to in Article 16 paragraph 1 of the Securities Prospectus Act arose before the final closing of the offer to the public and the delivery of the notes.

Revocations should be sent to IKB Deutsche Industriebank AG, CTO-11, Wilhelm-Bötzkes-Straße 1, D-40474 Düsseldorf.

RESPONSIBILITY STATEMENT PURSUANT TO § 5(4) SECURITIES PROSPECTUS ACT (WERTPAPIERPROSPEKTGESETZ – WpPG)

IKB with its registered office in Düsseldorf is solely responsible for the information given in this Supplement. The Issuer hereby declares that, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and no material circumstances have been omitted.

IMPORTANT NOTICE

Terms defined or otherwise attributed meanings in the Registration Document or other parts of the Base Prospectuses (as supplemented) have the same meaning when used in this Supplement.

This Supplement shall only be distributed in connection with the Registration Document or the complete threepart Base Prospectuses (as supplemented).

The Issuer hereby confirms that each of the Registration Document and other parts of the Base Prospectuses (as supplemented) contain all information which is material in the context of the Programme and the issue and offering of notes thereunder, that the information contained therein is accurate in all material respects and is not misleading; that there are no other facts, the omission of which would make the Registration Document or other parts of the Base Prospectuses (as supplemented) as a whole or any such information misleading in any material respect and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in or not consistent with the Registration Document or other parts of the Base Prospectuses (as supplemented) or this Supplement or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by the Issuer.

This Supplement, the first supplement dated 7 December 2012, the second supplement dated 4 January 2013 and each of the Base Prospectuses (as supplemented) should each be read in conjunction only and together constitute one prospectus for the purpose of the Prospectus Directive, and for a particular issue of or tranche of notes under the relevant Base Prospectus and should be read in conjunction with any applicable final terms.

Save as disclosed herein and in the Registration Document or other parts of the Base Prospectuses (as supplemented), there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Registration Document or other parts of the Base Prospectuses (as supplemented) since the date of this Supplement.

Supplemental information pertaining to the Registration Document

The Section "Table of Contents" shall be replaced by the following:

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Supplemental and replacement information pertaining to the section "1. Risk Factors"

In the section "*1. Risk Factors / Risk Factors relating to the Economic and Financial Market Situation*", the text under the heading "*IKB's financial condition may be adversely affected by general economic and business conditions*" and the section with the heading "*IKB has been and may continue to be affected by the ongoing European sovereign debt crisis and the high national debt of the United States*" shall be replaced by the following:

"The profitability of IKB's business could be adversely affected by a worsening of general economic conditions and deteriorating individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level

and volatility of equity prices could significantly affect the financial strength of IKB's counterparts. For example:

- an economic downturn or a significant change of interest rates could adversely affect the credit quality of IKB's on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of IKB's customers would be unable to meet their obligations;
- a market downturn or worsening of the economy could cause IKB to incur mark to market losses in its portfolios; and
- a market downturn would likely lead to a decline in the volume of transactions that IKB executes and, therefore, lead to a decline in fees, commissions and interest.

IKB has been and may continue to be affected by the ongoing European sovereign debt crisis, high debt levels as well as low growth rates in all major industrialised countries.

In most European countries since 2008, programmes for the recapitalisation of distressed financial institutions and economic stimulus have significantly increased expenditures, while slower or negative real economic growth and large increases in unemployment have substantially decreased tax revenues. As a result, national debt levels have increased substantially in many countries, including the United States and many European countries. 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., Greece and Italy), sovereign debt exceeds 100% of gross domestic product. Risk premiums for bonds issued by these countries have increased significantly, even though the European Central Bank's ("**ECB**") programme called "Outright Monetary Transaction" has induced a renewed tightening in recent times. In the case of Greece, the risks of default have already been realised to the extent that certain private bond creditors accepted a 53.5% reduction of the aggregate principal amount of their notes in March 2012. IKB swapped Greek government bonds with a nominal volume of EUR 211 million. In exchange, it received Greek government bonds with a nominal volume of EUR 67 million and a carrying amount of EUR 9 million, as well as bonds issued by the European Financial Stability Facility ("**EFSF**") with a nominal volume and carrying amount of EUR 35 million. The latter was sold at its carrying amount after 31 March 2012. Similar measures aiming at a reduction of sovereign debt might be taken in the future by other Eurozone countries.

The European sovereign debt crisis has created various risks for IKB. The possibility of write-downs in the value of government bonds issued by Spain, Italy, Portugal and Greece cannot be excluded. Even Eurozone countries that have so far handled the crisis quite well could become increasingly vulnerable, especially if the economic recovery in the Eurozone is not materialising over the next 12 to 18 months. Indirect consequences of a default by one or more countries, the extent and precise nature of which are impossible to predict, could include the expulsion or voluntary withdrawal of one or more countries from the Eurozone or a disorderly break-up of the Eurozone, either of which could significantly disrupt financial markets and likely trigger another global recession. A continuation of the Eurozone sovereign debt crisis undermines the re-capitalisation of banks and other financial services providers.

In the absence of a sustained recovery, regulatory and political actions by European governments in response to the sovereign debt crisis may not be sufficient to prevent the crisis from spreading or to prevent the departure of one or more member countries from the common currency union. The departure of any one or more countries from the euro could have unpredictable consequences on the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across IKB's businesses. IKB's ability to protect itself against these risks is limited.

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

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the text under the heading "IKB faces liquidity risks, which it may fail to mitigate if it is unable to raise sufficient funding" shall be replaced by the following:

"Liquidity and refinancing risk is the risk of IKB no longer being in the position to meet its payment

obligations on schedule (liquidity risk) or to raise refinancing funds on the market at appropriate conditions (refinancing risk).

In addition to secured financing on the interbank market, business involving deposits and promissory note loans with corporate clients, retail customers and institutional investors forms a key element of IKB's refinancing. IKB also actively utilises programme loans and global loans from government development banks for its customers. In addition, IKB has begun issuing bearer bonds again.

Depending on the development of its new business, IKB expects its liquidity requirements to amount to between € 7 billion and € 8 billion over 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), participating in ECB tenders, bearer bonds and selling balance sheet assets. A further option for IKB lies in collateralised refinancing structures.

Liquidity planning is based on a range of assumptions as to the above and other factors which can determine liquidity, both on the assets side and the liabilities side. In the event that a number of these assumptions do not come to fruition, this may result in liquidity bottlenecks. For example, this may include market developments that prevent IKB from extending liabilities guaranteed by the Deposit Protection Fund or selling balance sheet assets to a sufficient extent or at all."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the text under the heading "The restructuring of IKB's business and the roll out of new business activities may not yield benefits in line with IKB's strategic expectations" shall be replaced by the following:

"The IKB Group's extensive restructuring measures have essentially been implemented, and the fundamental changes to the business model have been made. IKB's income statement is still effected by the restructuring cost and the start-up cost for new business activities. Therefore, the expected turn-around may not be achieved as scheduled, or at all, which may adversely affect IKB's business and financial condition."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business" under the heading "IKB's risk management measures may not be successful", after the words "credit, market" and before the word ", operational", the word "liquidity" shall be inserted.

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the text under the heading "IKB is exposed to country risk" shall be replaced by the following:

"Country risk is the likelihood of a crisis situation in a certain country and, consequently, the level of risk associated with the repayment of claims that originate from that specific country. The key concept employed to assess and manage country risk is the country rating. In addition to the Federal Republic of Germany, IKB's home country and core business, the key international markets for IKB's low level activities (other than leasing) are France and Italy. The key international market for leasing products is Eastern Europe. IKB is subject to the economic, legal and political environments in these countries and partly has, among others, to rely on the cooperation and reliability of its local business partners. Crisis scenarios in the markets in which IKB operates could have a material adverse effect on IKB's financial position."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the text under the heading "IKB's business performance could be adversely affected if its capital is not managed effectively" shall be replaced by the following:

"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. As at 31 March 2013, IKB's Tier I capital ratio was 9.6% as

reported on a consolidated basis using the Basle II methodology. In addition, upon ratification of the new Basel III methodology, IKB will also be required to comply with any Tier I capital ratio requirements thereunder. Any change that may result, inter alia, from the aforesaid methodologies may limit IKB's ability to effectively manage its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions or otherwise) or its ability to access funding sources, and, hence, could have a material adverse impact on its financial condition and regulatory capital position."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", in the fourth paragraph under the heading "Market risks associated with fluctuations in interest rates, bond and equity prices and other market factors are inherent in IKB's business", after the word "GBP" and before the words "and JPY", the word ", CHF" shall be inserted.

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the section with the heading "The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates that may change over time or may ultimately not turn out to be accurate" shall be deleted.

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the section with the heading "IKB's business entails operational and compliance risks" shall be replaced and after the mentioned section, two new sections shall be supplemented as follows:

"IKB's business entails operational risks.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. IKB's business depends on the ability to process a large number of transactions efficiently and accurately while complying with applicable laws and regulations where it operates. Operational losses can result from, among other things, fraud, criminal acts, failure of internal processes or systems, unauthorised transactions by employees and operational errors, including clerical or record-keeping errors or errors resulting from faulty computer or telecommunications systems, problems with the security of IKB's IT systems and with its data inventory and fraud or other criminal acts by employees or outsiders. Although IKB maintains a system of controls designed to keep operational risk at appropriate levels, there can be no assurance that IKB will not suffer losses from any failure of these controls to detect or contain operational risk in the future.

The gross loss volume identified in the last financial year amounted to a total of € 2.6 million at Group level. Around € 2.1 million of this related to IKB AG. Loss reductions (e.g. insurance, settlement or goodwill payments) mean that the loss recognised in the income statement can be lower. If individual loss amounts cannot (yet) be determined exactly, the values are based on estimates. The extremely low loss volume compared with the previous year (Group: € 18.5 million and IKB AG: € 12.4 million) can be attributed to extraordinary loss events in the previous year and some outstanding current cases whose losses have not yet occurred as of the reporting date.

Legal risk as part of operational risk constitutes the risk of losses incurred by breaching general statutory conditions, new statutory conditions or changes to or interpretations of existing statutory regulations (e.g. high court decisions) which are unfavourable for IKB. There is inherent risk of liability due to actual or alleged violations of these conditions and regulations.

IKB's business entails compliance risks

As a bank, IKB AG is subject, among other things, to the legal standards of the German Banking Act (KWG), the German Securities Trading Act (WpHG) and the German Money Laundering Act (GwG), which results in obligations concerning the prevention of conflicts of interest, market manipulation and insider trading and money laundering. Organisational and regulatory requirements such as the minimum BaFin requirements for compliance function and the other conduct, organisation and transparency duties arising from sections 31 ff. of the WpHG (MaComp), which were most recently

updated in January 2013, must still be implemented. For the prevention of money laundering, the latest BaFin circulars must be observed.

The statutory requirements are complied with via a two-level organisational structure. In the first line of defence, the employees in the front office and supporting back office departments observe documentation requirements and rules of conduct. The second line of defence, i.e. the Compliance Office for legal securities trading issues and the anti-money laundering officers, provides technical advice on compliance requirements to front office, performs control activities and manages central directories and registers.

IKB's newly developed business activities in recent years give rise to legal obligations for trading with financial instruments, rendering investment services and providing investment advice to customers. Extensive new product processes have to be carried out for new products, which are supervised by Compliance. In individual cases, the above activities may hold regulatory risks.

With the predominantly professional customers, a large amount of sensitive information is exchanged for the lending and consulting business. Due to the associated high number of insiders in IKB, varied compliance measures are required to protect this information against use that could cause conflicts of interest. Similarly, the IT requirements for storing information behind Chinese walls are being developed.

In order to meet the various requirements for the first line of defence, training and individual measures are regularly offered to employees. On the second line of defence, the registers for conflicts of interest, inducements, financial analyses/securities bulletins and the directory of insiders are administered in the Compliance Office. The central complaints register is held in the Legal division.

As part of the risk inventory and the annual update to the threat 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 EU and Switzerland as well as business activities with complex configurations for the benefit of third parties, for example funds.

The occurrence of any of the risks set out above could have a material adverse effect on IKB's reputation or results of operations."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business" under the heading "IKB is exposed to substantial risk of loss from legal and regulatory proceedings", the words "IKB is the subject of" shall be replaced by the words "IKB AG is involved in".

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", after the section with the heading "IKB is exposed to substantial risk of loss from legal and regulatory proceedings" and before the section with the heading "The special audit currently being conducted in respect of IKB AG may require significant financial and personnel resources and could have an adverse effect on its reputation and prospects", the following sections shall be inserted:

"Risk related to structured credit products

The risks from IKB's remaining structured credit products in terms of the book value amount to EUR 735 million, of which EUR 344 million are related to legal risks from positions in connection with the Lehman insolvency and EUR 391 million are related to economic risks. The economic risks themselves can be divided into items solely referencing corporate and state risks amounting to EUR 200 million, EUR 122 million assigned to the strategic core businesses of IKB primarily derived from the securitisation of own loans and finally EUR 69 million remaining risk from mortgage investments (including subprime) which were transferred to the special purpose vehicle Rio Debt Holdings.

Risk relating to collateralized debt obligations ("CDO") arranged by Lehman Brothers

IKB invested in structured credit products (originally five synthetic CDOs with a total nominal volume of EUR 334 million and USD 213 million) in which Lehman Brothers acted as the secured party through a special purpose entity (the "transactions"). Following the insolvency of Lehman Brothers, the transactions concerned were terminated by the issuer on the basis of its contractual options. In such

event, the documentation provided for the liquidation of the transaction collateral and the distribution of the proceeds in a specific order of priority (the "transaction waterfall").

According to the transaction waterfall, in the event of its insolvency, the swap counterparty (in this case, Lehman Brothers) is subordinated to the investors in the distribution of the proceeds from the transaction collateral. The transaction waterfall has since been reviewed by courts in the UK and the USA without the involvement of IKB AG. While courts in the UK eventually upheld the validity of the agreed transaction waterfall, a first instance insolvency court in the USA has held the transaction waterfall to violate basic insolvency law principles. Subsequently, the legal dispute was settled out of court between the parties immediately after admission to the court of appeal in the USA. Other model proceedings are still ongoing. A final instance confirmation of the legal position of the opposing party with the US courts could lead to the dismissal of the payment and, under certain circumstances, to claims for restitution against IKB. Because of the transactions, IKB is involved in the out-of-court settlement proceedings with Lehman Brothers as ordered by the US insolvency court."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business" under the heading "The special audit currently being conducted in respect of IKB AG may require significant financial and personnel resources and could have an adverse effect on its reputation and prospects", before the words "crisis at IKB", the words "causes of the" shall be inserted.

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the text under the heading "Reputational risk could cause harm to IKB and its business prospects" shall be replaced by the following:

"Reputation risks are the risk of losses, falling income, increasing costs and reduced enterprise value as a result of deterioration in IKB's reputation in the eyes of the public, primarily in the case of customers, rating agencies, employees and shareholders. Reputation risks frequently result from other types of risk and compound these as a result of their public impact. Reputation risks at IKB are managed by the Board of Managing Directors. Responsible communications with all interest groups is a high priority in the management of reputation risks."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", the text under the heading "IKB could fail to retain or attract senior management or other key employees" shall be replaced by the following:

"Due to the reorganisation of IKB, a significant number of jobs have been reduced in the last years. However, a number of high qualified new employees were recruited for the realignment of IKB. Recruitment bottlenecks were only found in a few units and specialised functions. Fluctuation in respect of IKB's employees is again stabilised and in sector average."

In the section "1. Risk Factors / Risk Factors relating to IKB and its Business", after the section with the heading "IKB could fail to retain or attract senior management or other key employees", the following section shall be supplemented:

If IKB AG does substantially not comply to FATCA reporting requirements, a tax withholding on any payments deriving from US sources could be levied.

Foreign Account Tax Compliance Act (FATCA) regime will become applicable from 1 January 2014. A tax model agreement (the Intergovernmental Agreement "IGA") has been concluded and signed between Germany and the US dated 31 May 2013. Therefore, IKB AG as well as other German financial institution will be assumed to be treated for FATCA purposes as an institution resident in a partner country. Thus, US Fiscal authorities will treat IKB AG as a fully compliant foreign financial institute in the meaning of FATCA requirements.

As a result of the IGA, payments to IKB AG or to IKB AG clients will under no circumstances become subject to any US withholding taxes based on the FATCA regime (unless IKB AG does not qualify as withholding agent under QI-Agreement).

However according to the IGA and German national laws, IKB AG will have to report data of US-persons, certain US-entities or US-controlled entities (shareholding exceeding 25%) on an annual base to German federal tax office starting summer 2015 for the years 2013 and 2014. If IKB AG complies with those national requirements, the compliant status will be kept on an unlimited base. If IKB AG does substantially not comply to FATCA reporting requirements, a tax withholding on any payments (interest, dividend or in a subsequent step also gross proceeds as the case may be) deriving from US sources at the level of IKB AG or – from years starting 2017 onwards – also on foreign pass thru payments to IKB AG could be levied. From this it follows, that pursuant to the FATCA rules, an investor in the Notes may be subject to withholding of U.S. tax at a rate of 30% on a portion of payments made after December 31, 2016 on certain types of securities issued by the Issuer after December 31, 2013, if the investor does not provide information sufficient for the financial institution through which it holds the Notes to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account", or if the investor is a non-U.S. financial institution that is not in compliance with FATCA, as well as under certain other circumstances. In an amount of, or in respect of, withholding tax imposed pursuant to FATCA or implementing legislation adopted by the Federal Republic of Germany were to be deducted or withheld from payments on the Notes as a result of an investor's failure to comply with these rules or to permit information it has provided to be reported to the German federal tax office, neither the Issuer nor any paying agent nor any other person would, pursuant to the terms of the Notes, be required to pay additional amounts with respect to any Notes as a result of the deduction or withholding of the tax.

Supplemental and replacement information pertaining to the section "5. IKB Deutsche Industriebank Aktiengesellschaft"

In the section "5.1.1 Auditors", the words "the date of this Registration Document" shall be replaced by the words "28 June 2013".

In the section "5.2.1 Crisis of IKB and Rescue Measures", after the words "Federal Republic of Germany", the words "and federal states of Germany" shall be inserted and the words "Federal Finance Ministry" shall be replaced by the words "Federal Ministry of Finance".

In the section "5.2.3 Status of implementation of EU Conditions", the last paragraph including the itemisation shall be replaced by the following:

"The obligations imposed on IKB AG as a result of the ruling by the European Commission dated 17 August 2009 on the extension of the guarantee volume of SoFFin (German Financial Market Stabilisation Fund) comprised

- restrictions on proprietary trading and
- extensive restrictions on the repurchase of own liabilities, not including the repurchase of SoFFin-guaranteed bonds

and ceased to apply when the approved SoFFin guarantees were returned in full in December 2012.

By way of letter dated 14 February 2013, IKB reported to the EU Commission on the status of the winding-up of IKB International S.A. and the former 50% equity interest in Movesta Lease and Finance GmbH and suggested ending the monitoring of IKB under State Aid law by confirming the fulfillment of the conditions. A response from the EU Commission is currently still being awaited."

In the first paragraph under the section "5.3.1 General Overview/Corporate Objects", the words "structuring, restructuring, structure/income optimisation and private equity and securitization" shall be replaced by the words "restructuring, structured solutions, asset management and financing consultancy".

In the section "5.3.2 Principal Activities", the text under the heading "Business Segments" shall be replaced by the following:

"IKB AG has organised its business operations within the following segments: Credit Products, Advisory and Financial Markets, Treasury and Investments and Head Office/Consolidation."

In the section "5.3.2 Principal Activities", the text under the heading "Credit Products" shall be replaced by the following:

"The Credit Products segment comprises the activities from IKB AG's lending and leasing business. This includes regular loans as well as public programme loans, IKB Leasing Group's business and mezzanine financing for companies by the subsidiary IKB Invest GmbH. In addition, the business operations in respect of collateralised loan obligations, which relate to the loans of this segment, are included in this segment."

In the section "5.3.2 Principal Activities", the section with the heading "Advisory and Capital Markets" shall be replaced and after the mentioned section, a new section shall be supplemented as follows:

"Advisory and Financial Markets

The Advisory and Financial Markets sub-segment bundles IKB AG's range of services for Mergers & Acquisitions and Restructuring, Structured Solutions, Financing Consultancy and Fund & Asset Management. The segment also is responsible for rendering services related to the financial markets. This includes consultancy for obtaining resources on the capital or credit market, risk management solutions for customer also including use of derivatives, syndication, trading and associated investor management in cooperation with other teams of IKB AG."

In the section "5.3.2 Principal Activities", the text under the heading "Treasury and Investments" shall be replaced by the following:

"The Treasury and Investments segment comprises the earning components resulting from investment decisions by Treasury in the context of asset/liability management and holdings of liquid securities or securities which are eligible marketable assets accepted as collateral by the European Central Bank. In addition, the segment comprises structured investments, such as bonds and promissory note loans, IKB AG's portfolio investments that represent its investments in securitisation products including first loss pieces. Credit exposures that are no longer included in the strategic portfolio and IKB AG's assets not directly relating to customers and managed as investments are also assigned to the Treasury and Investments segment. These portfolios are intended to be reduced while protecting equity by way of active portfolio management."

In the section "5.3.2 Principal Activities" under the heading "Significant New Activities", in the first paragraph, the words "IKB launched its online service" shall be replaced by the words "IKB AG launched its online service" and after the first paragraph, the following paragraph shall be supplemented:

"Since July 2012 IKB AG 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."

In the section "5.3.3 Principal Markets / Competitive Position", the text under the heading "Competitors" shall be replaced by the following:

"IKB's main competitors in Germany are the big universal banks as well as some of the larger institutes in the public banking sector (large savings banks and state banks (Landesbanken)). In view of the market developments, IKB expects that there will be further concentration in the public and the cooperative banking sectors; in addition, mergers in the private banking sectors are also expected due

to increasing consolidation pressures as a result of the financial markets and sovereign debt crisis and the ongoing cost pressure.

Many of the banks that had to be supported in the crisis have adjusted their business model and have repositioned themselves in the market. The ongoing European governmental debt crisis has put significant stress on the profitability of many credit institutions and will continue to do so. Thus, the restructuring, adjustment of business models and consolidation processes initiated after the financial crisis are delayed.

To the same extent as the banks withdraw from certain business areas particularly affected by the crisis, their activities are focused more strongly on "traditional" markets such as the domestic corporate customer business in particular. The robust prospects of the German economy as well as the rate of default of companies which remained relatively moderate even during the financial crisis support this trend. This will significantly increase competition in the segment of small and medium sized corporate customers even more.

IKB is of the opinion to be well-positioned for corporate clients due to its long-standing customer connections, its swiftness in decision-making, its competence in solving problems and its expertise in utilising public support programmes.

In addition, the banks have to cope with the successive implementation of copious new regulatory measures aimed in particular at an increase of equity, limitation of the level of debt and strengthening of solvency (Basel III)."

Before the section "5.4 Organisational Structure / Description of the Group", the following new section shall be inserted:

"5.3.4 Summary of Regulatory Indicators

IKB calculates regulatory capital resources for the credit risk according to the standardised approach for credit risk, for operational risk according to the base indicator approach and for market price risk according to standard methods (interest risks: duration method; option risks: 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:

in € million	31 Mar. 2013	31 Mar. 2012
Risk-weighted assets	15,016	16,143
Market risk equivalent	460	661
Operational risk	287	497
Risk position	15,763	17,301
Tier I capital	1,542	1,698
Tier II capital	672	695
Tier III capital	-	-
Deductions ¹⁾	-44	-137
Own funds	2,170	2,256
Tier I ratio in %	9.6	9.4
Overall capital ratio in %	13.8	13.0

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

1) Deductions predominantly consist of securitisation positions and equity investments in line with section 10(6) sentence 1 no. 1 KWG."

In the section "5.4 Organisational Structure / Description of the Group" under the heading "Branches and Subsidiaries", after the last paragraph, the following sentence shall be supplemented:

"No new business is being pursued in London and Madrid."

In the section "5.4 Organisational Structure / Description of the Group", the text and the table under the heading "Consolidated Entities" shall be replaced by the following:

As at 31 March 2013, the consolidated entities were as follows:

A. Consolidated Subsidiaries	Share of capital in %
1. Foreign Banks	
IKB International S.A. in Liquidation, Luxembourg, Luxembourg	2) 3) 100
2. Other German Companies	
Aleanta GmbH, Düsseldorf	100
Equity Fund GmbH, Düsseldorf	1) 100
IKB Leasing GmbH, Hamburg (former: IKB Autoleasing GmbH, Hamburg)	1) 100
IKB Leasing Beteiligungsgesellschaft mbH, Düsseldorf	1) 100
IKB Beteiligungen GmbH, 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 (former: IKB Private Equity GmbH, Düsseldorf)	1) 100
IKB Projektentwicklung GmbH & Co. KG i.L., Düsseldorf	3) 100
Istop 1 GmbH, Düsseldorf	100
Istop 2 GmbH, Düsseldorf	100
Istop 4 GmbH, Düsseldorf	100
Istop 5 GmbH, Düsseldorf	100
IKB Struktur GmbH, Düsseldorf	1) 100
Projektbeteiligung TH GmbH & Co. KG, Düsseldorf	89.8
Tempelhofer Hafen GmbH & Co. KG, Düsseldorf	1) 94.9
MATRONA GmbH, Düsseldorf	1) 100
Zweite Equity Suporta GmbH, Düsseldorf	1) 100
3. Other Foreign Companies	
IKB Capital Corporation in Liquidation, New York, United States of America	3) 100
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 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 Cedex 4, France	1)	100
IKB Leasing Korlátolt Felelősségű Társaság, Budapest, Hungary	1)	100
IKB Leasing Polska Sp. z.o.o., Poznan, 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., Luxembourg, Luxembourg		100
IKB Pénzügyi Lizing zártkörűen működő Részvénytársaság, Budapest, Hungary	1)	100
STILL LOCATION S.à.r.l., Marne La Vallée Cedex 4, France	1)	100
IKBL Renting and Service S.r.l, Lainate (MI), Italy	1)	100
IKB Leasing geschlossene Aktiengesellschaft, Moscow, Russia	1)	100

4. Special Purpose Vehicles in accordance with § 290 Abs. 2 Nr. 4 German Commercial Code

Bacchus 2008-1 Plc, Dublin; Ireland

Bacchus 2008-2 Plc, Dublin, Ireland

German Mittelstand Equipment Finance No. 1 S.A., Luxembourg, Luxembourg

Rio Debt Holdings (IRELAND) Limited, Dublin, Ireland

B. Associated Companies

Linde Leasing GmbH, Wiesbaden	1)	30.0
Argantis Private Equity GmbH & Co. KG, Köln	1)	29.0

Notes:

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

In the section "5.5.1 Statement on Material Adverse Change", the year "2012" shall be replaced by the year "2013".

In the section "5.5.2 Trend Information / Uncertainties", the years "2012/2013" shall be replaced by the years "2013/2014" and in the last two paragraphs, the words "IKB" shall be replaced by the words "IKB AG".

The text under the heading "5.5.3 Recent Developments" shall be replaced by the following:

"Since 31 March 2013, the following recent developments have arisen:

Valin Funds

On 18 April 2013, IKB AG and Seer Capital Management LP launched their first joint fund: Valin Funds Mittelstand Mezzanine 1 (MM1). The fund has a target capitalisation of € 300 million, and as of the initial closing had a capitalisation of € 105 million. The fund will primarily invest in mezzanine loans to German small and medium sized companies with annual sales above € 50 million."

In the section "5.6.1 Board of Managing Directors", the second paragraph and the table after the second paragraph shall be replaced by the following:

"The following table sets out the members of the Board of Managing Directors as at 28 June 2013, the date they were appointed to their present position, their respective areas of responsibility and their principal activities outside IKB AG.

Name	Date Appointed	Responsibilities	Principal Activities outside IKB AG
Hans Jörg Schüttler (Chairman)	1 November 2008	Markets Treasury and Investments Legal Department Group Audit Strategic Planning and Management of Participations Governance and Compliance Communications	n.a.
Dr. Dieter Glüder	29 July 2007	Credit Risk Controlling Finance Taxation Data Protection	n.a.
Claus Momburg	12 November 1997	Credit Risk Management Information Technology Credit Treasury Operations Human Resources and Services Group Purchasing Department/Outsourcing Management Project Management	n.a.
Dr. Michael H. Wiedmann	1 March 2009	Sales Credit and Advisory Products Industry Groups Economic Research"	n.a.

In the section "5.6.2 Supervisory Board", in the first paragraph, the figure "15" shall be replaced by the figure "12"; the second paragraph shall be deleted and the third paragraph including the table after the third paragraph including the text referred to with an "*" shall be replaced by the following:

"The following table sets out the members of the Supervisory Board as at 28 June 2013, the end of the term for which they have been appointed and the principal activities outside IKB AG.

Name	End of Term	Principal Activities outside IKB AG
Bruno Scherrer (Chairman)	2014	Senior Managing Director, Head of European Investments of Lone Star Europe Acquisitions Ltd, London
Dr. Karsten von Köller (Deputy Chairman)	2015	Chairman of Lone Star Germany Acquisitions GmbH, Frankfurt/Main
Stefan A. Baustert	2014	Managing Director of RENA GmbH, Gütenbach

Name	End of Term	Principal Activities outside IKB AG
Dr. Lutz-Christian Funke	2013	Director of KfW, Head of Corporate Management of KfW Bankengruppe, Frankfurt/Main
Ulrich Grillo	2013	Chairman of the Board of Managing Directors of Grillo-Werke AG, Duisburg
Arndt G. Kirchhoff	2014	Managing Partner & CEO of KIRCHHOFF Holding GmbH & Co. KG, Attendorn
Bernd Klein	2015*	Specialist Contracts and Collateral, Member of the Works Council of IKB Deutsche Industriebank AG, Düsseldorf (Employee Representative)
Dr. Claus Nolting	2015	Chairman of the Board of Managing Directors of COREALCREDIT BANK AG, Frankfurt/Main
Nicole Riggers	2014	Chairperson of the Works Council Düsseldorf, Chairperson of the General Works Council of IKB Deutsche Industriebank AG, Düsseldorf (Employee Representative)
Dr. Carola Steingräber	2013	Sector Analyst, Chairperson of the Works Council Berlin, Member of the General Works Council of IKB Deutsche Industriebank AG, Berlin (Employee Representative)
Carmen Teufel	2015*	Corporate Customer Analyst, Chairperson of the Works Council Baden Württemberg, Member of the General Works Council of IKB Deutsche Industriebank AG, Stuttgart (Employee Representative)
Dr. Andreas Tuczka	2013	Head of European Financial Institutions Managing Director of Lone Star Europe Acquisitions Ltd., London

*The business address of the Supervisory Board is Wilhelm-Bötzkes-Straße 1, 40474 Düsseldorf, Federal Republic of Germany."

In section "5.6.3 Advisory Board", in the first paragraph, the word "IKB" shall be replaced by the words "IKB AG" and the second paragraph and the table after the second paragraph shall be replaced by the following:

"The following table sets out the members of the Advisory Board as at 28 June 2013.

Name	Function
Dr. Michael Kaschke (<i>Chairman</i>)	Chairman of the Board of Managing Directors of Carl Zeiss AG, Oberkochen
Dipl.-Ing. Norbert Basler (<i>Deputy Chairman</i>)	Chairman of the Supervisory Board of Basler AG, Ahrensburg
Dr. Matthias Becker	Managing Director of hülsta-werke Hüls GmbH & Co. KG, Stadtlohn
Klaus Berka	Chairman of the Board of Managing Directors of Analytik Jena AG, Jena
Dr. h.c. Josef Beutelmann	Chairman of the Board of Managing Directors of Barmenia Versicherungs-Gesellschaften, Wuppertal
Dipl.-Ing. Jan-Frederic Bierbaum	Managing Partner of Bierbaum Unternehmensgruppe GmbH & Co. KG, Borchen
Anton Börner	General Partner of Börner + Co. KG, Ingolstadt

Name	Function
Klaus Bräunig	Managing Director of the German Association of the Automotive Industry e.V., Berlin
Stefan Dräger	Chairman of the Board of Managing Directors of Drägerwerk AG & Co. KGaA, Lübeck
Prof. Dr. phil. Hans-Heinrich Driftmann	General and Managing Partner of Peter Kölln KgaA, Elmshorn
Dr.-Ing. Gerd Eckelmann	Chairman of the Board of Managing Directors of ECKELMANN AG, Wiesbaden
Catherine von Fürstenberg-Dussmann	Chairperson of Board of Trustee of Peter Dussmann-Stiftung, Berlin
Dipl.-Ing. Joachim Görlitz	Managing Partner of AMBAU GmbH, Gräfenhainichen
Wolfgang Gutberlet	Chairman of the Board of Managing Directors of tegut... Gutberlet Stiftung & Co., Fulda
Prof. Klaus Hekking	Chairman of the Board of Managing Directors SRH-Holding, Heidelberg
Dr. Hannes Hesse	Managing Director of the German Engineering Industry Association e.V., Frankfurt/Main
Dr. Stephan J. Holthoff-Pförtner	Attorney and Notary, Essen
Friedhelm Loh	Chairman of the Executive Board of Friedhelm Loh Group, Haiger
Hildegard Müller	Chairman of the Board of Management BDEW Bundesverband der Energie- und Wasserwirtschaft e.V., Berlin
Harald Pinger	Member of the Management of KION Group GmbH, Wiesbaden
Joachim Rumstadt	Chairman of the Board of Management Steag GmbH, Essen
Dr. Michael Schädlich	Chairman of the Advisory Board of Altenloh, Brinck und Co. GmbH & Co. KG, Ennepetal
Gerhard Schleif	Former Bundesrepublik Deutschland Finanzagentur, Frankfurt
Heinz-Peter Schlüter	Chairman of the Supervisory Board of Trimet Aluminum AG, Essen
Dr. Eric Schweitzer	Member of the Board of Managing Directors of ALBA AG, Berlin
Klaus Thiemann	Chairman of the Supervisory Board of Netrada Holding GmbH, Hamburg
Rolf-Werner Walter	Managing Director of Witte Automotive GmbH, Velbert
Dr. Martin Wansleben	Managing Director of the Federation of German Chambers of Industry and Commerce, Berlin
Willi Wimmer	Retired State Secretary, Jüchen
Klaus Winkler	Chairman of the Management of Gebr. Heller Maschinenfabrik GmbH, Nürtingen
Professor Dr. Klaus L. Wübbenhorst	Managing Partner of WB Consult GmbH, Nürnberg"

The first and the second paragraph under the section "5.7 Major Shareholders" shall be replaced by the following:

"As at 31 March 2013, according to Section 5 of the Articles of Association IKB AG's share capital amounted to EUR 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 markets (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) to the open market segments (*Primärmarkt*) of the Düsseldorf Stock Exchange (*Düsseldorfer Wertpapierbörse*) as well as Entry Standard of the Frankfurt Stock Exchange and are traded through non-regulated markets (*Freiverkehr*) of several stock exchanges in Germany.

The following table shows the major shareholders of IKB AG as at 31 March 2013."

The last paragraph before the section "5.8 Ratings" shall be replaced by the following:

"LSF6 Europe Financial Holdings L.P. is an investment company of Lone Star Funds (together with its consolidated subsidiaries and investment vehicles, "Lone Star"), a global investment firm that acquires distressed debt and equity assets including corporate, commercial and single family residential real estate, and consumer debt as well as banks and real estate rich operating companies requiring rationalisation. Since the establishment of its first fund in 1995, the principals of Lone Star have organised private equity funds totalling approximately USD 38 billion of capital that has been invested globally through Lone Star's worldwide network of affiliate offices. The funds are structured as closed-end, private-equity limited partnerships that include corporate and public pension funds, sovereign wealth funds, university endowments, foundations, fund of funds and high net worth individuals."

In the section "5.8 Ratings", the words "IKB" in the second line shall be replaced by the words "IKB AG".

In the section "5.9.1 Historical Financial Information", the words "years ending 31 March 2011 and 31 March 2012" shall be replaced by the words "year ending 31 March 2012" and before the last sentence of the second paragraph, the following shall be supplemented:

"With the segment change which has been completed on 7 November 2012 IKB is no longer a capital market orientated company subject to special legal regulations. Group accounting was converted from IFRS to HGB, with the result that external accounting is now carried out fully on the basis of HGB. Therefore IKB has prepared its consolidated financial statements for the financial year ending 31 March 2013 in accordance with the German Commercial Code (*Handelsgesetzbuch*, "**HGB**")."

In the section "5.9.2 Audit of Financial Information", the year "2011" shall be replaced by the year "2012" and the years "2012" shall be replaced by the years "2013".

In the section "5.9.3 Legal Proceedings" under the heading "Legal proceedings due to alleged incorrect capital market information", in the first line of the first paragraph, the words "IKB AG by investors in IKB securities" shall be replaced by the words "IKB AG by investors in IKB AG securities", in the remaining section, the words "the Bank" and "IKB" shall be replaced by the words "IKB AG", in the third paragraph, the word "Five" shall be replaced by the word "Seven" and in the fourth paragraph, the figure "9.8" shall be replaced by the figure "0.75".

In the section "5.9.3 Legal Proceedings" the sections with the headings "Putative Class Actions" and "Indemnity Agreement" shall be deleted.

In the section "5.9.3 Legal Proceedings" under the heading "Other Threatened Actions", the heading of the section and the first paragraph shall be replaced by the following:

"Threatened Actions

It cannot be ruled out that claims for damages may be brought against IKB as a result of its activities or the activities of IKB Credit Asset Management GmbH in relation to Rhineland Funding, and/or Rhinebridge."

In the section "5.9.3 Legal Proceedings", the text under the heading "State Aid Proceedings" shall be replaced by the following:

"In connection with the rescue measures taken by KfW with the support of the banking associations for the benefit of IKB, the European Commission qualified the measures as aid and approved them in October 2008 under strict conditions. Since this date, the Bank has had to deploy considerable resources to implement these conditions. The restructuring period from the ruling expired on 30 September 2011. IKB implemented the measures set out in the restructuring plan on time to the extent that they were permitted by law and could be carried out. The final report on the implementation of the EU conditions was submitted by the German government to the European Commission at the turn of the year 2011/12.

By way of a letter dated 23 October 2012, the European Commission issued an opinion thereon and stated that IKB had largely met the obligations arising from its ruling dated 21 October 2008.

With the above-mentioned statement, the European Commission restricted its monitoring of the conditions arising from its ruling dated 21 October 2008 to the full winding-up of IKB International S.A. and IKB's former 50% equity interest in Movesta Lease and Finance GmbH. In both cases, the European Commission acknowledged that there were still legal reasons delaying completion.

If the conditions are not met, IKB may be significantly disadvantaged, both legally and economically.

Furthermore, the European Commission's ruling of 17 August 2009 on the admissibility of the extended SoFFin guarantee entailed strict obligations with regard to IKB's operations. These ceased to apply when the approved SoFFin guarantees were returned in full in December 2012."

In section "5.9.3 Legal Proceedings", the text under the heading "Collateralized debt obligations ("CDO") arranged by Lehman Brothers" shall be replaced by the following:

"IKB invested in structured credit products (originally five synthetic CDOs with a total nominal volume of EUR 334 million and USD 213 million) in which Lehman Brothers acted as the secured party through a special purpose entity (the "transactions"). Following the insolvency of Lehman Brothers, the transactions concerned were terminated by the issuer on the basis of its contractual options. In such event, the documentation provided for the liquidation of the transaction collateral and the distribution of the proceeds in a specific order of priority (the "transaction waterfall").

According to the transaction waterfall, in the event of its insolvency, the swap counterparty (in this case, Lehman Brothers) is subordinated to the investors in the distribution of the proceeds from the transaction collateral. The transaction waterfall has since been reviewed by courts in the UK and the USA without the involvement of IKB AG. While courts in the UK eventually upheld the validity of the agreed transaction waterfall, a first instance insolvency court in the USA has held the transaction waterfall to violate basic insolvency law principles. Subsequently, the legal dispute was settled out of court between the parties immediately after admission to the court of appeal in the USA. Other model proceedings are still ongoing. A final instance confirmation of the legal position of the opposing party with the US courts could lead to the dismissal of the payment and, under certain circumstances, to claims for restitution against IKB. Because of the transactions, IKB is involved in the out-of-court settlement proceedings with Lehman Brothers as ordered by the US insolvency court."

In the section "5.9.3 Legal Proceedings" under the heading "Actions to Rescind Resolutions from General Meetings", the itemisation shall be replaced by the following:

- "Annual General Meeting held on 28 August 2008 (including, inter alia, agenda item 6: election of the Supervisory Board);

- Extraordinary General Meeting held on 25 March 2009 (including, inter alia, agenda items 3 and 4: cancellation of the special audit with regard to the Board of Managing Directors and the Supervisory Board);
- Annual General Meeting held on 26 August 2010 (including, inter alia, agenda items 2 and 3: approval of the actions of the members of the Board of Managing Directors and the Supervisory Board);

With regard to the Annual General Meetings on 27 March 2008, 28 August 2008 and 25 March 2009, compulsory information proceedings have also been filed with the court in accordance with section 132 of the German Stock Corporation Act (*AktG*)."

In section "5.9.3 Legal Proceedings" under the heading "Court Appointment of a Special Auditor", the word "iKB" shall be replaced by the word "IKB".

In section "5.9.3 Legal Proceedings", the text under the heading "Derivatives business" shall be replaced by the following:

"In the financial year 2012/13, several customers criticised the consulting services provided by IKB AG in connection with certain swap products. The corresponding suits are pending in six cases. The provisional total value in dispute is approximately € 17.5 million. IKB AG defends itself against the accusations."

The text under the heading "5.9.5 Significant Changes in the Financial Position" shall be replaced by the following:

"Since 31 March 2013, there have not been any significant changes in IKB's financial position."

In the section "5.10.1 Financing Agreements", the text under the heading "SoFFin Guarantees" shall be replaced by the following:

"In 2009, SoFFin granted IKB AG framework guarantees in an amount of up to a total of EUR 12 billion for the repayment of bonds issued by IKB AG, of which EUR 10 billion were utilised over time. In the financial year 2012/2013 IKB AG returned the remaining SoFFin guarantees in full. After the return of the last remaining SoFFin-guaranteed bonds on 14 December 2012, SoFFin agreed to cease regular reporting and to suspend the conditions of the guarantee agreement. In particular, the full return meant the lifting of SoFFin restrictions relating to the Tier I ratio and the repurchase of liabilities."

In the section "5.10.1 Financing Agreements", the section with the heading "Bonds with a Contingent Conversion Obligation and a Contingent Conversion Right" shall be deleted and the following sections shall be inserted:

"Funding Trust Agreement

IKB AG has raised regulatory Tier I capital on a consolidated basis via two trust preferred securities-structures established separately in July 2002 (2002 structure) and in June 2004 (2004 structure). In respect of each structure, a statutory business trust has been formed under Delaware law (IKB Funding Trust I and IKB Funding Trust II). Each Trust has issued a common security to IKB AG and perpetual trust preferred securities to capital markets investors.

Each Trust has used the gross proceeds derived from the issuance of the trust preferred securities to purchase Class B preferred securities issued by two separately established Delaware LLC companies (IKB Funding LLC I under the 2002 structure and IKB Funding LLC II under the 2004 structure). IKB AG consolidates both of the structures for accounting and regulatory purposes.

Periodic distributions on the trust preferred securities are to be paid by the Trusts out of periodic distributions received by each Trust with respect to the corresponding Class B preferred securities that each respective trust holds. IKB AG and each of the LLC's entered into a subordinated support

undertaking (*nachrangige Patronatserklärung*), pursuant to which IKB AG has undertaken to ensure, among other things, that the relevant LLC will at all times be in a financial position to meet its obligations under such Class B preferred securities. Periodic distributions under the Class B preferred securities are, in addition to other conditions, only payable to the extent that IKB AG has an amount of distributable profits for the preceding financial year at least equal to the aggregate amount of the periodic distribution on the Class B preferred securities.

Silent Participation

By way of capital contributions from its silent partners, Hybrid Raising GmbH and Capital Raising GmbH, IKB AG raised Tier 1 capital. Pursuant to a Silent Partnership Agreement dated December 9/10, 2002, IKB AG raised Tier 1 capital in the amount of EUR 200 million from Capital Raising GmbH, Norderfriedrichskoog, Germany and a Silent Partnership Agreement dated January 30 and February 2, 2004, IKB AG raised further Tier 1 capital in the amount of EUR 200 million from Hybrid Raising GmbH, Norderfriedrichskoog, Germany (both agreements qualify as *Teilgewinnabführungsvertrag* within the meaning of Paragraph 292 Section (1) no. 2 German Stock Corporation Act (*Aktiengesetz*)). In order to fund their capital contribution to IKB AG, each of the companies issued EUR 200 million perpetual fixed rate notes (*Teilschuldverschreibungen*) to capital markets investors which reflect the conditions of payments received under the respective silent participations. In addition to participating, subject to certain conditions, in the profits of IKB AG, the silent partners (and indirectly the notes issued by the silent partners) also participate in any losses of IKB AG up to the full outstanding notional of the participation. IKB AG consolidates both of the silent partners for accounting and regulatory purposes."

In section "5.10.2 Agreements in connection with the Sale of KfW's Interest in IKB" under the heading "Indemnity Agreement", in the first paragraph, the words "development of IKB shares" shall be replaced by the words "development of IKB AG shares".

In section "5.10.3 Other Agreements" under the heading "Axa Lease", the years "2011/2012" shall be replaced by the years "2012/2013", the figure "13.9" shall be replaced by the figure "14.5" and after the section, the following sections shall be supplemented:

"Subletting to Helaba

In March 2013, a long-term subletting agreement was entered into with Landesbank Hessen-Thüringen (Helaba) concerning parts of IKB's rented headquarters in Düsseldorf.

XCOM AG

On 16 December 2010, IKB AG entered into a Framework Agreement 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 "IKBdirekt". This Framework Agreement is entered into on a fixed first term until 31 March 2016 and includes several sub-agreements containing further specifications concerning the scope and service levels to be complied with by the service partner."

Supplemental and replacement information pertaining to the section "7. Documents on Display"

The itemisation in the section "7. Documents on Display" shall be replaced by the following:

- "this Registration Document;
- any supplementary information that IKB AG may be required to provide pursuant to Article 16 of the German Securities Prospectus Act;
- the articles of association (*Satzung*) of IKB AG;
- IKB's annual report for the financial year 2011/2012, including the group management reports and the audited consolidated financial statements as at and for the financial years ending 31 March 2012, prepared in accordance with International Financial Reporting Standards (IFRS); and

- IKB's and IKB AG's compiled annual report for the financial year 2012/2013, including the management report and the audited consolidated financial statements and the audited annual financial statements as at and for the financial year ending 31 March 2013, prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch –HGB*)."

Supplemental and replacement information pertaining to the section "8. Financial Information"

Page F-1 of the Registration Document shall be replaced by the following:

"8. FINANCIAL INFORMATION

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (IFRS) OF IKB AG AS OF 31 MARCH 2012	F-2
Consolidated Statement of Comprehensive Income	F-3
Consolidated Balance Sheet	F-5
Consolidated Statement of Changes in Equity	F-6
Consolidated Statement of Cash Flows	F-7
Notes to the Consolidated Financial Statements	F-8
Auditor's Report	F-110
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (HGB) OF IKB AG AS OF 31 MARCH 2013	F-111
Consolidated Balance Sheet	F-112
Consolidated Income Statement.....	F-114
Reconciliation of Equity.....	F-116
Consolidated Cash Flows Statement	F-118
Notes to the Consolidated Cash Flows Statement	F-119
Combined Notes to the Consolidated and Annual Financial Statements	F-120
Auditor's Report	F-162
ANNUAL FINANCIAL STATEMENTS (HGB) OF IKB AG AS OF 31 MARCH 2013.....	F-164
Balance Sheet	F-165
Income Statement.....	F-167
Notes to the Annual Financial Statements	F-169
Auditor's Report	F-170"

The pages after F-110 of the Registration Document shall be replaced by the following:

"CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (HGB)
OF IKB AG AS OF 31 MARCH 2013

Consolidated Balance Sheet of IKB Deutsche Industriebank AG as at 31 March 2013

in € million	31 Mar. 2013	31 Mar. 2012
Assets		
Cash reserve	86.9	19.0
a) Cash on hand	-	-
b) Balances with central banks	86.9	19.0
thereof: with Deutsche Bundesbank	86.9	19.0
c) Balances in postal giro accounts	-	-
Debt instruments of public sector entities and bills of exchange eligible for refinancing of central banks	-	-
Receivables from banks	2,219.2	2,579.6
a) Repayable on demand	2,099.2	2,413.0
b) Other receivables	120.0	166.6
Receivables from customers	14,707.1	16,044.6
thereof: mortgage loans	1,805.8	1,921.0
thereof: public sector loans	1,381.0	1,678.7
Bonds and other fixed-income securities	7,855.1	10,578.0
a) Money market securities	-	-
b) Bonds and notes	7,161.0	7,491.2
ba) Public sector issuers	2,150.3	2,088.3
thereof: eligible as collateral for Deutsche Bundesbank	2,150.3	1,907.5
bb) Other issuers	5,010.7	5,402.9
thereof: eligible as collateral for Deutsche Bundesbank	4,444.9	4,223.4
c) Own bonds	694.1	3,086.8
Nominal amount	697.2	3,073.6
Equities and other non-fixed-income securities	496.7	1,125.0
Assets held for trading	265.9	222.4
Equity investments	26.8	37.7
thereof: banks	0.2	0.2
Investments in associates	15.0	18.8
thereof: financial services institutions	11.1	9.2
Investments in affiliated companies	2.1	2.3
Assets held in trust	0.3	0.9
thereof: Trustee loans	0.3	0.9
Equalisation claims on the public sector including debt securities arising from their exchange	-	-
Leasing assets	1,365.3	1,411.0
Intangible assets	19.0	17.5
a) Internally generated industrial and similar rights and assets	-	-
b) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	18.7	17.4
c) Goodwill	-	-
d) Advance payments made	0.3	0.1
Tangible assets	12.8	15.4
Called unpaid capital	-	-
Other assets	285.2	266.9
Prepaid expenses	71.9	48.6
Deferred tax assets	148.2	152.0
Excess of plan assets over post-employment benefit liability	39.9	30.6
Total assets	27,617.4	32,570.3

in € million	31 Mar. 2013	31 Mar. 2012
Equity and liabilities		
Liabilities to banks	11,863.1	13,209.2
a) Repayable on demand	804.8	717.5
b) With agreed lifetime or notice period	11,058.3	12,491.7
Liabilities to customers	10,881.5	10,020.9
a) Savings deposits	-	-
b) Other liabilities	10,881.5	10,020.9
ba) Repayable on demand	588.4	390.3
bb) With agreed lifetime or notice period	10,293.1	9,630.6
Securitised liabilities	987.1	5,352.2
a) Bonds issued	987.1	5,352.2
b) Other securitised liabilities	-	-
Liabilities held for trading	242.1	138.9
Liabilities held in trust	0.3	0.9
thereof: Trustee loans	0.3	0.9
Other liabilities	511.3	488.7
Deferred income	145.8	150.2
Deferred tax liabilities	-	-
Provisions	457.5	421.9
a) Provisions for pensions and similar obligations	6.1	3.7
b) Tax provisions	105.8	107.1
c) Other provisions	345.6	311.1
Subordinated liabilities	1,373.6	1,471.9
Profit participation capital	32.2	35.8
Fund for general banking risks	170.8	189.7
thereof: trading-related special reserve according to section 340e (4) HGB	0.2	0.1
Equity	952.1	1,090.0
a) Called-up capital	1,621.5	1,621.3
Subscribed capital	1,621.5	1,621.3
Less uncalled unpaid contributions	-	-
Contingent capital	191.7	191.8
b) Capital reserves	1,750.7	1,750.7
c) Revenue reserves	5.0	26.6
ca) Legal reserve	2.4	2.4
cb) Reserve for shares in a parent or majority investor	-	-
cc) Statutory reserves	-	-
cd) Other revenue reserves	2.6	24.2
d) Difference in equity from currency translation	-16.7	-17.8
e) Net accumulated losses	-2,408.4	-2,290.8
Total equity and liabilities	27,617.4	32,570.3
Contingent liabilities	1,486.1	986.3
a) Contingent liabilities from rediscounted and settled bills of exchange	-	-
b) Liabilities from guarantees and indemnity agreements	1,486.1	986.3
c) Liability arising from the provision of collateral for third-party liabilities	-	-
Other obligations	1,211.0	1,609.8
a) Repurchase obligations from non-genuine repurchase agreements	-	-
b) Placement and underwriting obligations	-	-
c) Irrevocable loan commitments	1,211.0	1,609.8

Consolidated Income Statement of IKB Deutsche Industriebank AG for the period from 1 April 2012 to 31 March 2013

in € million	2012/13	2011/12
Expenses		
Lease expenses	-179.0	-160.0
Interest expenses	-1,669.5	-2,134.9
Commission expenses	-42.8	-112.8
Net trading results	-	-
General administrative expenses	-293.9	-292.1
a) Personnel expenses	-159.0	-163.6
aa) Wages and salaries	-135.3	-138.3
ab) Social security, post-employment and other employee benefit costs	-23.7	-25.3
thereof: for pensions	-6.1	-8.2
b) Other administrative expenses	-134.9	-128.5
Depreciation and write downs of intangible and tangible assets	-423.1	-418.8
a) On leasing assets	-413.0	-408.9
b) On intangible and tangible assets	-10.1	-9.9
Other operating expenses	-564.5	-104.2
Depreciation and write downs of receivables, specific securities and additions to loan loss provisions	-70.6	-16.0
Depreciation and write downs of equity investments, investments in affiliated companies and long-term investments	-47.7	-316.5
Expenses from assumption of losses	-	-0.1
Extraordinary expenses	-11.6	-17.6
Income taxes	-4.1	-5.2
Other taxes not reported under other operating expenses	-1.9	-2.7
Profit transfer on the basis of profit-pooling, profit transfer and partial profit transfer agreements	-	-
Total expenses	-3,308.7	-3,580.9

in € million	2012/13	2011/12
Income		
Lease income	686.6	661.5
Interest income from	1,725.1	2,247.6
a) Lending and money market transactions	1,524.0	2,005.3
b) Fixed-income securities and government-inscribed debts	201.1	242.3
Current income from	60.3	6.1
a) Equities and other non-fixed-income securities	45.4	0.7
b) Equity investments	12.6	4.3
c) Associates	2.3	1.1
d) Investments in affiliated companies	-	-
Income from profit-pooling, profit transfer and partial profit transfer agreements	-	-
Commission income	47.8	54.3
Net trading results	1.2	0.7
thereof: addition to trading-related special reserve according to section 340e (4) HGB	0.1	0.1
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	156.8	54.5
Other operating income	465.5	130.8
Income from the reversal of the fund for general banking risks	19.0	-
Extraordinary income	3.3	1.3
Income from assumption of losses	0.1	-
Net loss for the year	143.0	424.1
Total income	3,308.7	3,580.9
Net loss for the year	-143.0	-424.1
Loss carry-forward from the previous year	-2,290.8	-1,880.4
Withdrawals from capital reserves	-	-
Withdrawals from revenue reserves	21.9	-
a) from legal reserve	-	-
b) from reserve for shares in a parent or a majority investor	-	-
c) from statutory reserves	-	-
d) from other revenue reserves	21.9	-
Withdrawals from profit participation capital	3.6	13.1
Withdrawals from silent partnership contributions	-	0.6
Allocations to revenue reserves	-	-
Replenishment of profit participation capital	-	-
Net accumulated losses	-2,408.4	-2,290.8

Reconciliation of Equity

As part of the transition in group accounting from IFRS back to HGB, IKB Deutsche Industriebank AG has prepared HGB consolidated financial statements again for the first time since 31 March 2005. In group reporting, equity must be reconciled from IFRS to HGB as at the time of transition and the changes explained. The transition in group accounting to HGB occurred on preparation of a HGB consolidated opening balance sheet as at 1 April 2011. The reconciliation of consolidated equity from IFRS to consolidated equity in accordance with HGB is shown in the table below:

in € million	Equity (not including revaluation reserves)	Revaluation reserves	Total
Equity as at 31 March 2011 (IFRS, after IAS 8 adjustments)	979.9	-36.5	943.4
Asset effects			
Receivables from customers	16.8	-	16.8
Intangible assets	-3.4	-	-3.4
Prepaid expenses	-29.8	-	-29.8
Excess of plan assets over post-employment benefit liability	44.3	-	44.3
Equity and liability effects			
Fund for general banking risks	-189.6	-	-189.6
Miscellaneous effects			
Measurement differences on financial instruments	352.7	36.5	389.2
Change in accounting for debt waivers against debtor warrants	320.0	-	320.0
Taxes (deferred taxes)	-1.5	-	-1.5
Changes in the consolidated group	4.1	-	4.1
Other effects	8.5	-	8.5
Equity as at 1 April 2011 (HGB)	1,502.0	0.0	1,502.0

Reported consolidated equity rose by € 558.6 million to € 1,502.0 million as a result of the following effects:

The revaluation reserves of € 36.5 million was reversed respectively reclassified to revenue reserves.

In receivables from customers there was a positive equity effect due to the different calculation of portfolio impairment under IFRS and global valuation allowances in accordance to HGB.

Under HGB, IKB does not exercise the option of capitalising internally generated industrial and similar rights and assets.

The reconciliation differences in prepaid expenses are essentially due to issuing costs not capitalised under HGB. There were also reconciliation effects due to non-capitalised commission in the Leasing group.

The excess of plan assets over post-employment benefit liability in connection with the accounting for contractual trust arrangements (CTA) is reported in accordance with HGB. In particular, the effect arises from the application of the one-fifteenth regulation in accordance with section 67(1) sentence 1 of the *Einführungsgesetz zum Handelsgesetzbuch* (EGHGB – Introductory Act to the German Commercial Code) in accordance with the *Bilanzrechtsmodernisierungsgesetz* (BilMoG – German Accounting Law Modernisation Act – see note 35).

The fund for general banking risks is recognised in accordance with section 340g HGB at the expense of equity. IFRS does not provide for the recognition of a corresponding item.

Furthermore, there were other effects totalling € 720.3 million in connection with the following issues in particular:

The transition of financial instruments measured at fair value in accordance with IAS 39 to HGB measurement resulted in material reconciliation effects totalling € 389.2 million. Under HGB, non-trading assets are recognised in line with the strict or less strict principle of lower of cost or market value; liabilities are recognised at their settlement amount. Non-trading derivatives are accounted for

under HGB in line with the provisions for executory contracts (see note 14). Furthermore, non-trading derivative financial instruments in particular are included in loss-free measurement of the banking book in accordance with BFA 3 (interest rate risk) respectively the concept of special covered currency risk.

In this context, the difference in hedge accounting between IFRS and HGB must also be considered. Under IAS 39, hedges were recognised in the balance sheet and the income statement in the form of micro and macro hedges. Under HGB, only a few hedges were defined as valuation unit.

Another material effect on consolidated equity results from the different accounting for debt waivers by shareholders against debtor warrants under HGB and IFRS. Under IFRS, liabilities from recovery agreements were reported under liabilities to customers or subordinated liabilities. Liabilities were measured in the amount of the present value of the estimated future cash flows, discounted using the original effective interest rate, in accordance with IAS 39 AG8. As at 31 March 2011, this resulted in liabilities from debtor warrants totalling € 320.0 million. Under HGB, the amounts waived are treated as transfers to capital reserves (section 272(2) no. 4 HGB). Liabilities from debtor warrants are not recognised until future profits occur. Overall, reconciliation therefore results in an increase in equity from the derecognition of liabilities from debtor warrants totalling € 320.0 million.

The difference between HGB and IFRS carrying amounts resulted in different reporting of deferred taxes.

The effects of the change in the consolidated group result in particular from special funds included in consolidation in accordance with SIC 12 under IFRS and that do not have to be included in consolidation in accordance with section 290(2) no. 4 sentence 2, second half-sentence HGB. Partner funds assets were recognised under IFRS. Under HGB the fund shares are reported in the balance sheet.

Consolidated Cash Flow Statement

in € million	2012/13	2011/12
Net income for the period (including minority interest in net income)	-117.5	-410.4
Non-cash items included in net income for the year and reconciliation to cash flow from operating activities		
+/- Depreciation and amortisation, impairment and reversals of write-downs on receivables, tangible and financial assets	557.7	740.6
+/- Increase/decrease in provisions	31.8	-107.1
+/- Other non-cash expenses/income	-9.0	4.7
- Gain/loss on the disposal of financial and tangible assets	-122.0	235.6
+/- Other adjustments (net)	-615.0	-626.1
Subtotal	-274.0	-162.7
Changes in assets and liabilities from operating activities		
Receivables		
+/- from banks	359.2	-344.3
+/- from customers	1,252.3	2,342.8
+/- Securities (unless financial assets)	2,695.3	397.6
Leasing assets		
+ Receipts from disposal	211.2	189.2
- Payments for acquisition	-435.3	-527.8
+/- Other assets from operating activities	-61.5	13.8
Liabilities		
+/- to banks	-1,343.2	1,983.3
+/- to customers	870.3	2,130.1
+/- Securitised liabilities	-4,332.2	-6,068.0
+/- Other liabilities from operating activities	80.4	190.7
+ Interest and dividends received	2,284.9	2,785.0
- Interest paid	-1,869.4	-2,326.5
+ Extraordinary receipts	3.2	-
+/- Income tax	-3.4	-1.6
Cash flow from operating activities	-562.2	601.6
Proceeds from the disposal of		
+ financial assets	3,568.9	1,330.5
+ tangible assets	0.4	0.3
Payments for the acquisition of		
- financial assets	-2,832.2	-1,978.6
- tangible assets	-2.6	-4.5
+/- Change in cash funds from other investing activities (net)	-6.6	-9.0
Cash flow from investing activities	727.9	-661.3
+ Cash receipts from issue of capital	0.1	-
+/- Change in cash funds from other capital (net)	-98.2	-6.1
Cash flow from financing activities	-98.1	-6.1
Net change in cash funds	67.6	-65.8
+/- Effect on cash funds of exchange rate movements, changes in reporting entity structure and remeasurement	-	-
+ Cash funds at beginning of period	19.0	84.8
Cash funds at end of period	86.9	19.0

Notes on the Consolidated Cash Flow Statement

The cash funds of the IKB Group match the reported balance sheet item “Cash reserve” and “Debt instruments of public sector entities and bills of exchange eligible for refinancing of central banks”. In the cash flow statement, this item changes from the figure at the start of the year by showing the cash flows from

- operating activities,
- investing activities and
- financing activities

to cash funds at the end of the financial year.

The cash flow from operating activities is defined by a bank’s operating activities. It is determined using the indirect method by adjusting net income for all non-cash income and expenses. In accordance with German Accounting Standard (DRS) 2-10, interest, dividend and tax payments are listed separately so that the net income is adjusted for the net interest result and taxes recognised in income in the item “Other adjustments”.

The cash flow from investing activities shows incoming and outgoing payments from positions whose general purpose is a long-term investment or use. For banks, this includes receipts and payments from loans and securities in addition to refinancing activities in particular.

The cash flow from financing activities shows cash flows from transactions with equity providers and minority interests of consolidated subsidiaries in addition to other capital.

Combined Notes to the Consolidated and Annual Financial Statements

Applied accounting principles

In accordance with section 340i(1) HGB in conjunction with section 290 et seq. of the *Handelsgesetzbuch* (HGB – German Commercial Code), IKB AG must prepare consolidated financial statements and a Group management report. Until 31 December 2012, the consolidated financial statements and the interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). Following its downlisting from the regulated market and its listing on the entry standard of the unregulated market of the Frankfurt stock exchange and the primary market of the unregulated market of the Düsseldorf stock exchange, the shares of IKB AG and its issued debt instruments are no longer traded on an organised market within the meaning of section 2(5) *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). Since 7 November 2012, IKB AG has no longer been a listed company and, in accordance with section 315a HGB, is no longer required to prepare IFRS consolidated financial statements. There will be no voluntary adoption of IFRS after 31 December 2012 for the preparation of the consolidated financial statements or interim consolidated financial statements.

The consolidated financial statements (Group) and the annual financial statements of IKB Deutsche Industriebank AG (IKB AG) for the 2012/13 financial year are prepared in line with the provisions of the *Handelsgesetzbuch* (HGB – German Commercial Code) in conjunction with the *Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute* (RechKredV – German Bank Accounting Directive) and in line with the relevant regulations of the *Aktiengesetz* (AktG – German Stock Corporation Act). The consolidated financial statements are prepared in line with the standards promulgated by the German Standardisation Council (DSR) and endorsed by the Federal Ministry of Justice in accordance with section 342(2) HGB.

The comparative figures for the previous year were calculated in line with German commercial law and disclosed in accordance with section 298(1) in conjunction with section 265(2) HGB. The effects of the change in Group accounting from IFRS back to HGB are shown separately in a statement of reconciliation for equity as at 1 April 2011 (date of the opening HGB balance sheet).

The balance sheet and the income statement are structured in line with the formats for banks in accordance with section 2 RechKredV. The consolidated balance sheet and the consolidated income statement have been supplemented by leasing items specific to the industry. The income statement is structured in account format (format 2 RechKredV).

Disclosures that can be provided in the balance sheet/income statement or the notes have mostly been shown in the notes. Amounts are disclosed in millions of euro. Minor deviations can occur in the figures in the notes due to the rounding of totals. Amounts under € 50 thousand and zero values are shown in the consolidated and annual financial statements of IKB AG as “-”.

The notes to the consolidated financial statements and the notes to the annual financial statements of IKB AG have been compiled in accordance with section 298(3) HGB. Unless noted otherwise, comments apply to both the consolidated financial statements and the annual financial statements of IKB AG.

The financial year of IKB begins on 1 April and ends on 31 March.

At IKB AG, the reporting of income and expenses from the discounting of and interest on non-banking provisions (see note 12) and the offsetting of income and expenses from accounting for pension liabilities (see note 10) were amended as against the previous year. The prior-year figures were changed to the following income statement items for better comparability:

The item “Interest expenses” was reduced by € 18.8 million, “Depreciation and write-downs of equity investments, investments in affiliated companies and long-term investments” by € 6.4 million, “Interest

income” by € 8.0 million and “Income from reversals of write-downs of equity investments, investments in affiliated companies and long-term investments” by € 0.2 million. The item “Other operating expenses” was increased by € 18.8 million and “Other operating income” by € 1.9 million.

(1) Consolidated group

In addition to IKB AG, 38 (previous year: 39) subsidiaries and four (previous year: three) special-purpose entities have been included in consolidation in the consolidated financial statements as at 31 March 2013. As in the previous year, two companies were included in the consolidated financial statements using the equity method. Owing to immateriality to the net assets, financial position and results of operations of the Group, 42 (previous year: 51) subsidiaries and six (previous year: eight) special-purpose entities were not included in the consolidated financial statements by way of consolidation and 22 (previous year: 28) associates were not included using the equity method, instead these were measured as other equity investments at cost less any impairment losses (see note 51).

The capital shares in the associates are the same as the voting shares. IKB has one deviating share of voting rights in HABITO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt EINS KG, Pullach im Isartal (capital share: 6.00%; share of voting rights: 16.00%).

The special-purpose entity German Mittelstand Equipment Finance No. 1 S.A., Luxembourg, (German Mittelstand) was included in the consolidated financial statements by way of consolidation for the first time in the 2012/2013 financial year. The purpose of the company is the acquisition of lease receivables of companies of the IKB Group.

IKB Leasing GmbH, Hamburg, and IKB Leasing Berlin GmbH, Erkner, were merged with IKB Autoleasing GmbH, Hamburg, as at 1 April 2012. The company now operates as IKB Leasing GmbH.

IKB Leasing Beteiligungsgesellschaft mbH, Düsseldorf, was included in consolidation for the first time as at 31 December 2012. The purpose of the company is to acquire, hold and dispose of equity investments in other companies.

IKB AG launched the fund Valin Funds Mittelstand Mezzanine 1 with Seer Capital Management L.P. This is a sub-fund of the Luxembourg fund company Valin Funds S.C.A., SICAV-SIF, in which IKB AG has subscribed to limited partner interests. IKB AG also acts as the general partner of this investment fund company through its subsidiary Valin Asset Management S.à.r.l. The fund company and the sub-fund were not included in consolidation in accordance with section 296(1) no. 1 HGB, as contractual agreements sustainably and permanently restrict the exercise of rights in relation to its assets and management.

(2) Consolidation methods

The consolidated financial statements were prepared in accordance with the uniform accounting policies of IKB AG. The annual financial statements of the subsidiaries included that neither credit nor financial services institutions have been reconciled to the structure of the RechKredV formats. If a Group company has a reporting date other than 31 March, the material transactions that occur by 31 March are taken into account.

Since the entry into effect of the *Bilanzrechtsmodernisierungsgesetz* (BilMoG – German Act to Modernise Accounting Law), capital consolidation for companies included in consolidation for the first time has been in line with the revaluation method in accordance with section 301 HGB.

Before the BilMoG came into effect, the book value method was used for companies included in consolidation for the first time. The book value method is still used in accordance with the retention option of section 66(3) of the *Einführungsgesetz zum Handelsgesetzbuch* (EGHGB – Introductory Act

to the German Commercial Code). In the last HGB consolidated financial statements before the transition to IFRS Group accounting (31 March 2005), the carrying amounts of the subsidiary as at the date of acquisition or first-time inclusion in consolidation were used. Companies acquired after 31 March 2005 have been included at carrying amount as at the date of acquisition in accordance with section 301(2) HGB. Prior to 31 March 2005, positive and negative consolidation differences were offset. The resulting difference is reported in revenue reserves. This netting has been retained in accordance with section 66 EGHGB.

Any positive difference remaining after the realisation of hidden reserves and liabilities not offset against revenue reserves is reported in the consolidated balance sheet as goodwill under "Intangible assets". Any corresponding negative difference remaining is reported separately after equity under "Difference from capital consolidation". There is currently no goodwill or negative differences from capital consolidation in the Group.

Assets, liabilities and deferred income as well as revenue and expenses between the Group companies included are consolidated. Intercompany profits from internal transactions are eliminated if not immaterial.

Investments in associates are measured using the equity method in accordance with section 312 HGB (book value method – see note 24). Uniform accounting policies are disregarded when using the equity method in the Group.

Accounting policies

(3) Receivables

Receivables from customers and banks are recognised at nominal value less specific and general allowances. Differences between the nominal and payment amount are taken to deferred income and prepaid expenses and reversed on a scheduled basis. Purchased receivables are recognised at acquisition cost less specific and general allowances.

The hire-purchase agreements of the leasing companies in the Group are reported in the consolidated balance sheet item "Receivables from customers" at the present value of future hire-purchase instalments. Interest income is recognised on an annuity basis and reported in the item "Interest income".

(4) Securities

Purchased securities are carried at acquisition cost in accordance with section 253(1) sentence 1 HGB. The differences between the cost and repayment amount (premiums/discounts) are recognised in interest income pro rata temporis over the remaining term.

Subsequent measurement of long-term investments is in line with the less strict principle of lower of cost or market value under section 340e(1) sentence 1 HGB in conjunction with section 253(3) sentence 3 HGB. If impairment is expected to be permanent, assets are written down to the lower fair value as at the reporting date. Long-term investments include, for example, government bonds, mortgage bonds, corporate bonds and securities from securitisation transactions.

Zero bonds are carried at acquisition cost plus the respective interest receivable calculated on the basis of current capital market interest rates.

Securities classified as current assets are measured at the lower of quoted or market price in line with the strict principle of lower of cost or market value in accordance with section 340e(1) sentence 2 HGB in conjunction with 253(4) HGB. If there are no closing rates, the fair value is calculated on the basis of price information from market data providers and tested for plausibility using suitable methods. If there are no quoted prices or price information from contractual providers for securities, their value is determined on the basis of measurement models by discounting forecast cash flows. The discounting rate is calculated using the risk profile of similar securities. Parameters not exclusively observed on the market are used for this.

Impairment requirements for securities from securitisation transactions are calculated on the basis of a fundamental value method. This method allows detailed loss allocation of the underlying credit portfolio. The default pattern for the reference portfolio is estimated in a standard Monte Carlo simulation including rating-based probabilities of default and correlation parameters specific to the asset class. On the basis of the default scenarios, the cash flows of the invested tranche are calculated taking into account the transaction structure ("cash flow waterfall"). The fundamental value is calculated by discounting these cash flows with the effective interest rate of the respective tranche.

Write-offs are reversed in accordance with section 253(5) sentence 1 HGB if the reasons for the lower carrying amount no longer apply.

Structured financial instruments are recognised in accordance with the principles of IDW RS HFA 22. The principle of uniform accounting is only deviated from if the structured financial instrument has significantly elevated or additional risks or opportunities compared to the underlying on account of embedded derivatives.

Structured financial instruments are accounted for separately for securities from synthetic securitisation transactions in which the credit risk of the reference portfolio was transferred by the

owner of the assets of the reference portfolio to the issuer of the securities with a credit default swap (CDS). The embedded derivatives in synthetic securitised instruments are reported at nominal amount as contingent liabilities under the below-the-line items. In the event of pending utilisation of the embedded credit derivative, provisions for expected losses from executory contracts are recognised and the contingent liabilities reduced by the same amount.

(5) Risk provisioning

Provisions for possible loan losses comprise valuation allowances and provisions for all discernible credit and sovereign risks and for latent default risks.

Global valuation allowances and generally calculated loan loss provisions are calculated in accordance with the letter from the Federal Ministry of Finance dated 10 January 1994. In so doing, historical credit losses from customer receivables and contingent liabilities from guarantees are taken as a basis and multiplied by a cyclical factor in order to accommodate the general economic situation. This factor was increased from 100% to 106% on account of the forecast economic downturn. Without reducing this factor, global valuation allowances would have been around € 6 million lower. To cover sovereign risk, a global valuation allowance was recognised for the credit volume in high-risk countries with internal ratings from class 13 for which the risk has not been placed with third parties for the first time. The resulting global valuation allowances amounted to € 0.6 million. To cover latent risks from acquisition, project and property financing in Italy, France, Spain and the UK, additional global valuation allowances of € 20 million were recognised for the first time in connection with the ongoing European debt crisis. To reflect latent risks of default on long-term investments, receivables from banks, irrevocable loan commitments and, for the first time at € 0.1 million, contingent liabilities from protection seller credit default swaps, the Bank also calculated global valuation allowances and generally calculated loan loss provisions for these risks on the basis of the expected loss.

Total global valuation allowances for receivables from customers and receivables from banks in the Group amounted to € 135.2 million (previous year: € 103.6 million) while global valuation allowances at IKB AG amounted to € 134.6 million (previous year: € 102.9 million). On 31 March 2013, there were global valuation allowances for securities of € 5.7 million (previous year: € 4.3 million) in the Group and € 4.9 million (previous year: € 4.3 million) at IKB AG. Generally calculated loan loss provisions in the Group and at IKB AG rose from € 3.8 million to € 5.6 million.

(6) Liabilities held for trading

The Bank has assigned all financial instruments with which it intends to generate a short-term trading gain to this portfolio in accordance with IDW RS BFA 2. The criteria for this intention are taken from the regulatory requirements for allocation to the trading book. These criteria have not been changed. Assets and liabilities held for trading are reported separately.

In accordance with section 340e(3) sentence 1 HGB, trading portfolio financial instruments are measured at fair value less a risk deduction. Their fair value is calculated in line with the measurement hierarchy of section 255(4) HGB. The fair values of financial instruments not traded on exchanges are determined on the basis of financial and mathematical measurement models and market measurement parameters (including interest rates, interest rate volatilities, exchange rates). The amount, timing and certainty of cash flows are dependent on the development of interest and exchange rates, contractual regulations on payment dates for the respective financial instrument and the credit standing of the respective counterparty.

The Bank charges the risk deduction in the amount of the value-at-risk calculated for regulatory purposes. The calculation of value-at-risk is based on a holding period of ten days and a confidence level of 99%. The value-at-risk expresses the loss in value for the portfolio of the Bank over a period of

ten days which has a 99% probability of not being exceeded. The observation period is 250 bank working days. The risk deduction calculated for the entire trading portfolio is deducted from the asset trading portfolio.

In line with section 340e(4) HGB, an amount of at least 10% of the net income of the trading portfolio must be added to the special reserve "Fund for general banking risks" in line with section 340g HGB and reported there separately each financial year. This reserve is only used to offset the net expenses of the trading portfolio or if it exceeds 50% of the average of the net trading results for each of the last five years.

(7) Equity investments and investments in affiliated companies/tangible assets/intangible assets

Investments in affiliated companies and equity investments- are carried at the lower of acquisition cost or fair value. They are measured in line with the less strict principle of lower of cost or market value under section 340e(1) sentence 1 HGB in conjunction with section 253(3) sentence 3 HGB.

Finite-lived tangible and intangible assets are measured at acquisition/production cost less depreciation and amortisation respectively and impairment. Tangible assets are written down on a straight-line basis over their useful life. If the market values of individual fixed assets fall below their carrying amount, they are automatically written down if the impairment is expected to be permanent.

The option to capitalise self-developed intangible fixed assets in accordance with section 248(2) sentence 1 HGB has not been exercised. Intangible fixed assets purchased from third parties are capitalised at cost and written down on a straight-line basis over a standard useful life of five years.

IKB AG has reported purchased goodwill from the acquisition of new customer derivative business from a Luxembourg subsidiary. This will be amortised over a normal useful life of ten years. The standard operating useful life is based on an estimate of the return over time on the basis of the identified components of this goodwill. In particular, these components represent customer bases assumed in the acquisition. Impairment losses are recognised if expected to be permanent. If the reasons for impairment no longer apply, the lower carrying amount of the purchased goodwill is retained.

(8) Leasing assets

Assets of lease companies of the Group intended for letting are reported in the consolidated balance sheet as leasing assets if the IKB Group is the beneficial owner. The associated income is reported in the consolidated income statement under "Lease income". The cost of disposals of leasing assets and other associated expenses in the Group are contained in the item "Lease expenses".

Depreciation on leasing assets in the Group is reported in "Depreciation on leasing assets".

(9) Securities repurchase and lending transactions

Securities repurchase transactions are accounted for in accordance with section 340b HGB.

In securities repurchase transactions in which it is the repo seller, IKB still reports the transferred assets in its balance sheet and recognises a corresponding liability to the repo purchaser. If IKB is the repo purchaser, a receivable from the repo seller is recognised

Securities lending transactions are accounted for in the same way as securities repurchase transactions.

(10) Excess of plan assets over post-employment benefit liability

In accordance with section 246(2) sentence 2 HGB, assets that are inaccessible to all other creditors and that are used solely to satisfy pension or similar long-term liabilities are offset against these liabilities. The procedure is the same for the associated expenses and income from discounting obligations and from the assets offset.

Assets transferred in contractual trust arrangements (CTAs) are measured at fair value. If the fair value of the assets exceeds the amount of the liabilities, this amount is reported under "Excess of plan assets over post-employment benefit liability". The corresponding net expenses and income are reported in other operating income or other operating expenses as appropriate.

Accounting for pension liabilities is shown in the accounting policies for provisions (note 12).

(11) Liabilities

With the exception of liabilities held for trading, liabilities are carried at settlement amount. The difference between the settlement amount and the amount paid in is reported under deferred items and released through profit and loss.

For assets that are transferred but not derecognised, an obligation is reported under other liabilities at the amount received for the asset.

(12) Provisions

Provisions for pensions and similar obligations

Pension liabilities are measured at the necessary settlement amount. The 2005 G Heubeck mortality tables are used to calculate the necessary settlement amount. The calculation is performed using the projected unit credit method with the following measurement assumptions:

Measurement factor	31 Mar. 2013 Assumption	31 Mar. 2012 Assumption
Interest rate	5.03%	5.13%
Wage and salary increase	3.0%	3.0%
Pension trend	2.0%	2.0%
Fluctuation rate in line with grading by age and sex		
Age up to 35 m/f	6.5% / 4.5%	6.5% / 4.5%
Age from 36 to 45 m/f	4.5% / 5.5%	4.5% / 5.5%
Age over 45 m/f	1.5% / 1.0%	1.5% / 1.0%

Exercising the option under section 253(2) sentence 2 HGB, pension provisions are discounted at flat rate using the average market interest rate for an assumed remaining term of 15 years. The interest rate was announced by the Bundesbank in line with the *Rückstellungsabzinsungsverordnung* (RückAbzinsV – German Ordinance on the Discounting of Provisions). For securities-linked commitments, provisions are carried in the amount of the fair value of the plan assets if a guaranteed minimum amount is exceeded.

In accordance with section 67(1) sentence 1 EGHGB, the option is exercised to add one fifteenth of the additional provision required on account of the change in the measurement of pension obligations due to BilMoG each financial year (see note 35).

Assets were transferred in previous years to hedge the obligations from pension fund plans and similar regulations. In contractual trust arrangements, IKB separated the assets necessary to meet pension claims from its other company assets and transferred these to a trustee. If the fair value of the

assets transferred is less than the associated obligations, a provision for pensions and similar obligations is reported in the corresponding amount.

Please see note 10 for information on the offsetting requirement for transferred assets against pension obligations and the recognition of assets.

Tax provisions and other provisions

Provisions for taxes and other provisions are recognised in the settlement amount necessary in line with prudent business judgement. The necessary settlement amount includes future increases in prices and costs. Provisions for expected losses from executory contracts are recognised in the amount of the obligation surplus. Provisions with a remaining term of more than twelve months are discounted in line with section 253(2) HGB using the matched term interest rates of the RückAbzinsV. First-time addition to the provision is at present value. The effect of interest on non-banking items in subsequent periods is reported under other operating expenses. The interest effect of compounding on provisions in connection with banking items is reported in interest expenses.

The provisions for interest on additional tax receivables to the financial authorities and the effects of compound interest on tax provisions are reported under other provisions. The expenses for the recognition of provisions for restructuring measures are reported under "Extraordinary expenses".

(13) Contingent liabilities

Contingent liabilities are recognised below the line at nominal amount less any recognised provisions.

(14) Derivatives

Non-trading derivatives are accounted for in line with the provisions for executory contracts. Premium payments made and received are reported in prepaid expenses respectively deferred income or in other

assets/liabilities. On the balance sheet date it is checked whether provisions for expected losses from executory contracts need to be recognised.

For derivative financial instruments included in a hedge in accordance with section 254 HGB, a provision for expected losses resulting from the hedged risk is not recognised if these losses are offset by an unrealised gain in the same amount (see note 20).

Banking book interest derivatives are measured at fair value together with all other non-trading interest-bearing financial instruments in accordance with the principles of IDW RS BFA 3. The present value of the interest-bearing transaction is offset against the carrying amounts. Administrative and risk costs, in addition to the refinancing effect of equity, are taken into account. The calculation in accordance with IDW RS BFA 3 did not result in any provision requirements.

Please see note 6 for information on the measurement of derivative financial instruments held for trading.

(15) Currency translation

The modified closing rate method in accordance with section 308a HGB is used to translate foreign-currency financial statements in the Group. The asset and liability items, not including equity, of a balance sheet in foreign currency are translated to euro at the average spot exchange rate on the balance sheet date. Equity is translated into euro at the historic rate. Income statement items are translated into euro at the average rate. Any translation difference is reported in consolidated equity as the "Difference in equity from currency translation".

At IKB AG and other banks in the Group, assets and liabilities from foreign-currency transactions outside the trading portfolio are translated in line with the principles of section 340h in conjunction with section 256a HGB if there is special cover. Thus, foreign currency assets and liabilities are translated at the middle spot exchange rate (ECB reference rate) as at the balance sheet date. If the requirements of special cover are not satisfied, currency translation is performed using the regulations that apply to all traders (section 256a HGB). For a remaining term of one year or less, the unrealised gains on currency translation are recognised in income. If the remaining term exceeds one year, the general measurement provisions apply.

This special cover in accordance with section 340h HGB is considered provided in line with IDW RS BFA 4 if the currency risk is controlled by a currency position and the individual items are aggregated in a currency position. IKB AG and the other banks in the Group allocate non-trading foreign currency transactions to the currency position of the respective currency and manage them using approved limits.

In the income statement, income and expenses from currency translation (translation differences) are reported under "Other operating income" and "Other operating expenses".

If IKB AG uses currency forwards to hedge interest-bearing assets and liabilities, the forward rate is divided and its two elements (spot rate and swap rate) are taken into account separately in the earnings calculation. The mark-ups and mark-downs on the spot rate are offset pro rata temporis in net interest income. For the above transactions, it is checked whether closing the positions with matched terms would result in losses and whether provisions should be recognised for these (measurement of remaining items).

In line with section 340c(1) HGB in conjunction with section 340e(3) HGB, foreign currency, trading portfolio financial instruments are measured at fair value less a risk deduction. After calculating the fair value in foreign currency, the trading portfolios are translated at the middle spot exchange rate as at the balance sheet date and unrealised gains and losses are recognised in net trading results.

(16) Hedge accounting

Under section 254 HGB, hedge accounting exists if assets, liabilities, executory contracts or highly likely transactions – underlying items – can be combined to offset opposing changes in value or cash flows from similar risks – hedged risks – with primary or derivative financial instruments – hedging instruments. At the first level, under IDW RS HFA 35, the enterprise must decide for itself at the first level whether a specific risk should be hedged by creating an economic hedge relationship with one or more underlyings. It is then decided at a second level whether a hedge entered into if risk management should also be shown in accounting as a hedge (option). If there is an economic hedge, the Bank decides on a case-by-case basis whether to apply hedge accounting.

In hedge accounting under section 254 HGB, unrealised losses resulting from hedged risks are not recognised for the individual transactions within the hedge if these losses are offset by unrealised gains from other hedged transactions of the same amount. This is done to the extent that and for the period in which opposing changes in value or cash flows from the hedged item and the hedging instrument offset each other in relation to the hedged risk.

The net hedge presentation method is used to present hedge accounting. In the net hedge presentation method, the offsetting changes in value of the hedged risk (effective portion) are not recognised. Any net unrealised gain resulting within the hedge is not taken into account. However, if the ineffective portion of changes in the value of the hedged item and the hedge is a loss, a corresponding provision is recognised. In the gross hedge presentation method, the offsetting positive and negative changes in value (effective amounts) of assets and liabilities due to the hedged risk are recognised in the balance sheet by adjusting the respective carrying amounts.

There is no hedge accounting for highly probable transactions.

Please see the reporting in the management report for information on the risk management of financial risks.

(17) Deferred taxes

If there are differences between the accounting carrying amounts of assets, liabilities, prepaid expenses and deferred income and their tax carrying amounts that will reverse in subsequent financial years (temporary differences), any net tax expense resulting from this is recognised as a deferred tax liability. Any net tax relief resulting from this is recognised as deferred tax assets. In calculating deferred tax assets, tax loss carried forwards that are expected to be available for offsetting in the next five years are taken into account in loss offsetting. The option to report deferred tax assets in line with section 274(1) sentence 2 HGB is exercised. However, the option to report deferred tax assets and liabilities without netting in line with section 274(1) sentence 3 HGB (gross reporting) is not utilised.

The deferred taxes were measured using individual tax rates for each tax entity that were in effect on the balance sheet date or that have already been approved by the legislator and are expected to apply at the time the deferred tax assets and liabilities are realised. In calculating German deferred taxes, a corporation tax rate of 15%, a solidarity surcharge of 5.5% on corporation tax and a trade tax rate in line with the applicable rates of assessment are assumed. Deferred taxes for foreign operations and subsidiaries are measured using the tax rates that apply there.

Owing to the tax entity structures, the deferred tax assets and liabilities resulting from temporary differences at companies within these entities are taken into account in the calculation of the deferred taxes of the parent entity. For tax group parents that are also participating tax entities, temporary differences are taken into account at the level of the top tax group parents.

If consolidation adjustments result in temporary differences in the consolidated financial statements, additional deferred tax assets and liabilities are reported for the future tax income or expenses resulting from these differences respectively. The deferred taxes resulting from consolidation adjustments in accordance with section 306 HGB are offset against the deferred taxes in accordance with section 274 HGB.

Notes on the Balance Sheet

(18) Structure of maturities of selected balance sheet items by remaining term

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Receivables from banks*	120.0	166.6	109.3	153.4
remaining term				
up to 3 months	75.0	97.7	64.2	96.8
between 3 months and 1 year	12.4	10.2	12.4	7.9
between 1 and 5 years	26.0	54.2	26.1	43.7
more than 5 years	6.6	4.5	6.6	5.0
Receivables from customers	14,707.1	16,044.6	16,752.3	18,058.4
remaining term				
up to 3 months	1,582.5	1,002.4	1,606.8	967.9
between 3 months and 1 year	2,419.7	1,966.3	2,735.5	2,137.4
between 1 and 5 years	8,197.0	10,485.9	9,111.8	11,673.3
more than 5 years	2,507.9	2,590.0	3,298.2	3,279.8
Liabilities to banks*	11,058.3	12,491.7	11,066.9	12,484.9
remaining term				
up to 3 months	1,086.3	1,572.0	1,099.7	1,562.7
between 3 months and 1 year	3,369.6	2,844.2	3,368.1	2,842.0
between 1 and 5 years	5,100.7	6,294.7	5,097.4	6,301.2
more than 5 years	1,501.7	1,780.8	1,501.7	1,779.0
Liabilities to customers*	10,293.1	9,630.6	10,311.2	9,648.9
remaining term				
up to 3 months	1,568.4	1,315.7	1,579.5	1,311.8
between 3 months and 1 year	3,184.5	3,275.7	3,188.5	3,194.2
between 1 and 5 years	4,072.7	2,777.2	4,075.8	2,779.5
more than 5 years	1,467.5	2,262.0	1,467.4	2,363.4

* not including receivables or liabilities repayable on demand

Of bonds and other fixed-income securities, € 678.1 million (previous year: € 1,234.9 million) are payable in the following year in the Group and € 510.2 million (previous year: € 1,160.0 million) are payable in the following year at IKB AG. Of the bonds issued and reported under securitised liabilities, € 117.4 million (previous year: € 2,927.4 million) are payable in the following year in the Group and € 117.4 million (previous year: € 2,927.4 million) are payable in the following year at IKB AG.

(19) Trading financial instruments

Assets held for trading break down as follows:

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Derivative financial instruments	253.1	129.4	253.1	129.4
Receivables	9.4	69.3	9.4	69.3
Bonds and other fixed-income securities	4.0	25.4	4.0	25.4
Risk deduction	-0.6	-1.7	-0.6	-1.7
Total	265.9	222.4	265.9	222.4

The trading book derivatives are interest swaps, spot transactions, caps/floors/collars, FX swaps, FX options, FX forwards and swaptions.

Liabilities held for trading essentially include derivative financial instruments in the amount of € 242.1 million (previous year: € 138.9 million).

The nominal amounts of the derivatives reported as assets and liabilities held for trading are:

31 Mar. 2013 in € million	Nominal amount	
	Group	IKB AG
Interest-related derivatives	6,116.2	6,116.2
Currency-related derivatives	1,314.2	1,314.2
Derivatives assigned to several categories	442.7	442.7
Total	7,873.1	7,873.1

After taking into account a risk deduction, trading activities generated net income of € 1.3 million for the 2012/13 financial year (previous year: € 0.8 million). This resulted in an addition to a special reserve in accordance with section 340e(4) HGB of € 0.1 million (previous year: € 0.1 million). This left net income of € 1.2 million (previous year: € 0.7 million).

(20) Hedge accounting

Hedge accounting is essentially used at IKB to show hedges of interest and currency risks.

As at the reporting date, there were hedges with assets with a carrying amount of € 497.1 million and derivatives with a negative market value of € 119.9 million as hedged items in the Group. At IKB AG, there were derivatives with a negative market value of € 119.6 million as hedged items as at the reporting date.

As at the reporting date, hedged risks amounted to € 7.7 million for the assets and € 115.5 million for the derivatives in the Group, and to € 115.2 million for derivatives at IKB AG. The hedged risk is equal to the value of the changes in the value or cash flows of the hedged item compensated by the hedge.

In cases in which the contract conditions of the hedged item and the hedge oppose each other exactly, both the prospective effectiveness test and the retrospective effectiveness test of the hedge are performed by way of a critical terms match. In other cases, effectiveness is ensured by regular monitoring of the opposing effects of hedges and underlyings. Hedges are recognised for the remaining term of the hedged items.

The net hedge presentation method is used to present hedge accounting. An exception to this is micro hedges for avoiding currency risks in the Group, which are accounted for using the gross hedge presentation method.

(21) Fixed assets

Group:

In € million	Intangible assets	Tangible assets	Leasing assets	Equity investments	Investments in associates	Investments in affiliated companies	Bonds and other fixed-income securities	Equities and other non-fixed-income securities	Total
Acquisition costs as at 31 Mar. 2012	86.1	67.0	2,568.7	71.7	26.1	7.6	8,307.3	1,046.7	12,181.2
Additions	6.7	2.6	476.3	0.1	2.3	0	2,883.1	2.3	3,373.4
Reclassifications/effects of currency translation	-0.1	0.2	-38.1	0	0	0	34.2	0	-3.8
Disposals	-25.3	-9.0	-477.9	-14.8	-7.0	-0.1	-3,093.4	-579.4	-4,206.9
Acquisition costs as at 31 Mar. 2013	67.4	60.8	2,529.0	57.0	21.4	7.5	8,131.2	469.6	11,343.9
Cumulative depreciation/ amortisation, write-downs and reversals thereof by 31 Mar. 2012	-68.6	-51.6	-1,157.7	-34.0	-7.3	-5.3	-633.1	0	-1,957.6
Reversals of write-downs	0	0	0.6	0.3	0.9	0	49.3	0	51.1
Depreciation/amortisation and write-downs	-5.2	-4.9	-413.4	-5.0	0	-0.1	-51.6	-1.1	-481.3
Reclassifications/effects of currency translation	0	-0.1	-0.8	0	0	0	-20.4	0	-21.3
Disposals	25.4	8.6	407.6	8.5	0	0	159.2	0	609.3
Cumulative depreciation/ amortisation, write-downs and reversals thereof by 31 Mar. 2013	-48.4	-48.0	-1,163.7	-30.2	-6.4	-5.4	-496.6	-1.1	-1,799.8
Residual book value as at 31 Mar. 2013	19.0	12.8	1,365.3	26.8	15.0	2.1	7,634.6	468.5	9,544.1
Residual book value as at 31 Mar. 2012	17.5	15.4	1,411.0	37.7	18.8	2.3	7,674.2	1,046.7	10,223.6

Deferred interest for the financial year and the previous year is shown in additions and disposals.

IKB AG:

in € million	Intangible assets	Tangible assets	Leasing assets	Equity investments	Investments in associates	Investments in affiliated companies	Bonds and other fixed-income securities	Equities and other non-fixed-income securities	Total
Acquisition costs as at 31 Mar. 2012	110.5	34.4	0	13.0	0	1,974.7	7,457.8	0	9,590.4
Additions	6.0	0.1	0	0	0	22.4	2,757.7	0	2,786.2
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	-25.2	-1.3	0	-0.1	0	-655.9	-2,980.4	0	-3,662.9
Acquisition costs as at 31 Mar. 2013	91.3	33.2	0	12.9	0	1,341.2	7,235.1	0	8,713.7
Cumulative depreciation/ amortisation, write-downs and reversals thereof by 31 Mar. 2012	-59.8	-28.3	0	-0.2	0	-1,196.8	-431.4	0	-1,716.5
Reversals of write-downs	0	0	0	0	0	0	10.8	0	10.8
Depreciation/amortisation and write-downs	-8.5	-0.7	0	-1.6	0	-15.5	72.8	0	46.5
Reclassifications	0	0	0	0	0	-4.2	0	0	-4.2
Disposals	25.2	1.3	0	0	0	0	0	0	26.5
Cumulative depreciation/ amortisation, write-downs and reversals thereof by 31 Mar. 2013	-43.1	-27.7	0	-1.8	0	-1,216.5	-347.8	0	-1,636.9
Residual book value as at 31 Mar. 2013	48.2	5.5	0	11.1	0	124.7	6,887.3	0	7,076.8
Residual book value as at 31 Mar. 2012	50.7	6.1	0	12.8	0	777.9	7,026.4	0	7,873.9

Deferred interest for the financial year and the previous year is shown in additions and disposals.

The item "Bonds and other fixed-income securities" predominantly includes issues by international industrial firms (corporate bonds), government bonds, mortgage bonds, CDOs and ABS bonds. Shares in special funds are also assigned to fixed assets in the item "Equities and other non-fixed-income securities" in the Group (see note 23).

In total, there were hidden liabilities from long-term investments at the balance sheet date of € 363.1 million (previous year: € 669.4 million) in the Group and € 319.4 million (previous year: € 626.0 million) at IKB AG. These holdings currently have lower fair values as a result of spreads widening following the government debt crisis. The differences between the market values of € 2,166.3 million (previous year: € 3,415.8 million) in the Group and of € 2,131.0 million (previous year restated: € 3,373.5 million) at IKB AG and the carrying amounts of € 2,529.5 million (previous year: € 4,085.2 million) in the Group and of € 2,450.4 million (previous year restated: € 3,999.5 million) at IKB AG are not considered to be permanent impaired. Hence, no write-downs have been recognised. The fair values and carrying amounts used to calculate hidden charges do not include any deferred interest.

€ 2,513.7 million of disposals in bonds and other fixed-income securities relate to returns of SoFFin guarantees.

Operating and office equipment are included in tangible assets at € 12.1 million (previous year: € 14.3 million) in the Group and € 4.8 million (previous year: € 5.0 million) at IKB AG. As in the previous year, this does not include any land or buildings used for banking operations.

Amortisation on intangible leasing assets in the Group amounted to € 0.7 million (previous year: € 0.7 million).

(22) Negotiable securities

The negotiable securities included in the balance sheet items below break down as follows in terms of stock exchange listing:

31 Mar. 2013 in € million	Group			IKB AG		
	Total negotiable	Listed	Not listed	Total negotiable	Listed	Not listed
Bonds and other fixed-income securities	7,855.1	7,552.5	302.6	6,991.9	6,991.9	-
Equities and other non-fixed-income securities	488.2	-	488.2	28.3	-	28.3
Equity investments	9.6	-	9.6	-	-	-

31 Mar. 2012 in € million	Group			IKB AG		
	Total negotiable	Listed	Not listed	Total negotiable	Listed	Not listed
Bonds and other fixed-income securities	10,578.0	10,521.0	57.0	9,930.3	9,930.3	-
Equities and other non-fixed-income securities	1,114.6	-	1,114.6	78.3	-	78.3
Equity investments	9.6	-	9.6	-	-	-

The item “Bonds and other fixed-income securities” includes the negotiable securities assigned to fixed assets of € 7,634.6 million (previous year: € 7,674.2 million) in the Group and € 6,887.3 million (previous year: € 7,026.4 million) at IKB AG. The item “Equities and other non-fixed-income securities” exclusively contains the negotiable securities assigned to fixed assets in the Group of € 468.5 million (previous year: € 1,046.7 million).

(23) Disclosures on investment assets

Investment assets with a share of more than 10% break down by investment goal as follows:

in € million	Group				IKB AG			
	Carrying amount 31 Mar. 2013	Market value 31 Mar. 2013	Difference to carrying amount 31 Mar. 2013	Distribution 2012/13	Carrying amount 31 Mar. 2013	Market value 31 Mar. 2013	Difference to carrying amount 31 Mar. 2013	Distribution 2012/13
Mixed funds	253.4	253.4	-	6.0	227.4	227.4	-	5.4
Other special funds	488.2	489.2	1.0	44.8	28.3	28.3	-	-
Total	741.6	742.6	1.0	50.8	255.7	255.7	-	5.4

in € million	Group				IKB AG			
	Carrying amount 31 Mar. 2012	Market value 31 Mar. 2012	Difference to carrying amount 31 Mar. 2012	Distribution 2011/12	Carrying amount 31 Mar. 2012	Market value 31 Mar. 2012	Difference to carrying amount 31 Mar. 2012	Distribution 2011/12
Mixed funds	231.9	231.9	-	6.6	208.5	208.5	-	6.0
Other special funds	1,114.6	1,138.5	23.9	-	78.3	78.3	-	-
Total	1,346.5	1,370.4	23.9	6.6	286.8	286.8	-	6.0

The item “Equities and other non-fixed-income securities” includes interests in foreign special funds within the meaning of the *Investmentgesetz* (InvG – German Investment Act). The funds predominantly invest in government and mortgage bonds of the euro area.

Furthermore, CTA assets were invested in a German special fund within the meaning of the German Investment Act. The amount remaining after offsetting against pension obligations is reported under “Excess of plan assets over post-employment benefit liability” (see note 28). The fund predominantly invests in fixed-income securities and to a minor extent in investment units and equities.

All fund shares can be returned on each trading day. The management company can suspend the redemption of units if there are extraordinary circumstances that make it appear necessary to do so in the interests of the investors. The management companies have not exercised this right to date.

(24) Investments accounted for using the equity method

The associates shown in the table are accounted for in the Group using the equity method.

in € million	31 Mar. 2013	31 Mar. 2012
Linde Leasing GmbH, Wiesbaden	11.1	9.2
Argantis Private Equity GmbH & Co. KG, Cologne	3.9	9.6
Total	15.0	18.8

Key figures for companies accounted for using the equity method:

31 Mar. 2013 in € million	Assets	Liabilities	Net income/ loss for the financial year	Income
Linde Leasing GmbH, Wiesbaden	516.5	479.5	7.7	199.3
Argantis Private Equity GmbH & Co. KG, Cologne	16.0	1.9	12.5	17.4

(25) Receivables from and liabilities to affiliated companies and other investees and investors

31 Mar. 2013 in € million	Group		IKB AG	
	Affiliated companies ¹⁾	Investees and investors	Affiliated companies	Investees and investors
Receivables from banks	-	-	1.8	-
Receivables from customers	20.6	30.1	3,154.7	30.0
Other assets	0.1	0.1	72.2	-
Liabilities to banks	-	-	32.1	-
Liabilities to customers	5.2	0.5	67.9	-
Securitised liabilities	-	-	257.4	-
Other liabilities	-	-	-	-

31 Mar. 2012 in € million	Group		IKB AG	
	Affiliated companies ¹⁾	Investees and investors	Affiliated companies	Investees and investors
Receivables from banks	-	-	1.8	-
Receivables from customers	18.5	48.7	2,606.0	48.6
Other assets	-	-	211.7	-
Liabilities to banks	-	-	17.5	-
Liabilities to customers	0.5	-	227.2	0.5
Securitised liabilities	-	-	-	-
Other liabilities	-	-	-	-

1) for affiliated companies not included in consolidation only

(26) Trust activities

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Assets held in trust: receivables from customers	0.3	0.9	0.3	0.9
Liabilities held in trust: liabilities to customers	0.3	0.9	0.3	0.9

The receivables from customers under trust assets are exclusively loans to insolvent borrowers. In line with the contractual agreements, these are still reported on the balance sheet until the trustee releases IKB from the trust relationship.

(27) Subordinated assets

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Receivables from customers	1,019.8	1,084.4	999.9	1,055.0
Bonds and other fixed-income securities	0.7	0.7	0.7	-
Total	1,020.5	1,085.1	1,000.6	1,055.0

The subordinated assets reported in “Bonds and other fixed-income securities” are own bonds.

(28) Excess of plan assets over post-employment benefit liability

31 Mar. 2013 in € million	Group	IKB AG
Offset assets		
Historical Cost	267.7	239.9
Fair value	267.8	240.0
Offset liabilities		
Settlement amount	-232.2	-205.2
Excess of plan assets over post-employment benefit liability	39.9	38.0
Expenses and income offset in the reporting year	2012/13	2012/13
Expenses and income from pension obligations		
Expenses for pension obligations	-17.1	-15.5
Expenses and income from plan assets		
Income from plan assets	21.7	19.8
Net income/expense	4.6	4.3

31 Mar. 2012 in € million	Group	IKB AG
Offset assets		
Historical Cost	257.9	231.3
Fair value	242.1	217.2
Offset liabilities		
Settlement amount	-213.6	-189.2
Excess of plan assets over post-employment benefit liability	30.6	28.9
Expenses and income offset in the reporting year	2011/12	2011/12
Expenses and income from pension obligations		
Income from pension obligations	1.2	-
Expenses for pension obligations	-12.4	-12.5
Expenses and income from plan assets		
Income from plan assets	6.8	6.3
Expenses of plan assets	-7.0	-6.4
Net income/expense	-11.4	-12.6

The fair value of assets transferred in CTAs results from their asset value, which was determined by the investment company as at the balance sheet date in accordance with section 36 InvG.

(29) Leases

Assets intended for letting (equipment leasing) are reported in the consolidated balance sheet as leasing assets. These are essentially partial-pay-out agreement in which the leased assets are accounted for by the lessor.

(30) Repurchase agreements

The carrying amount of assets reported in the balance sheet as at the reporting date and transferred in repurchase agreements is € 3,736.9 million (previous year: € 2,663.6 million) in the Group and at IKB AG.

(31) Foreign-currency assets and liabilities

The reported currency volumes translated into euro are shown in the table below:

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Assets	2,456.7	2,517.5	2,526.4	2,793.5
Liabilities	1,314.8	1,182.7	1,564.8	1,480.0

The differences between the assets and the liabilities are largely hedged by currency hedges.

(32) Other assets and other liabilities

Other assets essentially include the following:

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Inventories	90.9	99.7	-	-
Receivables from leasing business	50.0	45.2	-	-
Receivables from tax authorities	43.8	32.4	35.1	24.3
Hire-purchase properties not yet realised	13.7	8.3	-	-
Prepaid expenses and deferred income for derivatives	12.5	11.6	16.0	13.6
Trade accounts and other receivables	3.9	4.9	-	-
Receivables from affiliated companies	-	-	72.2	211.7

Two properties are reported at carrying amount under inventories in the Group. Hire-purchase properties not yet realised are carried within realisation of a security for non-performing hire-purchase receivables in the Group. Receivables from leasing business in the Group are essentially advanced payments on hire purchase agreements not yet invoiced.

Other liabilities essentially include the following:

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
True sale securitisations	-	-	379.2	515.9
Synthetic securitisations	289.4	281.1	17.5	14.9
Obligations from derivatives	82.0	70.5	94.2	80.7
Deferred income for derivatives	31.7	24.5	9.5	1.2
Liabilities to tax authorities	14.4	8.9	5.3	4.2
Deferred income for subordinates liabilities	13.3	14.4	13.3	14.4

In this item IKB AG reports liabilities from special-purpose entities in true sale securitisation transactions, which are opposing to not derecognised credit receivables in the same amount on account of the retention of credit risks. In addition, in synthetic securitisation transactions, IKB AG has transferred risks from structured securities contained in the balance sheet to a special-purpose entity consolidated in the Group. Other liabilities and provisions for expected losses from executory contracts have been recognised at the carrying amount of these securities.

In the Group, lease receivables were sold to a non-consolidated special-purpose entity in synthetic securitisation transactions. The transaction did not result in an accounting disposal, hence other liabilities are reported at the carrying amount of the lease receivables.

Deferred interest on the derivative transaction is reported net.

(33) Deferred income and prepaid expenses

Prepaid expenses includes discounts on liabilities recognised at nominal amount of € 21.4 million (previous year: € 27.8 million) in the Group and € 22.7 million (previous year: € 29.8 million) at IKB AG. Deferred income includes discounts on receivables recognised at nominal amount of € 35.6 million (previous year: € 44.1 million) in the Group and € 31.8 million (previous year: € 40.4 million) at IKB AG.

(34) Deferred tax assets

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Total reported amount of deferred tax assets	148.2	152.0	150.7	151.6
Total reported amount of deferred tax liabilities	-	-	-	-

Loss carried forwards:

in € million	Group		IKB AG	
	31 Mar. 2013	31 Mar. 2012	31 Mar. 2013	31 Mar. 2012
Reported corporation tax loss carried forwards	53.8	65.1	21.7	20.8
Reported trade tax loss carried forwards	2.7	-	-	-

The valuation of deferred tax assets is essentially based on the differences between the financial balance sheet and the tax balance sheet that will reverse in subsequent years. In particular, the valuation relates to accrual for contingent losses for embedded derivatives (CDS) recognised in the financial balance sheet but not in the tax balance sheet and investment funds of the German Group. Furthermore, deferred tax assets on tax loss carried forwards are taken into account if the losses are reasonable assurance to be offset within the next five financial years from the next year-end reporting date. Local tax rates were used in each case. The resulting tax burden and relief have been reported net.

(35) Pension provisions

The reported pension provisions of € 6.1 million (previous year: € 3.7 million) in the Group and € 3.2 million (previous year: € 0.8 million) at IKB AG relate to early retirement benefits reported as obligations under the new redundancy scheme and that were not offset by plan assets as at 31 March 2013.

In the context of the first-time adoption regulations of the BilMoG, the option was exercised to distribute the additional amount to the pension provisions evenly over a term of 15 years. The outstanding addition as at 31 March 2013 amounted to € 55.7 million (previous year: € 60.3 million) in the Group and € 49.0 million (previous year: € 53.1 million) at IKB AG.

(36) Subordinated liabilities

The subordinated liabilities are internal funds within the meaning of the German Banking Act (KWG) and count as liable capital in the amount of € 1,137.1 million (previous year: € 1,183.1 million) in the Group and € 662.0 million (previous year: € 708.0 million) at IKB AG. As in the previous year, the Bank does not allocate subordinated liabilities to tier III capital at either Bank or Group level.

There is no early repayment obligation. In the event of insolvency or liquidation, they can only be repaid after pay off of all non-subordinated creditors. Participation in the losses of operating activities is not provided for here. Interest is owed and paid regardless of the Bank's net profit or loss for the year.

As at the reporting date, subordinated liabilities amounted to € 1.4 billion (previous year: € 1.5 billion) in the Group and € 0.9 billion (previous year: € 1.0 billion) at IKB AG. Interest expenses on these amounted to € 31.2 million (previous year: € 35.3 million) in the Group and € 31.2 million (previous year: € 49.7 million) at IKB AG in the financial year. Interest expenses were not incurred for the 2004/2005 issue (Group) in the financial year as payment is dependent on unappropriated retained earnings at IKB AG.

Individual items that exceed 10% of the total amount in the Group and at IKB AG:

Year of issue	Carrying amount in € million	Currency	Interest rate in %	Maturity
2003/2004	92.0	EUR	1.11	28 May 2013
2003/2004	284.0	EUR	4.50	9 July 2013
2005/2006	107.6	JPY	2.76	21 July 2035
2006/2007	120.0	EUR	0.96	23 January 2017
2004/2005 (Group)	400.0	EUR	1)	Perpetual

1) 10Y EUR mid-swap rate + 5bp, cap 9%

(37) Profit participation capital

After loss allocation, profit participation capital in the Group and at IKB AG amounted to € 32.2 million as at the balance sheet date (previous year: € 35.8 million). € 30.6 million of this amount (previous year: € 34.2 million) meets the requirement of section 10(5) KWG and therefore serves to increase liable capital. The nominal amount as at the balance sheet date was unchanged at € 300.0 million. In line with terms and conditions, profit participation capital participates fully in the net loss for the year or net accumulated losses. Depending on the issue, interest payments are only made in conjunction with existing unappropriated retained earnings or net income for the year. The claims of profit participation certificate bearers to capital repayment are subordinate to the claims of other creditors.

The loss participation of profit participation certificate bearers or the replenishment of profit participation capital are calculated in different ways on account of the various terms and conditions of profit participation capital. The loss participation of the respective profit participation certificate bearers is calculated on the basis of the pro rata net loss for the year or net accumulated losses (in part not taking into account the loss carried forward) in proportion to the balance sheet equity including total profit participation capital or all capital shares participating in net accumulated losses up to the repayment amount. The replenishment of the repayment amount after a loss participation and a additional payment of suspended distributions are expressly provided for in the issue conditions when certain conditions are met within the term of the issue or after the end of a four-year recovery period.

The profit participation capital in the Group and at IKB AG breaks down as follows:

Year of issue	Original nominal amount in € million	Currency	Interest rate in %	Maturity
2004/2005	30.0	EUR	4.50	31 March 2015
2005/2006	150.0	EUR	3.86	31 March 2015
2006/2007	50.0	EUR	4.70	31 March 2017
2007/2008	70.0	EUR	5.63	31 March 2017

After loss participation, no interest was incurred on profit participation certificates for the 2012/13 financial year. Without the net loss for the year or net accumulated losses, interest of € 13.4 million (previous year: € 24.8 million) would have been payable on profit participation certificates in the 2012/13 financial year.

The Extraordinary General Meeting on 25 March 2009 authorised the Board of Managing Directors to issue bearer profit participation certificates on one or more occasions until 24 March 2014. The profit participation certificates must satisfy the requirements of the German Banking Act, under which the capital paid in to grant of profit participation certificates is attributable to liable capital. Bearer option warrants can be attached to the profit participation certificates or they can be equipped with a conversion right for the bearer. According to the terms and conditions of the option or convertible profit participation certificates (hereinafter the “profit participation certificate terms and conditions”), the option and conversion rights provide for bearers to subscribe to bearer shares of the company. Actions for annulment or nullity suit have been brought against this resolution on which a verdict has not yet been reached. This has not been entered in the commercial register to date.

The total nominal amount of the profit participation certificates, option and convertible bonds issued under this authorisation cannot exceed € 900 million. Option and conversion rights can only be issued for shares of the company with a pro rata amount of share capital of up to nominally € 618,749,990.40. As well as in euro, the profit participation certificates and bonds can be issued in the legal currency of an OECD state – up to the corresponding euro value of € 900 million.

(38) Fund for general banking risks

Owing to the net income in the trading portfolio of € 1.3 million (previous year: € 0.8 million), there was an addition to the fund for general banking risks in accordance with section 340e (4) HGB of € 131 thousand (previous year: € 77 thousand) in the 2012/13 financial year. This special reserve was recognised in the amount of € 208 thousand as at the reporting date (previous year: € 77 thousand).

The fund recognised in previous years for general banking risks in accordance with section 340g HGB was reduced by € 19.0 million to € 170.6 million in the 2012/13 financial year.

(39) Development of capital

Treasury stock

By way of resolution of the Annual General Meeting on 26 August 2010, the Board of Managing Directors was authorised to acquire and sell treasury stock for the purpose of securities trading until 25 August 2015. The amount of shares acquired for this purpose may not exceed 5% of the share capital at the end of any one day. Together with the treasury shares acquired for other reasons held by the company or assigned to it in accordance with sections 71a et seq. AktG, the treasury shares acquired on the basis of this authorisation may not exceed 10% of the share capital at any time. This authorisation was not utilised in the 2012/13 financial year.

By a resolution of the Annual General Meeting held on 26 August 2010, the company was authorised to acquire treasury shares of up to 10% of the share capital for purposes other than securities trading until the end of 25 August 2015. The shares can be acquired on the stock exchange or by way of a public bid to all shareholders. The acquisition of shares may be carried out using put or call options. Such share acquisitions are limited to shares of a maximum volume of 5% of the share capital at the time of the resolution on this authorisation by the Annual General Meeting on 26 August 2010. The terms of the options must end by 25 August 2015 at the latest. Together with the treasury shares acquired for trading purposes and other reasons held by the company or assigned to it in accordance with sections 71a et seq. AktG, the treasury shares acquired on the basis of this authorisation may not exceed 10% of the share capital of the company at any time. In line with a decision by the Board of Managing Directors, the acquired shares can be sold on the stock exchange or in some other way or, called in full or in part. This authorisation was not utilised in the 2012/13 financial year.

No treasury stock were held in the 2012/13 financial year, nor were there any additions or disposals of the same.

Equity

By way of resolution of the Annual General Meeting on 28 August 2008, the Board of Managing Directors was authorised, with the approval of the Supervisory Board, to increase the share capital of the company by a total of up to € 500,000,000.00 against cash or non-cash contributions by issuing up to 195,312,500 new no-par value bearer shares until 27 August 2013. With the approval of the Supervisory Board, the statutory subscription rights of shareholders can be disapplied under this authorisation. This authorisation was not utilised in the 2008/09 to 2012/13 financial years. The authorised capital was entered in the commercial register on 3 November 2008.

By way of resolution of the Extraordinary General Meeting on 25 March 2009, the Board of Managing Directors was authorised, with the approval of the Supervisory Board, to increase the share capital of the company by a total of up to € 247,499,996.16 against cash or non-cash contributions by issuing up to 96,679,686 new no-par value bearer shares until 24 March 2014. With the approval of the Supervisory Board, the statutory subscription rights of shareholders can be disapplied under this authorisation. Actions for annulment or nullity suit have been brought against this resolution on which a verdict has not yet been reached. The resolution has not yet been entered in the commercial register.

By way of resolution of the Annual General Meeting of IKB AG on 28 August 2008, the Board of Managing Directors was authorised to issue convertible and/or option bonds with a total nominal amount of € 900,000,000.00 and a maximum duration of 20 years by 27 August 2013 and to grant the bearers of these bonds conversion or option rights to up to 48,339,843 no-par value bearer shares in the company with a stake of up to € 123,749,998.08 in the share capital according to the relevant bond conditions. On 19 November 2008, the Board of Managing Directors of the company resolved to issue subordinated bonds with a total nominal value of up to € 123,671,070.72 with a contingent conversion obligation and contingent conversion right for up to 48,309,012 shares of the company from contingent capital with a shareholders' subscription right. A subsidiary of the Lone Star group, LSF6 Rio S.à.r.l., had undertaken to assume all bonds not subscribed to by other IKB AG shareholders. Bonds totalling € 150,174.72 were subscribed to by other shareholders and the remaining amount of € 123,520,896.00 was acquired by Lone Star (LSF6 Rio S.à.r.l.). A bond of nominally € 23.04 entitled the bearer to subscribe to nine new shares from contingent capital at a conversion price of € 2.56 per share. The conditions for the existence of a conversion obligation and a conversion right had been met since 1 July 2009, hence there was a conversion right from this time. A conversion obligation existed no later than 11 April 2012. LSF6 Rio S.à.r.l. had exercised its conversion right in full on 2 July 2009. On issuance of the subscribed shares on 14 July 2009, this increased the share capital of the company by € 123,520,896 to € 1,621,315,228.16. The increase in the share capital was entered in the commercial register on 4 May 2010. Also, a further creditor of the convertible bond had exercised its conversion right on 20 January 2012. On issuance of the subscribed shares on 30 January 2012, this increased the share capital of the company by € 3,686.40 to € 1,621,318,914.56. The remaining convertible bonds of nominally € 146,488.32 underwent mandatory conversion on 11 April 2012. The number of total voting rights rose by 57,222 as a result of the mandatory conversion from € 633,327,701 to € 633,384,923 and the subscribed capital increased to € 1,621,465,402.88. The increase in share capital as a result of the conversions in January 2012 and April 2012 was entered in the commercial register on 2 May 2012.

By way of a resolution by the Extraordinary General Meeting on 25 March 2009, the Board of Managing Directors was authorised to issue convertible and option certificates and convertible and option bonds with a total nominal amount of up to € 900,000,000.00 and to grant the bearers of profit participation certificates or bonds conversion or option rights to shares of the company with a share of capital of up to € 618,749,990.40 in line with the respective terms and conditions of the bonds until 24

March 2014. The residual authorisation of 28 August 2008 to issue convertible and option bonds of up to € 776,328,929.28 was revoked by way of resolution of the Extraordinary General Meeting on 25 March 2009. Actions for annulment have been brought against these resolutions on which a verdict has not yet been reached. The resolution has not yet been entered in the commercial register.

By way of resolution of the Annual General Meeting on 26 August 2010, the share capital contingently increased by up to € 229,102.08 (Contingent Capital 2008) still existing from the resolution of the Annual General Meeting on 28 August 2008 was lowered to a maximum of € 150,174.72, comprising up to 58,662 new no-par value bearer shares with an entitlement to profits starting from the beginning of the financial year in which they are issued. The reduction was entered in the commercial register on 8 November 2010.

By way of resolution of the Annual General Meeting on 26 August 2010, the Board of Managing Directors was authorised, with the approval of the Supervisory Board, to issue bearer convertible and/or option bonds or combinations of these instruments (referred to together as “bonds” hereafter) with a total nominal value of up to € 400,000,000.00 on one or several occasions, with or without a limited term in each case, until 25 August 2015, and to grant the bearers of bonds conversion or option rights to subscribe to a maximum of 74,874,422 no-par value bearer ordinary shares of the company with a proportionate amount of the share capital of up to € 191,678,520.32 in total in accordance with the terms of issue of the bonds. This authorisation was not utilised in the 2012/13 financial year. The resolution was entered in the commercial register on 8 November 2010.

Capital reserves

The capital reserves were reported unchanged at € 1,750.7 million in the financial year.

Revenue reserves

€ 21.9 million was withdrawn from other revenue reserves to reduce the net accumulated loss as at the balance sheet date.

Hybrid capital instruments

The term hybrid capital instruments includes preferred shares (trust preferred securities) or issues in the form of asset contributions by silent partners. Hybrid capital instruments are only repaid after all subordinated liability and profit participation certificate issues have been served.

In the Group, trust preferred securities were issued by two subsidiaries in the US created for this purpose. Unlike German preferred shares, these preferred shares grant no share to the liquidation result of the issuing companies. In contrast to tier II capital, these instruments have higher requirements in terms of their maturity. The asset contributions by silent partners, which are otherwise perpetual, can only be cancelled by the issuers, an option that cannot be exercised until 2013 or 2014 at the earliest. A further condition for cancellation is that the repayment value is replenished to the original nominal value of the contribution. Perpetual maturity is agreed for the investor for preferred shares.

IKB AG has received silent contributions from partners. The loss ratio is calculated by the ratio of the silent partner contribution to balance sheet equity including profit participation certificates. The repayment claims of the silent partners were reduced by € 0.0 million in the financial year as a result of the loss participation (previous year: € 0.6 million). The replenishment of the repayment amount after loss participation is expressly provided for when certain conditions are met.

After loss allocation, the hybrid tier I capital as at 31 March 2013 amounted to € 475.1 million (previous year: € 475.1 million) in the Group and € 0.0 million (previous year: € 0.0 million) at IKB AG. The nominal value was unchanged at € 875.1 million in the Group and € 400.0 million at IKB AG.

As in the previous year, no payments were made on hybrid capital instruments.

Statement of changes in equity

Group:

in € million	1 Apr. 2012	Change in reserves	Other changes	Consolidated net loss	31 Mar. 2013
Called-up capital	1,621.3	-	0.2	-	1,621.5
Subscribed capital	1,621.3	-	0.2	-	1,621.5
Capital reserves	1,750.7	-	-	-	1,750.7
Revenue reserves	26.6	-21.9	0.3	-	5.0
Legal reserve	2.4	-	-	-	2.4
Other revenue reserves	24.2	-21.9	0.3	-	2.6
Difference in equity from currency translation	-17.8	-	1.1	-	-16.7
Net accumulated losses	-2,290.8	-	-	-117.5	-2,408.4
Equity	1,090.0	-21.9	1.6	-117.5	952.1

IKB AG:

in € million	1 Apr. 2012	Withdrawals	Additions	Distribution of loss for year	31 Mar. 2013
Called-up capital	1,621.3	-	0.2	-	1,621.5
Subscribed capital	1,621.3	-	0.2	-	1,621.5
Capital reserves	1,750.7	-	-	-	1,750.7
Revenue reserves	24.3	-21.9	-	-	2.4
Legal reserve	2.4	-	-	-	2.4
Other revenue reserves	21.9	-21.9	-	-	-
Net accumulated losses	-2,030.5	-	-	-136.8	-2,167.3
Equity	1,365.8	-21.9	0.2	-136.8	1,207.3
For information purposes:					
Unutilised					
authorised capital ¹⁾	500.0	-	-	-	500.0
contingent capital ¹⁾	191.8	-0.1	-	-	191.7

1) The data shown is the same as the data entered in the commercial register. These values could still change on account of the actions for annulment. Please see the comments on equity in this regard (see note 39).

In line with the notification submitted to the banking regulatory authorities as at the balance sheet date, the regulatory internal funds in the Group as per the German Banking Act amounted to a total of € 2.2 billion (previous year: € 2.2 billion). The calculation of internal funds assuming the adopted balance sheet values produced a value of € 2.2 billion (previous year: € 2.3 billion).

The reported regulatory internal funds of IKB AG as per the German Banking Act amounted to a total of € 2.1 billion (previous year: € 2.2 billion), while the calculation of internal funds assuming the adopted balance sheet values produced a value of € 2.0 billion (previous year: € 2.2 billion).

The distributable amounts locked break down as follows:

Group:

31 Mar. 2013 in € million	Gross income	Deferred tax assets	Deferred tax liabilities	distributable amount locked
Unrealised gains on plan assets	1.4	-	-	1.4
Recognition of deferred taxes	-	304.6	-156.4	148.2
Total	1.4	304.6	-156.4	149.6

IKB AG:

31 Mar. 2013 in € million	Gross income	Deferred tax assets	Deferred tax liabilities	distributable amount locked
Unrealised gains on plan assets	1.3	-	-	1.3
Recognition of deferred taxes	-	180.2	-29.5	150.7
Total	1.3	180.2	-29.5	152.0

Notes on the Income Statement

(40) Income by geographical market

The total amount of interest income, lease income, current income from equities and other non-fixed-income securities, equity investments and investments in affiliated companies, commission income, net income from the trading portfolio and other operating income breaks down among the different geographical markets as follows:

in € million	Group		IKB AG	
	2012/13	2011/12	2012/13	2011/12
Federal Republic of Germany	2,755.3	2,857.0	2,276.0	2,629.4
Europe not including Germany	231.2	243.5	43.1	220.8
Unites States of America	-	0.5	-	-
Total	2,986.5	3,101.0	2,319.1	2,850.2

Income is allocated to geographical regions on the basis of the domicile of the company in the Group and the head office of operations at IKB AG.

(41) Administrative and brokerage services for third parties

IKB performs administrative services for credit and custody business, particularly in guarantee credit business. The income from these activities is included in commission income.

(42) Other operating income

For the first time, income from the reversal of interest swaps of € 387.9 million in the Group and € 396.0 million at IKB AG has been reported in Other operating income. The income from the reversal of interest swaps is offset by other operating expenses from the reversal of other interest swaps in the context of the reduction of hidden charges (see note 43).

Furthermore, in the Group this item includes income from currency translation of € 40.3 million (previous year: € 64.4 million), income from the reversal of provisions of € 8.9 million (previous year: € 20.0 million) and rental income of € 8.1 million (previous year: € 8.9 million).

In this item, IKB AG reports income from the reversal of provisions of € 7.3 million (previous year: € 14.8 million) and income from cost allocation of € 6.5 million (previous year: € 5.8 million).

The income from the discounting of provisions amounted to € 0.1 million (previous year: € 1.9 million) in the Group and at IKB AG.

(43) Other operating expenses

Other operating expenses essentially comprise:

in € million	Group		IKB AG	
	2012/13	2011/12	2012/13	2011/12
Expenses from the reversal of swap agreements	-436.7	-	-442.8	-
Addition to provisions	-51.7	-11.4	-38.3	-12.8
Expenses from currency conversion	-38.1	-48.8	-2.3	-1.8
Rent/upkeep (not for operational purposes)	-8.9	-7.6	-3.7	-4.9
Expenses of interest on provisions	-3.2	-6.2	-3.2	-6.2

(44) Income from profit and loss transfer agreements

Income from profit and loss transfer agreements at IKB AG essentially relates to the profit transfer from IKB Beteiligungen GmbH of € 70.7 million (previous year: € 210.4 million). This consists of € 101.9 million in investment income from IKB Invest GmbH and IKB Struktur GmbH and the assumption of losses of € 25.3 million from IKB Leasing GmbH.

(45) Extraordinary income and expenses

Extraordinary income includes income from the reimbursement of legal costs from KfW in connection with the settlement of portfolio investments in the amount of € 2.6 million (previous year: expenses of € 1.7 million) in the Group and at IKB AG. Furthermore, extraordinary income at IKB AG includes higher realisation proceeds from intragroup receivables due to restructuring activities of € 1.5 million (previous year: € 2.8 million). Extraordinary expenses also include the earnings effect of the transfer to provisions as part of the restructuring measures. In total, the expenses for the restructuring in the reporting period amounted to € 6.9 million (previous year: € 12.8 million) in the Group and € 3.2 million (previous year: € 11.1 million) at IKB AG. This includes expenses for the termination of employment agreements, provisions for rent and for early retirement obligations.

The expenses from the first-time adoption of the BilMoG (distribution of the additional expense from the remeasurement of pension provisions) are also reported in income in this item (see note 35).

(46) Income taxes

The item "Income taxes" includes current taxes of € -0.1 million (previous year: € 1.7 million) in the Group and € 0.7 million (previous year: € -0.5 million) at IKB AG. The change in the recognition of deferred tax assets of € -4.0 million (previous year: € -6.9 million) in the Group and € -0.9 million (previous year: € -6.4 million) at IKB AG is also reported in this item.

Despite the negative results, the Group has reported tax expenses rather than income. This is essentially due to the fact that no deferred tax assets were recognised for new tax losses arising in the financial year.

Taxes on income relate exclusively to the ordinary activities of the Bank.

(47) Contingent liabilities and other obligations

On the balance sheet date, the item "Contingent liabilities" included CDSs (Bank as pledgor) under guarantees and indemnity agreements of € 702.0 million (previous year: € 105.6 million) both in the Group and at IKB AG. Here, IKB has assumed the default risk for a pre-defined credit event for specific credit portfolios. In addition, guarantees and indemnity agreements also include derivative

components of structured products (embedded CDSs) of € 698.3 million (previous year: € 689.7 million) in the Group and € 669.6 million (previous year: € 659.4 million) at IKB AG.

By way of the liability transfer of the subordinated liabilities by MATRONA GmbH, Düsseldorf (MATRONA), in the 2011/12 financial year, IKB AG issued an indemnity agreement for MATRONA, whereby it assumes liability for MATRONA's payment obligations in connection with the transfer of subordinated liabilities by MATRONA.

As part of the sale of the 50% interest in Movesta Lease and Finance GmbH, Pullach i. Isartal (formerly Düsseldorf), IKB AG jointly and severally assumed indemnity agreements and indemnification obligations with IKB Beteiligungen GmbH. These include, for example, the transferred GmbH shares and the proper settlement of and compliance with obligations from the past (including issuing tax returns).

The item "Other obligations" includes irrevocable loan commitments from unutilised loans and revolving credit facilities.

The risk of the utilisation of contingent liabilities and other obligations is assessed on the basis of parameters from credit risk management. Provisions are recognised if utilisation is expected in full or in part due to the deterioration of the credit standing of a borrower. Details on the process within credit risk management are explained in the risk report of the management report.

(48) Other financial obligations

As at 31 March 2013, other financial obligations amount to a total of € 1,407.0 million (previous year: € 1,424.8 million) in the Group and € 1,390.5 million (previous year: € 1,408.0 million) at IKB AG.

The majority of this relates to obligations from accounting for debt waivers by shareholders against debtor warrants of € 1,151.5 million (previous year: € 1,151.5 million) in the Group and at IKB AG.

In addition, there are payment obligations under long-term leases for the term of the lease of € 241.4 million (previous year: € 234.2 million) in the Group and € 219.4 million (previous year: € 236,7 million) at IKB AG. The Bank has concluded rental agreements for properties used for banking operations for the head office in Düsseldorf and its branches and for the maintenance of these properties. Provisions for expected losses from executory contracts have been recognised for the event that the expenses exceed the benefit of the rental agreement. The risk or opportunity lies in the fact that after the end of a limited rent agreement, the contract can be extended or a follow-up agreement can be concluded at less advantageous or more advantageous conditions.

Furthermore, there are payment obligations from future lease instalments in connection with leases for assets in the area of operating and office equipment. In leases, the right to use an asset is transferred from the lessor to the lessee against regular payments.

Further payment obligations result from purchase commitments in connection with service agreements. There is a risk with service agreements that the terms of the agreement are less favourable than at the time the agreement is fulfilled or that the costs of the agreement exceed the economic benefit.

Call obligations for equities, GmbH shares and shares in non-consolidated subsidiaries not fully paid in, shareholdings held by IKB Invest GmbH (formerly IKB Private Equity GmbH) and subordinated loans amounted to € 1.3 million (previous year: € 1.3 million) in the Group on the balance sheet date. As at the balance sheet date there were no payment obligations for equities, GmbH shares or other shares at IKB AG.

Of the total financial obligations of IKB AG, € 1.0 million (previous year: € 1.0 million) relates to affiliated companies.

Payment obligations to the Deposit Protection Fund

In February 2009, compensation payments to the investors of Lehman Brothers Bankhaus Aktiengesellschaft, Frankfurt/Main, were initiated by the Deposit Protection Fund of the Association of German Banks. The bank is the German subsidiary of the US bank Lehman Brothers Inc., which went into Chapter 11 in the US. Possible obligations to make additional contributions for IKB AG are unknown at the current time.

Subsequent assessment of bank levy

In the event that IKB AG generates net profits in future, it is possible for the bank levy to be subsequently reassessed, with the result that the bank levy exceeds the minimum contribution already paid (subsequent assessment). This can result in the outflow of financial assets at IKB AG in future. The possible subsequent assessment contribution for the 2011 to 2013 periods amounts to € 12.9 million in total.

(49) Off-balance sheet transactions

Section 285 no. 3 HGB stipulates the obligation to disclose in the notes the nature and purpose of risks and benefits of transactions not shown on the face of the balance sheet if this is essential in assessing the financial situation. In particular, disclosures on transactions that are expected to have significantly improving or worsening effects on the financial situation or that can be considered unusual with regard to their timing or business partner can be necessary for an assessment of the financial situation.

Special purpose vehicles in connection with securitisation transactions

The Bank has entered into various contractual positions in connection with the establishment of special purpose entities. The purpose of the SPVs was to synthetically transfer risks or to transfer assets to generate liquidity.

Off-balance sheet risks occur when legal ownership and credit risks are transferred to the acquirer but residual minor risks remain with IKB. These relate to liability for the legal validity of the receivables, the possibility of re-transfer for the event of the inefficiency of the transaction (clean-up call). These contractual obligations can lead to a future outflow of financial funds. If the transfer of assets has not resulted in derecognition as the credit risks remain with IKB, these risks must be taken into account in the measurement of the assets concerned.

In some transactions, IKB acts as a service provider with the obligation to receive capital and interest payments in connection with the assets transferred and to forward these to the special purpose entity. The opportunities here lie in the receipt of service charges for the period of the agreement. The costs of rendering service lead to an outflow of funds. Violations of contractual obligations can also lead to compensation obligations.

On assuming the function of investment manager, the Bank is required to make purchase and sale decisions for the special purpose entity. The opportunities lie in the receipt of management fees. The risks lie in any claims for damages owing to a violation of contractual obligations.

Sales of receivables in connection with the implementation of the EU conditions

Various assets were sold in connection with the implementation of the EU conditions. Part of the implementation of the EU conditions related to the reduction of the credit portfolio in connection with sales of receivables with a volume of € 169 million (previous year: € 345 million). Guarantees were issued in some cases which are reported in the relevant off-balance sheet line items. The off-balance sheet risks lie in the liability for the legal validity of both this receivable and the collateral associated with it.

Forward transactions

As at the balance sheet date there are obligations from contingent and non-contingent forwards. These are essentially for hedging interest and currency risks and lead to future inflows or outflows of cash. Please also see the information on forwards (see note 57).

Other disclosures

(50) Consolidated group as at 31 March 2013

	Equity interest in %
A. Consolidated subsidiaries	
1. Foreign financial institutions	
IKB International S.A. i.L., Luxembourg, Luxembourg	2),3) 100
2. Other domestic companies	
Aleanta GmbH, Düsseldorf	100
Equity Fund GmbH, Düsseldorf	1) 100
IKB Leasing GmbH, Hamburg (formerly: IKB Autoleasing GmbH, Hamburg)	1) 100
IKB Leasing Beteiligungsgesellschaft mbH, Düsseldorf	1) 100
IKB Beteiligungen GmbH, 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 (formerly: IKB Private Equity GmbH, Düsseldorf)	1) 100
IKB Projektentwicklung GmbH & Co. KG i.L., Düsseldorf	3) 100
Istop 1 GmbH, Düsseldorf	100
Istop 2 GmbH, Düsseldorf	100
Istop 4 GmbH, Düsseldorf	100
Istop 5 GmbH, Düsseldorf	100
IKB Struktur GmbH, Düsseldorf	1) 100
Projektbeteiligung TH GmbH & Co. KG, Düsseldorf	89.8
Tempelhofer Hafen GmbH & Co. KG, Düsseldorf	1) 94.9
MATRONA GmbH, Düsseldorf	1) 100
Zweite Equity Suporta GmbH, Düsseldorf	1) 100
Other foreign companies	
IKB Capital Corporation i.L., New York, United States of America	3) 100
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 Leasing Austria GmbH, Vienna, Austria	1) 100
IKB Leasing CR 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 Cedex 4, France	1) 100
IKB Leasing Korlátolt Felelősségű Társaság, 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, Luxembourg, Luxembourg	100
IKB Pénzügyi Lízing zártkörűen működő Részvénytársaság, Budapest, Hungary	1) 100
STILL LOCATION S.à.r.l., Marne La Vallée Cedex 4, France	1) 100
IKBL Renting and Service S.r.l., Lainate (MI), Italy	1) 100
IKB Leasing geschlossene Aktiengesellschaft, Moscow, Russia	1) 100
4. Special-purpose vehicles in accordance with section 290(2) no. 4 HGB	
Bacchus 2008-1 Plc, Dublin, Ireland	
Bacchus 2008-2 Plc, Dublin, Ireland	
German Mittelstand Equipment Finance No. 1 S.A., Luxembourg, Luxembourg	
RIO DEBT HOLDINGS (IRELAND) LIMITED, Dublin, Ireland	
B. Associates	
Linde Leasing GmbH, Wiesbaden	1) 30.0
Argantis Private Equity GmbH & Co. KG, Cologne	1) 28.9

1) Indirect investment

2) in liquidation (banking licence returned)

3) in liquidation

(51) List of shareholdings as at 31 March 2013

31 Mar. 2013	Financial year	Letter of comfort	Equity interest in %	Equity € thou.	Result € thou.
1. Domestic subsidiaries (fully consolidated)					
Aleanta GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	1,529	66
Equity Fund GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	13,525	0
IKB Beteiligungen GmbH, Düsseldorf	1 Apr. - 31 Mar.	X	100.00	69,711	0
IKB Data GmbH, Düsseldorf	1 Apr. - 31 Mar.	X	100.00	15,000	0
IKB Equity Capital Fund GmbH, Düsseldorf	1 Apr. - 31 Mar.	X	100.00	23,441	2,088

IKB Grundstücks GmbH, Düsseldorf	1 Jan. - 31 Dec.	X	100.00	112	-1
IKB Grundstücks GmbH & Co. Objekt Holzhausen KG, Düsseldorf ³⁾	1 Jan. - 31 Dec.	X	100.00	5,733	803
IKB Invest GmbH, Düsseldorf	1 Apr. - 31 Mar.	X	100.00	355,317	0
IKB Leasing Beteiligungsgesellschaft mbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	5,824.00	0
IKB Leasing GmbH, Hamburg	1 Apr. - 31 Mar.	X	100.00	181,041	0
IKB Projektentwicklung GmbH & Co. KG i.L., Düsseldorf ^{3),4)}	1 Jan. - 31 Dec.	X	100.00	-18,608	-16,375
IKB Struktur GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	103,750	0
Istop 1 GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	122,525	0
Istop 2 GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	155,025	0
Istop 4 GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	91,325	0
Istop 5 GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	525	0
MATRONA GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	525	0
Projektbeteiligung TH GmbH & Co. KG, Düsseldorf ³⁾	1 Jan. - 31 Dec.		89.80	14	-4
Tempelhofer Hafen GmbH & Co. KG, Düsseldorf	1 Jan. - 31 Dec.		94.90	0	-9,767
Zweite Equity Suporta GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00	530	0
2. Foreign subsidiaries (fully consolidated)					
IKB Leasing France S.A.R.L., Marne La Vallée Cedex 4, France	1 Jan. - 31 Dec.		100.00	2,043	-2
STILL LOCATION S.à.r.l., Marne La Vallée Cedex 4, France	1 Jan. - 31 Dec.		100.00	14,075	-43
IKB International S.A. i.L., Munsbach, Luxembourg	1 Apr. - 31 Mar.	X	100.00	27,329	-3,937
IKB Lux Beteiligungen S.à.r.l., Munsbach, Luxembourg	1 Apr. - 31 Mar.	X	100.00	8,386	-94
IKB Finance B.V., Amsterdam, Netherlands	1 Apr. - 31 Mar.	X	100.00	-2,782	136
IKB Leasing Austria GmbH, Vienna, Austria	1 Jan. - 31 Dec.		100.00	539	100
IKB Leasing Polska Sp. z o.o., Poznan (Posen), Poland	1 Jan. - 31 Dec.		100.00	10,238	1,256
IKB Leasing Finance IFN SA, Bucharest, Romania	1 Jan. - 31 Dec.		100.00	3,775	-463
IKB Leasing S.R.L., Bucharest, Romania	1 Jan. - 31 Dec.		100.00	1,022	113
IKB Leasing geschlossene Aktiengesellschaft, Moscow, Russia	1 Jan. - 31 Dec.		100.00	4,416	733
IKB Leasing SR, s.r.o., Bratislava, Slovakia	1 Jan. - 31 Dec.		100.00	1,231	116
IKB Leasing CR s.r.o., Prague, Czech Republic	1 Jan. - 31 Dec.		100.00	5,855	1,504
IKB Leasing Korlátolt Felelősségű Társaság, Budapest, Hungary	1 Jan. - 31 Dec.		100.00	3,972	2,441
IKB Pénzügyi Lízing zártkörűen működő Részvénytársaság, Budapest, Hungary	1 Jan. - 31 Dec.		100.00	1,817	962
IKB Capital Corporation i.L., New York, United States of America ⁴⁾	1 Apr. - 31 Mar.		100.00	1,193	-959
IKB Funding LLC I, Wilmington, United States of America ²⁾	1 Jan. - 31 Dec.	X	100.00	390	-2,344
IKB Funding LLC II, Wilmington, United States of America ²⁾	1 Jan. - 31 Dec.	X	100.00	1,310	-20,026
IKBL Renting and Service S.r.l., Lainate (MI), Italy	1 Jan. - 31 Dec.		100.00	996	-4
3. Special-purpose vehicles (special-purpose vehicles included in the consolidated financial statements in accordance with section 290(2) no. 4 HGB)					
Bacchus 2008-1 Plc, Dublin 2, Ireland					
Bacchus 2008-2 Plc, Dublin 2, Ireland					
RIO DEBT HOLDINGS (IRELAND) LIMITED, Dublin 2, Ireland					
German Mittelstand Equipment Finance No. 1 S.A., Luxembourg, Luxembourg					

31 Mar. 2013	Financial year	Letter of comfort	Equity interest in %
4. Domestic subsidiaries (unconsolidated due to immateriality) ¹⁾			
Bella GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00
Boxhagener Str. 76/78 Berlin GmbH i.L., Düsseldorf ⁴⁾	1 Jan. - 31 Dec.		100.00
Brunnenstraße 105-109 Berlin Grundbesitz GmbH, Münster	1 Jan. - 31 Dec.		94.90
Büroprojekt sechste Verwaltungsgesellschaft mbH i.L., Düsseldorf ⁴⁾	1 Jan. - 31 Dec.		100.00
Büroprojekt vierte Verwaltungsgesellschaft mbH i.L., Düsseldorf ⁴⁾	1 Jan. - 31 Dec.		100.00
Einsteinufer 63-65 Berlin GmbH i.L., Düsseldorf ⁴⁾	1 Jan. - 31 Dec.		100.00
Erste Equity Suporta GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00
Feldmühleplatz 1 Verwaltungsgesellschaft mbH, Düsseldorf	1 Jan. - 31 Dec.		100.00
FRANA Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf	1 Jan. - 31 Dec.		100.00
GAP 15 GmbH, Düsseldorf	1 Jan. - 31 Dec.		92.80
GARUMNA GmbH, Düsseldorf	1 Apr. - 31 Mar.		100.00
HARPE Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schloß Schweinsburg KG, Düsseldorf	1 Jan. - 31 Dec.		88.70
HAUSTUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Yachtzentrum Berlin KG, Düsseldorf	1 Jan. - 31 Dec.		94.67
IKB Projektentwicklungsverwaltungsgesellschaft mbH i.L., Düsseldorf ⁴⁾	1 Jan. - 31 Dec.	X	100.00
ILF Immobilien-Leasing-Fonds Verwaltung GmbH & Co. Objekt Boxdorf KG, Düsseldorf	1 Jan. - 31 Dec.		94.26
ilmenau center Verwaltungsgesellschaft mbH, Düsseldorf	1 Jan. - 31 Dec.		100.00
IMAS Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf	1 Apr. - 31 Mar.	X	100.00
INCO Ingenieur Consult Geschäftsführungsgesellschaft mbH i.L., Düsseldorf ⁴⁾	1 Jan. - 31 Dec.		100.00
INCO Ingenieur Consult GmbH & Co. KG i.L., Düsseldorf ⁴⁾	1 Jan. - 31 Dec.		100.00
Istop 3 GmbH, Düsseldorf	1 Jan. - 31 Dec.		100.00
ISTOS Beteiligungsverwaltungs- und Grundstücks- Vermietungs-	1 Jan. - 31 Dec.	X	100.00

gesellschaft mbH, Düsseldorf				
ISTOS Dritte Beteiligungsverwaltungs- und Grundstücks-Vermietungsgesellschaft mbH & Co. KG, Düsseldorf	3)	1 Jan. - 31 Dec.		100.00
ISTOS Erste Beteiligungsverwaltungs- und Grundstücks-Vermietungsgesellschaft mbH & Co. KG, Düsseldorf	3)	1 Jan. - 31 Dec.	X	100.00
ISTOS Zweite Beteiligungsverwaltungs- und Grundstücks-Vermietungsgesellschaft mbH & Co. KG, Düsseldorf	3)	1 Jan. - 31 Dec.		100.00
MD Capital Solingen Verwaltungsgesellschaft mbH, Düsseldorf		1 Jan. - 31 Dec.		100.00
MD Capital Stromstrasse Verwaltungsgesellschaft mbH i. L., Düsseldorf	4)	1 Jan. - 31 Dec.		100.00
MD Capital Verwaltungs GmbH i.L., Düsseldorf	4)	1 Jan. - 31 Dec.		100.00
MD Objekt Lorsch Verwaltungs GmbH i.L., Düsseldorf	4)	1 Jan. - 31 Dec.		100.00
MD Objekt Solingen Verwaltungsgesellschaft mbH, Düsseldorf		1 Jan. - 31 Dec.		100.00
MD Objekt Stromstrasse Verwaltungsgesellschaft mbH i.L., Düsseldorf	4)	1 Jan. - 31 Dec.		100.00
MFRSI Beteiligungsholding Verwaltungsgesellschaft mbH, Düsseldorf		1 Jan. - 31 Dec.		100.00
Objekt Pankow Verwaltungsgesellschaft mbH i.L., Düsseldorf	4)	1 Jan. - 31 Dec.		100.00
Paxum GmbH, Düsseldorf		1 Apr. - 31 Mar.		100.00
RAVENNA Vermögensverwaltungs AG, Berlin		1 Jan. - 31 Dec.		100.00
Restruktur 2 GmbH i.L., Düsseldorf	4)	1 Apr. - 31 Mar.		100.00
Restruktur 3 GmbH, Düsseldorf		1 Apr. - 31 Mar.		100.00
Robert Adams Str. 12 London GmbH i.L., Norderfriedrichskoog	4)	1 Jan. - 31 Dec.		100.00
SEQUANA GmbH, Düsseldorf		1 Apr. - 31 Mar.		100.00

31 Mar. 2013	Financial year	Letter of comfort	Equity interest in %
5. Foreign subsidiaries (not included in consolidation due to section 296 HGB)			
			1)
Valin Asset Management S.à.r.l., Luxembourg, Luxembourg	1 Apr. - 31 Mar.		100.00
Valin Funds S.C.A., SICAV-SIF, Luxembourg, Luxembourg	1 Apr. - 31 Mar.		100.00
IKB Funding Trust I, Wilmington, United States of America	1 Apr. - 31 Mar.		100.00
IKB Funding Trust II, Wilmington, United States of America	1 Apr. - 31 Mar.		100.00
6. Domestic associates			
			1)
Argantis Private Equity GmbH & Co. KG, Cologne	1 Jan. - 31 Dec.		28.97
Linde Leasing GmbH, Wiesbaden	1 Jan. - 31 Dec.		30.00
7. Domestic associates/joint ventures (not accounted for using the equity method due to immateriality)			
Argantis GmbH, Cologne	1 Jan. - 31 Dec.		50.00
Argantis Private Equity Gründer GmbH & Co. KG, Cologne	1 Jan. - 31 Dec.		39.17
AWEBA Werkzeugbau GmbH Aue, Aue	1 Jan. - 31 Dec.		25.10
AxIT AG, Frankenthal/Pfalz	1 Jan. - 31 Dec.		29.88
Chemtura Verwaltungs GmbH, Bergkamen	1 Jan. - 31 Dec.		50.00
equiNotes Management GmbH, Düsseldorf	1 Jan. - 31 Dec.		50.00
FMD Feinmechanik GmbH, Weilheim	1 Apr. - 31 Mar.		49.03
FUNDIS Projektentwicklungsholding GmbH & Co. KG, Düsseldorf	1 Jan. - 31 Dec.		50.00
FUNDIS Verwaltungsgesellschaft mbH, Düsseldorf	1 Jan. - 31 Dec.		50.00
HABITO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt EINS KG, Pullach i. Isartal	1 Jan. - 31 Dec.		6.00
Hafenspitze Verwaltungsgesellschaft mbH, Hamburg	1 Jan. - 31 Dec.		25.00
ilmenau center GmbH & Co. KG, Lüneburg	1 Jan. - 31 Dec.		50.00
LOUDA SYSTEMS GmbH, Triptis	1 Jan. - 31 Dec.		45.00
MD Capital Beteiligungsgesellschaft mbH i.L., Düsseldorf	1 Jan. - 31 Dec.		50.00
MFRSI Beteiligungsholding GmbH & Co. KG, Düsseldorf	1 Jan. - 31 Dec.		50.00
microTEC Gesellschaft für Mikrotechnologie mbH, Duisburg	1 Jan. - 31 Dec.		48.18
Mike's Sandwich GmbH, Hamburg	1 Jan. - 31 Dec.		35.59
MOTORRAD-ECKE GmbH, Villingen-Schwenningen	1 Jan. - 31 Dec.		38.86
OCP GmbH, Bochum	1 Jan. - 31 Dec.		25.11
ODS Business Services Group GmbH, Hamburg	1 Jan. - 31 Dec.		32.00
Projektgesellschaft Justus-von-Liebig-Straße mbH, Kronberg/Taunus	1 Jan. - 31 Dec.		50.00
Vermögensverwaltungsgesellschaft DVD Dassow GmbH, Dassow	1 Jan. - 31 Dec.		30.00
8. Domestic equity investments in corporations and partnerships in which the interest exceeds 5% of voting rights			
			1)
ae group ag, Gerstungen	1 Jan. - 31 Dec.		12.40
AXA Immoselect Hauptverwaltungsgebäude GmbH & Co. Objekt Düsseldorf Uerdinger Straße KG, Cologne	1 Jan. - 31 Dec.		5.10
CellGenix GmbH, Freiburg	1 Jan. - 31 Dec.		17.05
CoBaLe Immobilien GmbH & Co. Objekt Stuttgart KG, Frankfurt/Main	1 Jan. - 31 Dec.		5.10
Feldmühleplatz 1 GmbH & Co. KG, Cologne	1 Jan. - 31 Dec.		5.10
Global Safety Textiles HoldCo One GmbH i.L., Maulburg	1 Jan. - 31 Dec.		8.80
Industriedruck Krefeld Kurt Janssen, GmbH & Co., Krefeld	1 Jan. - 31 Dec.		12.00
Janßen-Druck Gesellschaft mit beschränkter Haftung, Krefeld	1 Jan. - 31 Dec.		12.00
Könemann Verlagsgesellschaft mbH, Cologne	1 Jan. - 31 Dec.		12.50
Oechsler Aktiengesellschaft, Ansbach	1 Jan. - 31 Dec.		10.00

31 Mar. 2013	Financial year	Letter of comfort	Equity interest in %
9. Foreign equity investments in large corporations in which the interest exceeds 5% of voting rights	1)		
PSE Newco Limited, Yeadon Leeds, UK	1 Jan. - 31 Dec.		5.70
EPL Acquisitions (SUB) N.V. in liquidatie, Amsterdam, Netherlands	1 Jan. - 31 Dec.		5.70
Ring International Holding AG, Vienna, Austria	1 Jan. - 31 Dec.		9.37

1) The information in accordance with section 285 no. 11 HGB on equity and results is not shown for companies not included in the consolidated financial statements in accordance with section 286(3) sentence 1 no. 1 HGB.

2) Subordinated letter of comfort

3) Company exercised exemption under section 264b HGB and did not prepare notes.

4) in liquidation

(52) Special investments

Following the change in stock market segment of all securities of IKB from the regulated market to the quality segments of the unregulated market on 7 November 2012, IKB is no longer listed on the stock market and therefore the disclosure requirements of sections 21 et seq. WpHG have not applied to it since this date.

As at 7 November 2012, the Bank had received the following notifications in accordance with section 21 WpHG:

Date of change	Notifying party	Location	Threshold reached, exceeded or fallen below	Held directly	Held indirect	Total
29 October 2008	John P. Grayken	USA	Threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% exceeded		90.81%	90.81%
29 October 2008	Lone Star Europe Holdings, Ltd. (Bermuda)	Hamilton (Bermuda)	Threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% exceeded		90.81%	90.81%
29 October 2008	Lone Star Europe Holdings, L.P. (Bermuda)	Hamilton (Bermuda)	Threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% exceeded		90.81%	90.81%
29 October 2008	LSF6 Europe Partners, L.L.C. (Delaware)	Dallas (Texas)	Threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% exceeded		90.81%	90.81%
29 October 2008	LSF6 Europe Financial Holdings, L.P. (Delaware)	Dallas (Texas)	Threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% exceeded	90.81%		90.81%
15 July 2009	LSF6 Rio S.à.r.l.	Luxembourg (Luxembourg)	Threshold of 3% and 5% exceeded	7.62%		7.62%
15 July 2009	Lone Star Capital Investments S.à.r.l.	Luxembourg (Luxembourg)	Threshold of 3% and 5% exceeded		7.62%	7.62%
15 July 2009	Lone Star Global Holdings, Ltd.	Hamilton (Bermuda)	Threshold of 3% and 5% exceeded		7.62%	7.62%
20 July 2009	LSF6 Rio S.à.r.l.	Luxembourg (Luxembourg)	Threshold of 5% and 3% fallen below	0%		0%
20 July 2009	Lone Star Capital Investments S.à.r.l.	Luxembourg (Luxembourg)	Threshold of 5% and 3% fallen below		0%	0%
20 July 2009	Lone Star Global Holdings, Ltd.	Hamilton (Bermuda)	Threshold of 5% and 3% fallen below		0%	0%

The Bank did not receive any notifications under stock corporation law in accordance with section 20(1) or (4) AktG in the reporting period. In accordance with 20 AktG, an enterprise must notify a company in writing as soon as it holds more than 25% (section 20(1) AktG) or 50% (section 20(4)

AktG) of the shares in a non-listed company based in Germany. The Bank also did not receive any notifications in accordance with section 20(5) AktG that an investment of a reportable amount does no longer exist.

(53) Disclosure of auditor's fees

in € million	Group		IKB AG	
	2012/13	2011/12	2012/13	2011/12
Audit of financial statements	-3.9	-4.2	-3.2	-3.1
Other assurance services	-0.8	-0.1	-0.8	-0.1
Tax consultancy services	-	-0.2	-	-0.1
Other services	-0.5	-	-0.5	-
Total	-5.2	-4.5	-4.5	-3.3

In particular, other assurance services include the statutory audit in accordance with section 36 WpHG. In addition, other assurance services and other services essentially include audit and quality assurance services in the context of the transition of Group accounting from IFRS to HGB and company law restructuring.

(54) Related party transactions

Transactions with related parties were conducted at standard market terms. There were no significant transactions at non-standard market conditions that would have been reportable in line with section 314(1) no. 13 HGB for the IKB Group or section 285 no. 21 HGB for IKB AG.

(55) Letters of comfort

IKB ensures that its subsidiaries indicated in the list of shareholdings of IKB AG as protected by the letter of comfort are able to meet their contractual obligations with the exception of the event of political risk.

The letters of comfort for the foreign subsidiaries of IKB Leasing GmbH, Hamburg, were withdrawn in 2012. Subsequent liability risks could still arise from existing liabilities to third parties of € 3 million.

IKB Invest GmbH, Düsseldorf, has issued a letter of comfort for IKB Equity Capital Fund GmbH, Düsseldorf, so that it can meet its obligations under loan and warranty agreements transferred to it under the spin-off and takeover agreement.

IKB Leasing GmbH, Hamburg, has issued unlimited letters of comfort for IKB Leasing S.R.L., Bucharest, and IKB Leasing Finance IFN SA, Bucharest, for the continuation of the respective companies and for the respective liabilities from warranty agreements.

(56) Transfer of collateral for own liabilities and contingent liabilities

Assets were transferred in the amounts shown for the following liabilities:

31 Mar. 2013 in € million	Group	IKB AG
Liabilities to banks	14,032.9	13,571.4
Liabilities to customers	-	790.1
Other liabilities	-	379.0
Contingent liabilities	7.0	7.0
Total	14,039.9	14,747.5

The assets serving as collateral are essentially receivables and securities transferred to third-party banks, special-purpose vehicles or clearing houses in open market, securitisation transactions and as part of grant transactions.

(57) Forward transactions

The forwards concluded essentially serve to manage and limit interest rate risks and relate in particular to the credit refinancing portfolio and the investment portfolios. Derivative instrument trading is only conducted to a limited extent. The amount of interest rate risk is restricted by a limit system approved by the Board of Managing Directors and monitored on a daily basis in risk management. In addition, the volume of forward and derivative transactions is restricted by counterparty limits.

The interest rate risks of securities, loans and the associated refinancing funds are managed in the investment portfolios and the credit refinancing portfolio. Derivatives are used to eliminate or reduce mismatched maturities and interest and exchange rate risks. The derivatives used are predominantly interest derivatives. The reduction of investment positions over past financial years has also left a portfolio of simple interest rate derivatives that is largely interest-risk neutral and contributes significantly to the negative fair value of derivatives at IKB.

These interest derivatives have a net negative fair value as at 31 March 2013 of € -1,297.4 million (previous year: € -1,404.4 million) in the Group and € -1,302.0 million (previous year: € -1,416.0 million) at IKB AG.

(58) Derivative financial instruments not recognised at fair value

Group:

in € million	Nominal 31 Mar. 2013	Fair value		Carrying amount	
		positive	negative	Assets	Equity and liabilities
Interest-related derivatives	36,051.8	2,054.7	3,352.1	16.1	110.6
Credit-related derivatives	1,557.4	9.2	230.3	15.8	141.8
Currency-related derivatives	1,155.9	14.9	15.6	10.6	11.4
Derivatives assigned to several categories	773.5	68.7	66.7	3.6	1.6
Total	39,538.6	2,147.5	3,664.7	46.1	265.4

in € million	Carrying amount				
	Other assets	Prepaid expenses	Provisions ¹⁾	Other liabilities	Deferred income
Interest-related derivatives	2.0	14.1	-	102.1	8.5
Credit-related derivatives	-	15.8	120.2	0.1	21.5
Currency-related derivatives	10.6	-	-	11.4	-
Derivatives assigned to several categories	-	3.6	-	0.1	1.5
Total	12.6	33.5	120.2	113.7	31.5

1) relates to embedded derivatives

IKB AG:

in € million	Nominal 31 Mar. 2013	Fair value		Carrying amount	
		positive	negative	Assets	Equity and liabilities
Interest-related derivatives	35,906.4	2,054.7	-3,351.8	146.8	249.5
Credit-related derivatives	1,557.4	9.2	-230.3	15.8	140.1
Currency-related derivatives	1,160.6	14.9	-15.7	10.6	11.5
Derivatives assigned to several categories	773.5	66.7	-66.7	6.5	5.6
Total	39,397.9	2,145.5	-3,664.5	179.7	406.7

in € million	Carrying amount				
	Other assets	Prepaid expenses	Provisions ¹⁾	Other liabilities	Deferred income
Interest-related derivatives	7.4	139.2	-	94.0	155.4
Credit-related derivatives	-	15.8	118.3	0.3	21.5
Currency-related derivatives	10.6	-	-	11.5	-
Derivatives assigned to several categories	-	6.5	-	0.1	5.6
Total	18.0	161.5	118.3	105.9	182.5

1) relates to embedded derivatives

The interest and currency-related derivatives are caps/floors, cross-currency swaps, currency forwards, forward forward deposits, forward interest rate swaps, currency options, currency swaps, interest rate swaps and swaptions. The credit-related derivatives also include CDSs in connection with structured securities.

In line with market practice, the reported fair values include deferred accrued interest.

(59) Remuneration of the Board of Managing Directors

Total remuneration of € 4.9 million (previous year: € 4.9 million) was incurred for members of the Board of Managing Directors in the 2012/13 financial year. This includes fixed salaries, variable performance-based remuneration, pension compensation for a pension not agreed and non-cash remuneration. The Supervisory Board regularly reviews the appropriateness of the respective total remuneration.

Former and retired members of the Board of Managing Directors

The total remuneration for former members of the Board of Managing Directors and their surviving dependents amounted to € 3.5 million (previous year: € 3.5 million). In the 2012/13 financial year, € 43.4 million was recognised for pension obligations to former members of the Board of Managing Directors and their surviving dependents (previous year: € 44.1 million).

(60) Remuneration of the Supervisory Board

The total remuneration of the members of the Supervisory Board (including VAT) for the 2012/13 financial year amounted to € 226 thousand (previous year: € 258 thousand). This includes reimbursed expenses of € 6 thousand (previous year: € 10 thousand).

(61) Remuneration of the Advisory Board

The members of the Advisory Board received € 281 thousand (previous year: € 289 thousand), including VAT.

(62) Loans extended to members of executive bodies and the Advisory Board

No loans were granted to members of the Board of Managing Directors or the Advisory Board. Loans of a total amount of € 2 thousand were extended to the members of the Supervisory Board (previous year: € 0.1 million).

(63) Average number of employees for the year (calculated on the basis of full-time employees)

	Group		IKB AG	
	2012/13	2011/12	2012/13	2011/12
Men	925	968	667	702
Women	553	576	329	357
Total	1,478	1,544	996	1,059

(64) Executive bodies***The Supervisory Board*****Chairman**

Bruno Scherrer, London, UK
 Senior Managing Director/Head of European Investments, Lone Star Europe Acquisitions Ltd.
 (formerly: Lone Star Management Europe Ltd.)

Deputy Chairman

Dr Karsten von Köller, Frankfurt
 Chairman Lone Star Germany Acquisitions GmbH (formerly: Lone Star Germany GmbH)

Members

Stefan A. Baustert, Krefeld
 Managing Director of RENA GmbH

Olivier Brahin, London, UK (until 25 May 2012)
 Head of European Real Estate Investments, Lone Star Europe Acquisitions Ltd. (formerly: Lone Star Management Europe Ltd.)

Dr Lutz-Christian Funke, Oberursel
 Head of Board of Managing Directors Support/Communications at KfW Bankengruppe

Jordi Goetstouwers, Malta (from 23 August 2012 to 1 March 2013)
 Managing Director, Lone Star Europe Acquisitions Ltd. (formerly: Lone Star Management Europe Ltd.)

Ulrich Grillo, Mülheim an der Ruhr
 Chairman of the Board of Managing Directors of Grillo-Werke Aktiengesellschaft

Arndt G. Kirchhoff, Attendorn
 Managing Partner and CEO of KIRCHHOFF Holding GmbH & Co. KG

Bernd Klein, Mönchengladbach
 Employee representative

Michael W. Kolbeck, Frankfurt (from 23 August 2012 to 1 March 2013)
 Senior Vice President, Head of European Corporate Debt Investment, Lone Star Germany Acquisitions GmbH (formerly: Lone Star Germany GmbH)

Dr Claus Nolting, Munich
 CEO of COREALCREDIT BANK AG

Nicole Riggers, Düsseldorf
 Employee representative

Dr Carola Steingräber, Berlin
 Employee representative

Carmen Teufel, Neustetten
 Employee representative

Dr Andreas Tuczka, Vienna, Austria
 Head of European Financial Institutions, Managing Director, Lone Star Europe Acquisitions Ltd.
 (formerly: Lone Star Management Europe Ltd.)

Ulrich Wernecke, Rommerskirchen (until 28 February 2013)
Employee representative

Board of Managing Directors

Hans Jörg Schüttler
(Chairman)

Dr Dieter Glüder

Claus Momburg

Dr Michael H. Wiedmann

Offices held by employees

As at 31 March 2013, the following employees were represented in the statutory supervisory boards of large corporations:

Dr Reiner Dietrich
Tricor Packaging & Logistics AG

Helmut Laux
Heinz-Glas Group Holding HGGH GmbH & Co.KGaA
Heinz-Glas Produktion GmbH & Co.KGaA
Heinz-Glas GmbH & Co. KGaA

Klaus Runzer
ae group ag (until 31 March 2013)
Oechsler AG

Düsseldorf, 28 May 2013

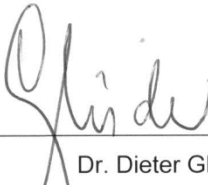
IKB Deutsche Industriebank AG
The Board of Managing Directors



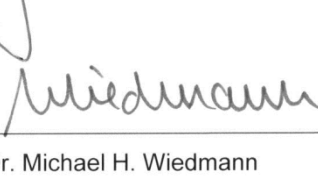
Hans Jörg Schüttler



Claus Momburg



Dr. Dieter Glüder



Dr. Michael H. Wiedmann

Auditor's Report

We have audited the consolidated financial statements – comprising the balance sheet, the income statement, cash flow statement and statement of changes in equity – with notes to the consolidated financial statements combined with the notes to the annual financial statements of the Company and the Group management report of IKB Deutsche Industriebank Aktiengesellschaft, Düsseldorf, which was combined with the management report of the Company, for the financial year from 1 April 2012 to 31 March 2013. The preparation of the consolidated financial statements and the combined management report in accordance with the German Commercial Law are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with (German) principles of proper accounting and the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with (German) principles of proper accounting. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 29 May 2013

PricewaterhouseCoopers
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

(Mark Maternus)	(ppa. Michael Meteling)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)"

The pages after F-163 of the Registration Document shall be replaced by the following:

"ANNUAL FINANCIAL STATEMENTS (HGB)
OF IKB AG AS OF 31 MARCH 2013

Balance Sheet of IKB Deutsche Industriebank AG as at 31 March 2013

in € million	31 Mar. 2013	31 Mar. 2012
Assets		
Cash reserve	86.9	19.0
a) Cash on hand	-	-
b) Balances with central banks	86.9	19.0
thereof: with Deutsche Bundesbank	86.9	19.0
c) Balances in postal giro accounts	-	-
Debt instruments of public sector entities and bills of exchange eligible for refinancing of central banks	-	-
Receivables from banks	2,091.0	2,444.8
a) Repayable on demand	1,981.7	2,291.4
b) Other receivables	109.3	153.4
Receivables from customers	16,752.3	18,058.4
thereof: mortgage loans	1,805.8	1,921.0
thereof: public sector loans	1,381.0	1,678.7
Bonds and other fixed-income securities	6,991.9	9,930.3
a) Money market securities	-	-
b) Bonds and notes	6,990.7	7,415.4
ba) Public sector issuers	2,150.4	2,089.6
thereof: eligible as collateral for Deutsche Bundesbank	2,150.4	1,907.5
bb) Other issuers	4,840.3	5,325.8
thereof: eligible as collateral for Deutsche Bundesbank	3,935.8	3,745.0
c) Own bonds	1.2	2,514.9
Nominal amount	1.8	2,510.7
Equities and other non-fixed-income securities	28.3	78.3
Assets held for trading	265.9	222.4
Equity investments	11.1	12.8
thereof: banks	0.2	0.2
Investments in affiliated companies	124.7	777.9
thereof: banks	22.7	23.0
Trust assets	0.3	0.9
thereof: Trustee loans	0.3	0.9
Equalisation claims on the public sector including debt securities arising from their exchange	-	-
Intangible assets	48.2	50.7
a) Internally generated industrial and similar rights and assets	-	-
b) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	16.9	15.0
c) Goodwill	31.3	35.7
d) Advance payments made	-	-
Tangible assets	5.5	6.1
Called unpaid capital	-	-
Other assets	153.9	285.4
Prepaid expenses	198.6	230.7
Deferred tax assets	150.7	151.6
Excess of plan assets over post-employment benefit liability	38.0	28.9
Total assets	26,947.3	32,298.2

in € million	31 Mar. 2013	31 Mar. 2012
Equity and liabilities		
Liabilities to banks	11,888.4	13,208.6
a) Repayable on demand	821.5	723.7
b) With agreed lifetime or notice period	11,066.9	12,484.9
Liabilities to customers	10,895.1	10,183.9
a) Savings deposits	-	-
b) Other liabilities	10,895.1	10,183.9
ba) Repayable on demand	584.0	535.0
bb) With agreed lifetime or notice period	10,311.1	9,648.9
Securitised liabilities	415.1	4,788.3
a) Bonds issued	415.1	4,788.3
b) Other securitised liabilities	-	-
Liabilities held for trading	242.1	138.9
Liabilities held in trust	0.3	0.9
thereof: Trustee loans	0.3	0.9
Other liabilities	556.8	718.8
Deferred income	228.0	298.6
Deferred tax liabilities	-	-
Provisions	412.6	372.1
a) Provisions for pensions and similar obligations	3.2	0.8
b) Tax provisions	102.3	102.7
c) Other provisions	307.1	268.6
Subordinated liabilities	898.6	996.8
Profit participation capital	32.2	35.8
Fund for general banking risks	170.8	189.7
thereof: trading-related special reserve according to section 340e (4) HGB	0.2	0.1
Equity	1,207.3	1,365.8
a) Called-up capital	1,621.5	1,621.3
Subscribed capital	1,621.5	1,621.3
Less uncalled unpaid contributions	-	-
Contingent capital	191.7	191.8
b) Capital reserves	1,750.7	1,750.7
c) Revenue reserves	2.4	24.3
ca) Legal reserve	2.4	2.4
cb) Reserve for shares in a parent or majority investor	-	-
cc) Statutory reserves	-	-
cd) Other revenue reserves	-	21.9
e) Net accumulated losses	-2,167.3	-2,030.5
Total equity and liabilities	26,947.3	32,298.2
Contingent liabilities	2,437.2	1,957.0
a) Contingent liabilities from rediscounted and settled bills of exchange	-	-
b) Liabilities from guarantees and indemnity agreements	2,437.2	1,957.0
c) Liability arising from the provision of collateral for third-party liabilities	-	-
Other obligations	1,066.3	1,448.9
a) Repurchase obligations from non-genuine repurchase agreements	-	-
b) Placement and underwriting obligations	-	-
c) Irrevocable loan commitments	1,066.3	1,448.9

Income Statement of IKB Deutsche Industriebank AG for the period from 1 April 2012 to 31 March 2013

in € million	2012/13	2011/12
Expenses		
Interest expenses	-1,703.9	-2,209.7
Commission expenses	-36.7	-105.9
Net trading results	-	-
General administrative expenses	-248.3	-246.2
a) Personnel expenses	-123.7	-128.0
aa) Wages and salaries	-105.2	-107.6
ab) Social security, post-employment and other employee benefit costs	-18.5	-20.4
thereof: for pensions	-5.8	-7.9
b) Other administrative expenses	-124.6	-118.2
Depreciation and write downs of intangible and tangible assets	-9.2	-8.8
Other operating expenses	-510.8	-43.4
Depreciation and write downs of receivables, specific securities and additions to loan loss provisions	-72.1	-4.3
Depreciation and write downs of equity investments, investments in affiliated companies and long-term investments	-40.7	-467.2
Expenses from assumption of losses	-	-
Extraordinary expenses	-7.3	-16.9
Income taxes	-0.2	-6.9
Other taxes not reported under other operating expenses	-0.3	-1.1
Profit transfer on the basis of profit-pooling, profit transfer and partial profit transfer agreements	-	-
Total expenses	-2,629.5	-3,110.4

in € million	2012/13	2011/12
Income		
Interest income from	1,770.6	2,322.5
a) Lending and money market transactions	1,594.1	2,101.7
b) Fixed-income securities and government-inscribed debts	176.5	220.8
Current income from	11.2	193.3
a) Equities and other non-fixed-income securities	-	0.3
b) Equity investments	11.2	0.7
c) Investments in affiliated companies	-	192.3
Income from profit-pooling, profit transfer and partial profit transfer agreements	71.7	211.0
Commission income	46.1	54.8
Net trading results	1.2	0.7
thereof: addition to trading-related special reserve according to section 340e (4) HGB	0.1	0.1
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	124.6	23.7
Other operating income	418.2	46.8
Income from the reversal of the fund for general banking risks	19.0	-
Extraordinary income	4.7	2.8
Income from assumption of losses	-	-
Net loss for the year	162.2	254.8
Total income	2,629.5	3,110.4
Net loss for the year	-162.2	-254.8
Loss carry-forward from the previous year	-2,030.5	-1,789.4
Withdrawals from capital reserves	-	-
Withdrawals from revenue reserves	21.9	-
a) from legal reserve	-	-
b) from reserve for shares in a parent or a majority investor	-	-
c) from statutory reserves	-	-
d) from other revenue reserves	21.9	-
Withdrawals from profit participation capital	3.5	13.1
Withdrawals from silent partnership contributions	-	0.6
Allocations to revenue reserves	-	-
Replenishment of profit participation capital	-	-
Net accumulated losses	-2,167.3	-2,030.5

Notes to the Annual Financial Statements

(See Combined Notes to the Consolidated and Annual Financial Statements on page F-120)

Auditor's Report

We have audited the annual financial statements – comprising the balance sheet, the income statement and the notes which are combined with the notes to the consolidated financial statements – together with the bookkeeping system and the management report of IKB Deutsche Industriebank Aktiengesellschaft, Düsseldorf, which was combined with the Group management report, for the financial year from 1 April 2012 to 31 March 2013. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with the German Commercial Law are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting policies used and significant estimates made by the Company's Board of Managing Directors as well as evaluating the overall presentation of the annual financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 29 May 2013

PricewaterhouseCoopers
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

(Mark Maternus)	(ppa. Michael Meteling)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)"

SIGNATURES

DÜSSELDORF

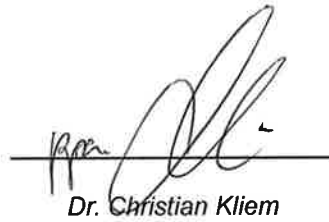
on 1 July 2013

IKB DEUTSCHE INDUSTRIEBANK AG



Svetlana Mints

Svetlana Mints



Dr. Christian Kliem

Dr. Christian Kliem