

**Supplement No. 3 dated 10 June 2016  
to the Base Prospectus dated 29 December 2015**



**IKB Deutsche Industriebank Aktiengesellschaft ("IKB")**

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

**Debt Issuance Programme (the "Programme")**

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

This supplement no. 3 (the "**Supplement**") constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, (the "**Prospectus Directive**") and Article 13 of the Luxembourg Law on Prospectuses for Securities (*loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005, as amended, (the "**Prospectus Act**") to the Base Prospectus dated 29 December 2015 (the "**Base Prospectus**"), which has been prepared in connection with the Programme established by IKB (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus (as supplemented by supplement no. 1 to the Base Prospectus dated 9 February 2016 (the "**Supplement No. 1**") and supplement no. 2 to the Base Prospectus dated 15 March 2016 (the "**Supplement No. 2**")) and all documents incorporated by reference in the Base Prospectus.

Copies of the Base Prospectus, all documents incorporated by reference in the Base Prospectus, Supplement No. 1, Supplement No. 2 and this Supplement will be obtainable free of charge to each investor upon request. These documents can be requested from the Issuer via its website ([www.ikb.de](http://www.ikb.de)) or by letter to IKB Deutsche Industriebank Aktiengesellschaft at the following address: Wilhelm-Bötckes-Straße 1, 40474 Düsseldorf, Federal Republic of Germany. Copies of the Base Prospectus, all documents incorporated by reference in the Base Prospectus, Supplement No. 1, Supplement No. 2 and this Supplement will also be viewable on, and obtainable free of charge from, the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

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

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

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## A. Introduction

On 10 June 2016, IKB published its Annual Report 2015/2016 as of and for the financial year ended 31 March 2016 (the "**Annual Report 2015/2016**"). Following the publication of the Annual Report 2015/2016, the sections entitled "A. SUMMARY", "B. RISK FACTORS", "D. DESCRIPTION OF THE ISSUER" and "I. DOCUMENTS INCORPORATED BY REFERENCE" contained in the Base Prospectus shall be amended as follows to provide updated information with regard to the Issuer and certain risks relating to the Issuer.

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

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

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

<b>B.12</b>	<b>Selected Historical Key Financial Information</b>	<p><b>Summary of Selected Financial Information</b></p> <p>Unless specified otherwise below, the following table sets out the key financial information of IKB in accordance with the German Commercial Code (<i>Handelsgesetzbuch</i>; "<b>HGB</b>") extracted from the consolidated financial statements as of and for the financial year ended 31 March 2016. The consolidated financial statements of IKB as of and for the financial year ended 31 March 2016 were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("<b>PwC</b>") and PwC has issued an unqualified auditors' opinion on such consolidated financial statements.</p> <p><b>Consolidated Balance Sheet</b></p> <table border="1"> <thead> <tr> <th>in € million</th> <th>31 Mar. 2016</th> <th>31 Mar. 2015</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Assets</b></td> </tr> <tr> <td>Cash reserve</td> <td>34</td> <td>35</td> </tr> <tr> <td>Receivables from banks</td> <td>2,122</td> <td>2,300</td> </tr> <tr> <td>Receivables from customers</td> <td>9,888</td> <td>11,090</td> </tr> <tr> <td>Bonds and other fixed-income securities</td> <td>5,052</td> <td>5,774<sup>1)</sup></td> </tr> <tr> <td>Equities and other non-fixed-income securities</td> <td>470</td> <td>483</td> </tr> <tr> <td>Assets held for trading</td> <td>-</td> <td>271</td> </tr> <tr> <td>Equity investments</td> <td>11</td> <td>23</td> </tr> <tr> <td>Investments in associates</td> <td>15</td> <td>14</td> </tr> <tr> <td>Lease assets</td> <td>941</td> <td>1,030</td> </tr> <tr> <td>Prepaid expenses</td> <td>275</td> <td>75</td> </tr> <tr> <td>Deferred tax assets</td> <td>254</td> <td>243</td> </tr> <tr> <td>Remaining assets</td> <td>252</td> <td>235</td> </tr> <tr> <td><b>Total assets</b></td> <td><b>19,559</b></td> <td><b>21,654</b></td> </tr> </tbody> </table> <p>Some totals may be subject to discrepancies due to rounding differences.</p> <table border="1"> <thead> <tr> <th>in € million</th> <th>31 Mar. 2016</th> <th>31 Mar. 2015</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Equity and liabilities</b></td> </tr> <tr> <td>Liabilities to banks</td> <td>7,897</td> <td>8,893</td> </tr> <tr> <td>Liabilities to customers</td> <td>7,498</td> <td>8,165</td> </tr> <tr> <td>Securitised liabilities</td> <td>774</td> <td>756<sup>1)</sup></td> </tr> <tr> <td>Liabilities held for trading</td> <td>-</td> <td>280</td> </tr> <tr> <td>Deferred income</td> <td>147</td> <td>113</td> </tr> <tr> <td>Provisions</td> <td>348</td> <td>398</td> </tr> </tbody> </table>	in € million	31 Mar. 2016	31 Mar. 2015	<b>Assets</b>			Cash reserve	34	35	Receivables from banks	2,122	2,300	Receivables from customers	9,888	11,090	Bonds and other fixed-income securities	5,052	5,774 <sup>1)</sup>	Equities and other non-fixed-income securities	470	483	Assets held for trading	-	271	Equity investments	11	23	Investments in associates	15	14	Lease assets	941	1,030	Prepaid expenses	275	75	Deferred tax assets	254	243	Remaining assets	252	235	<b>Total assets</b>	<b>19,559</b>	<b>21,654</b>	in € million	31 Mar. 2016	31 Mar. 2015	<b>Equity and liabilities</b>			Liabilities to banks	7,897	8,893	Liabilities to customers	7,498	8,165	Securitised liabilities	774	756 <sup>1)</sup>	Liabilities held for trading	-	280	Deferred income	147	113	Provisions	348	398
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Subordinated liabilities	922	971
Profit participation capital	32	32
Fund for general banking risks	585	580
Other liabilities	345	465
Equity	1,011	1,000
<b>Total equity and liabilities</b>	<b>19,559</b>	<b>21,654</b>
<b>Contingent liabilities and Other obligations</b>	<b>2,568</b>	<b>2,236</b>

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

### Consolidated Income Statement

in € million	31 Mar. 2016	31 Mar. 2015
<b>Expenses</b>		
<b>Lease expenses</b>	<b>-211</b>	<b>-208</b>
<b>Interest expenses</b>	<b>-647</b>	<b>-937</b>
<b>Commission expenses</b>	<b>-14</b>	<b>-13</b>
<b>Net trading results</b>	<b>-</b>	<b>-</b>
<b>General administrative expenses</b>	<b>-288</b>	<b>-303</b>
a) Personnel expenses	-183	-183
aa) Wages and salaries	-160	-153
ab) Social security, post-employment and other employee benefit costs	-24	-31
thereof: for pensions	-5	-13
b) Other administrative expenses	-105	-119
<b>Depreciation and write-downs of intangible and tangible fixed assets</b>	<b>-322</b>	<b>-359</b>
a) On lease assets	-311	-349
b) On intangible and tangible assets	-11	-10
<b>Other operating expenses</b>	<b>-985</b>	<b>-1,098</b>
<b>Expenses for the addition to the fund for general banking risks</b>	<b>-7</b>	<b>-5</b>
<b>Depreciation and write-downs of receivables, specific securities and additions to loan loss provisions</b>	<b>-9</b>	<b>-65</b>
<b>Depreciation and write-downs of equity investments, investments in affiliated companies and long-term investments</b>	<b>-14</b>	<b>-16</b>
<b>Expenses of assumption of losses</b>	<b>0</b>	<b>0</b>
<b>Extraordinary expenses</b>	<b>-34</b>	<b>-5</b>
<b>Income taxes</b>	<b>1</b>	<b>-119</b>
<b>Other taxes not reported under "Other operating expenses"</b>	<b>-2</b>	<b>-1</b>
<b>Net income for the financial year</b>	<b>-10</b>	<b>-5</b>
<b>Total expenses</b>	<b>-2,542</b>	<b>-3,132</b>

in € million	31 Mar. 2016	31 Mar. 2015
<b>Income</b>		
<b>Lease income</b>	<b>586</b>	<b>628</b>
<b>Interest income from</b>	<b>862</b>	<b>1,104</b>
a) Lending and money market transactions	738	945
b) Fixed-income securities and government-inscribed debts	124	159
<b>Current income from</b>	<b>4</b>	<b>52</b>
a) Equities and other non-fixed-income securities	0	46
b) Equity investments	2	2
c) Investments in associates	2	2
d) Investments in affiliated companies	-	2

<b>Income from profit-pooling, profit transfer and partial profit transfer agreements</b>	-	-
<b>Commission income</b>	<b>43</b>	<b>56</b>
<b>Net trading results</b>	<b>6</b>	<b>8</b>
thereof: addition to (-) / reversal of (+) trading-related special reserve according to Section 340e (4) HGB	2	-1
<b>Income from reversals of write-downs on receivables and certain securities and from the reversal of loan loss provisions</b>	-	-
<b>Income from reversals of write-downs of equity investments, investments in affiliated companies and long-term investment securities</b>	<b>281</b>	<b>416</b>
<b>Other operating income</b>	<b>759</b>	<b>866</b>
<b>Income from the reversal of the fund for general banking risks</b>	-	-
<b>Extraordinary income</b>	<b>1</b>	<b>2</b>
<b>Income from assumption of losses</b>	-	-
<b>Net loss for the financial year</b>	-	-
<b>Total income</b>	<b>2,542</b>	<b>3,132</b>
<b>Net income for the year</b>	<b>10</b>	<b>5</b>
<b>Loss carryforward from the previous year</b>	<b>-2,372</b>	<b>-2,376</b>
<b>Withdrawals from capital reserves</b>	-	-
<b>Withdrawals from revenue reserves</b>	-	-
<b>Withdrawals from profit participation capital</b>	-	-
<b>Withdrawals from silent partnership contributions</b>	-	-
<b>Allocations to revenue reserves</b>	-	-
<b>Replenishment of profit participation capital</b>	-	-
<b>Net accumulated losses</b>	<b>-2,361</b>	<b>-2,372</b>

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

### Consolidated Cash Flow Statement

<b>in € million</b>	<b>2015/16</b>	<b>2014/15</b>
Cash flow from operating activities	-739.5	-1,327.3
Cash flow from investing activities	788.6	1,349.7
Cash flow from financing activities	-50.0	-10.0
Cash funds at beginning of period	34.6	22.2
Cash funds at end of period	33.7	34.6

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

### Summary of Regulatory Indicators

Regulatory capital situation of IKB Group in accordance with CRR/CRD IV<sup>2)</sup>:

<b>in € million</b>	<b>31 Mar. 2016</b>	<b>31 Mar. 2015<sup>3)</sup></b>
Total risk-weighted assets (RWA)	12,763	13,340
Own funds	2,190	2,228
CET 1 ratio	11.6%	10.9%
T 1 ratio	13.8%	13.3%
Own funds ratio	17.2%	16.7%

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

1) The treatment of bonds issued by IKB Group companies, held by another IKB Group company and not acquired on the market was altered as at 31 March 2016.

		<p>Deviating from the past presentation in the consolidated financial statements, bonds issued within the IKB Group are no longer reported as own bonds under "Bonds and other fixed-income securities", and are instead offset against each other in the consolidation of intercompany balances. Thus, the carrying amounts for "Bonds and other fixed-income securities" and for "Securitised liabilities" were each reduced by € 755.6 million in 2015. As a result of this change in reporting, the information relating to 2015 was restated and is no longer comparable with the information published in 2015.</p> <p>2) Figures taking into consideration the phase-in and phase-out provisions of the CRR. The CET 1 ratios were calculated in accordance with the current legal status of the CRR as at 31 March 2016 and 31 March 2015 respectively, including transitional provisions and the interpretations published by the supervisory authorities. The possibility that future EBA/ECB standards and interpretations or other supervisory actions will lead to a retrospective change in the CET 1 ratio cannot be ruled out.</p> <p>3) Figures after approval of the accounts and taking into consideration the addition to the fund for general banking risk in CET 1 at the reporting date.</p>
	<b>Material adverse change in the prospects of the Issuer</b>	There has been no material adverse change in the prospects of IKB AG that has occurred since the date of the last audited consolidated financial statements as of and for the financial year ended 31 March 2016.
	<b>Significant change in the financial position</b>	There has been no significant change in IKB AG's financial position since the date of the last consolidated financial statements as of and for the financial year ended 31 March 2016.

- b. The subsection commencing on page 13 of the Base Prospectus which is entitled "Section B - The Issuer - B.13 - Recent developments which are to a material extent relevant to the evaluation of the Issuer's solvency" shall be replaced in its entirety as follows:

<b>B.13</b>	<b>Recent developments which are to a material extent relevant to the evaluation of the Issuer's solvency</b>	<p><b>Valin Funds</b></p> <p>The investment fund "Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF" was established by IKB on 3 June 2014. IKB sold all of its founding shares in Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF with effect from 8 April 2015 and remains indirectly invested in the fund via rated notes issued by a securitisation vehicle on the fund shares as underlying. In November 2015, IKB launched an additional investment fund, the "Valin Ruysdael Fund" as a sub-fund of the umbrella fund Valin Funds S.A., SICAV-SIF with aggregate capital commitments amounting to € 150 million.</p> <p><b>Compilation of recovery plan according to Sections 12 et seq. of the German Recovery and Resolution Act (<i>Sanierungs- und Abwicklungsgesetz</i>; "SAG") and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (<i>Mindestanforderungen an die Ausgestaltung von Sanierungsplänen</i>; "MaSan")</b></p> <p>In 2014, BaFin requested IKB AG to compile a recovery plan according to Sections 47 et seq. of the German Banking Act (<i>Gesetz über das Kreditwesen</i>; "KWG") as applicable until 31 December 2014 and MaSan. In April 2016, BaFin informed IKB AG of its current qualification as not potentially systemically important (<i>nicht potenziell systemgefährdend</i>). The qualification will be updated regularly and, thus, is subject to change.</p> <p><b>Potential Sale of IKB</b></p> <p>A sale of IKB by its current majority shareholder Lone Star remains possible at any time. The Board of Managing Directors remains open to</p>
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	<p>supporting these plans.</p> <p><b>Rio Debt Holdings</b></p> <p>In December 2014, IKB AG – through its Luxembourg-based subsidiary IKB Lux Beteiligungen S.à.r.l. – purchased the Mezzanine Loan that had originally been granted by LSF Aggregated Lendings S.à.r.l., a company of the Lone Star Funds group, to Rio Debt Holdings (Ireland) Limited. The transfer was made at arm's length conditions. The Mezzanine Loan which has been redeemed with one US-Dollar outstanding entitles IKB Lux Beteiligungen S.à.r.l. to receive 20% of all expected interest and principal payments on assets within the Rio Portfolio. The Junior Lender, IKB Invest GmbH, will receive the residual 80% of interest and principal payments.</p> <p><b>Reconciliation of Interests/Redundancy Scheme</b></p> <p>A new reconciliation of interests and a new redundancy scheme were signed on 15 April 2016 for purposes of cost cutting and optimisation measures.</p> <p><b>Delisting</b></p> <p>Trading of IKB AG's shares listed on the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) (segment Entry Standard) was discontinued from 12 April 2016.</p>
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**2. Amendments to the subsection commencing on page 33 of the Base Prospectus which is entitled "2. GERMAN TRANSLATION OF THE SUMMARY"**

**a. The subsection commencing on page 35 of the Base Prospectus which is entitled "Abschnitt B - Die Emittentin - B.12 - Ausgewählte wesentliche historische Finanzinformationen" shall be replaced in its entirety as follows:**

<b>B.12</b>	<b>Ausgewählte wesentliche historische Finanzinformationen</b>	<p><b>Zusammenfassung ausgewählter Finanzinformationen</b></p> <p>Sofern nachstehend nicht anders angegeben, enthält die nachstehende Tabelle die wesentlichen Finanzdaten der IKB nach Handelsgesetzbuch ("<b>HGB</b>"), die dem Konzernabschluss zum und für das am 31. März 2016 abgeschlossene Geschäftsjahr entnommen wurden. Der Konzernabschluss der IKB zum und für das am 31. März 2016 abgeschlossene Geschäftsjahr wurde von der PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("<b>PwC</b>") geprüft, und PwC hat einen uneingeschränkten Bestätigungsvermerk mit Bezug auf den Konzernabschluss erteilt.</p> <p><b>Konzernbilanz</b></p> <table border="1"> <thead> <tr> <th>in Mio. €</th> <th>31. März 2016</th> <th>31. März 2015</th> </tr> </thead> <tbody> <tr> <td><b>Aktiva</b></td> <td></td> <td></td> </tr> <tr> <td>Barreserve</td> <td>34</td> <td>35</td> </tr> <tr> <td>Forderungen an Kreditinstitute</td> <td>2.122</td> <td>2.300</td> </tr> <tr> <td>Forderungen an Kunden</td> <td>9.888</td> <td>11.090</td> </tr> <tr> <td>Schuldverschreibungen und andere festverzinsliche Wertpapiere</td> <td>5.052</td> <td>5.774<sup>1)</sup></td> </tr> <tr> <td>Aktien und andere nicht festverzinsliche Wertpapiere</td> <td>470</td> <td>483</td> </tr> <tr> <td>Handelsbestand</td> <td>-</td> <td>271</td> </tr> <tr> <td>Beteiligungen</td> <td>11</td> <td>23</td> </tr> <tr> <td>Anteile an assoziierten Unternehmen</td> <td>15</td> <td>14</td> </tr> <tr> <td>Leasingvermögen</td> <td>941</td> <td>1.030</td> </tr> </tbody> </table>	in Mio. €	31. März 2016	31. März 2015	<b>Aktiva</b>			Barreserve	34	35	Forderungen an Kreditinstitute	2.122	2.300	Forderungen an Kunden	9.888	11.090	Schuldverschreibungen und andere festverzinsliche Wertpapiere	5.052	5.774 <sup>1)</sup>	Aktien und andere nicht festverzinsliche Wertpapiere	470	483	Handelsbestand	-	271	Beteiligungen	11	23	Anteile an assoziierten Unternehmen	15	14	Leasingvermögen	941	1.030
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Rechnungsabgrenzungsposten	275	75
Aktive latente Steuern	254	243
Übrige Aktiva	252	235
<b>Summe der Aktiva</b>	<b>19.559</b>	<b>21.654</b>

Summendifferenzen sind Rundungsdifferenzen.

in Mio. €	31. März 2016	31. März 2015
<b>Passiva</b>		
Verbindlichkeiten gegenüber Kreditinstituten	7.897	8.893
Verbindlichkeiten gegenüber Kunden	7.498	8.165
Verbriefte Verbindlichkeiten	774	756 <sup>1)</sup>
Handelsbestand	-	280
Rechnungsabgrenzungsposten	147	113
Rückstellungen	348	398
Nachrangige Verbindlichkeiten	922	971
Genussrechtskapital	32	32
Fonds für allgemeine Bankrisiken	585	580
Übrige Verbindlichkeiten	345	465
Eigenkapital	1.011	1.000
<b>Summe der Passiva</b>	<b>19.559</b>	<b>21.654</b>
<b>Eventualverbindlichkeiten und Andere Verpflichtungen</b>	<b>2.568</b>	<b>2.236</b>

Summendifferenzen sind Rundungsdifferenzen.

### Konzern-Gewinn- und Verlustrechnung

in Mio. €	31. März 2016	31. März 2015
<b>Aufwendungen</b>		
<b>Leasingaufwendungen</b>	<b>-211</b>	<b>-208</b>
<b>Zinsaufwendungen</b>	<b>-647</b>	<b>-937</b>
<b>Provisionsaufwendungen</b>	<b>-14</b>	<b>-13</b>
<b>Nettoaufwand des Handelsbestands</b>	<b>-</b>	<b>-</b>
<b>Allgemeine Verwaltungsaufwendungen</b>	<b>-288</b>	<b>-303</b>
a) Personalaufwand	-183	-183
aa) Löhne und Gehälter	-160	-153
ab) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	-24	-31
darunter: für Altersversorgung	-5	-13
b) andere Verwaltungsaufwendungen	-105	-119
<b>Abschreibungen und Wertberichtigungen auf immaterielle Anlagewerte und Sachanlagen</b>	<b>-322</b>	<b>-359</b>
a) auf Leasingvermögen	-311	-349
b) auf immaterielle Anlagewerte und Sachanlagen	-11	-10
<b>Sonstige betriebliche Aufwendungen</b>	<b>-985</b>	<b>-1.098</b>
<b>Aufwendungen aus der Zuführung zum Fonds für allgemeine Bankrisiken</b>	<b>-7</b>	<b>-5</b>
<b>Abschreibungen und Wertberichtigungen auf Forderungen und bestimmte Wertpapiere sowie Zuführungen zu Rückstellungen im Kreditgeschäft</b>	<b>-9</b>	<b>-65</b>
<b>Abschreibungen und Wertberichtigungen auf Beteiligungen, Anteile an verbundenen</b>	<b>-14</b>	<b>-16</b>



<b>Unternehmen und wie Anlagevermögen behandelte Wertpapiere</b>		
<b>Aufwendungen aus Verlustübernahme</b>	0	0
<b>Außerordentliche Aufwendungen</b>	-34	-5
<b>Steuern vom Einkommen und vom Ertrag</b>	1	-119
<b>Sonstige Steuern, soweit nicht unter dem Posten "Sonstige betriebliche Aufwendungen" ausgewiesen</b>	-2	-1
<b>Jahresüberschuss</b>	-10	-5
<b>Summe der Aufwendungen</b>	-2.542	-3.132
<b>in Mio.€</b>	<b>31. März 2016</b>	<b>31. März 2015</b>
<b>Erträge</b>		
<b>Leasingerträge</b>	586	628
<b>Zinserträge aus</b>	862	1.104
a) Kredit- und Geldmarktgeschäften	738	945
b) festverzinslichen Wertpapieren und Schuldbuchforderungen	124	159
<b>Laufende Erträge aus</b>	4	52
a) Aktien und anderen nicht festverzinslichen Wertpapieren	0	46
b) Beteiligungen	2	2
c) Anteile an assoziierten Unternehmen	2	2
d) Anteilen an verbundenen Unternehmen	-	2
<b>Erträge aus Gewinngemeinschaften, Gewinnabführungs- oder Teilgewinnabführungsverträgen</b>	-	-
<b>Provisionserträge</b>	43	56
<b>Nettoertrag des Handelsbestands</b>	6	8
davon: Einstellung in Sonderposten nach § 340e Abs. 4 HGB	2	-1
<b>Erträge aus Zuschreibungen zu Forderungen und bestimmten Wertpapieren sowie aus der Auflösung von Rückstellungen im Kreditgeschäft</b>	-	-
<b>Erträge aus Zuschreibungen zu Beteiligungen, Anteilen an verbundenen Unternehmen und wie Anlagevermögen behandelten Wertpapieren</b>	281	416
<b>Sonstige betriebliche Erträge</b>	759	866
<b>Erträge aus der Auflösung des Fonds für allgemeine Bankrisiken</b>	-	-
<b>Außerordentliche Erträge</b>	1	2
<b>Erträge aus Verlustübernahme</b>	-	-
<b>Jahresfehlbetrag</b>	-	-
<b>Summe der Erträge</b>	2.542	3.132
<b>Jahresüberschuss/-fehlbetrag</b>	10	5
<b>Verlustvortrag aus dem Vorjahr</b>	-2.372	-2.376
<b>Entnahmen aus der Kapitalrücklage</b>	-	-
<b>Entnahmen aus Gewinnrücklagen</b>	-	-
<b>Entnahmen aus Genussrechtskapital</b>	-	-
<b>Entnahmen Stille Einlage</b>	-	-
<b>Einstellungen in Gewinnrücklagen</b>	-	-
<b>Wiederauffüllung des Genussrechtskapitals</b>	-	-
<b>Bilanzverlust</b>	-2.361	-2.372

Summendifferenzen sind Rundungsdifferenzen.

		<p><b>Konzern-Kapitalflussrechnung</b></p> <table border="1"> <thead> <tr> <th>in Mio. €</th> <th>2015/16</th> <th>2014/15</th> </tr> </thead> <tbody> <tr> <td>Cashflow aus laufender Geschäftstätigkeit</td> <td>-739,5</td> <td>-1.327,3</td> </tr> <tr> <td>Cashflow aus Investitionstätigkeit</td> <td>788,6</td> <td>1.349,7</td> </tr> <tr> <td>Cashflow aus der Finanzierungstätigkeit</td> <td>-50,0</td> <td>-10,0</td> </tr> <tr> <td>Finanzmittelfonds am Anfang der Periode</td> <td>34,6</td> <td>22,2</td> </tr> <tr> <td>Finanzmittelfonds am Ende der Periode</td> <td>33,7</td> <td>34,6</td> </tr> </tbody> </table> <p>Summendifferenzen sind Rundungsdifferenzen.</p> <p><b>Regulatorische Kapitalausstattung</b></p> <p>Regulatorische Kapitalsituation der IKB-Gruppe unter CRR/CRD IV<sup>2)</sup>:</p> <table border="1"> <thead> <tr> <th>in Mio. €</th> <th>31. März 2016</th> <th>31. März 2015<sup>3)</sup></th> </tr> </thead> <tbody> <tr> <td>Total Risk Weighted Assets (RWA)</td> <td>12.763</td> <td>13.340</td> </tr> <tr> <td>Own Funds</td> <td>2.190</td> <td>2.228</td> </tr> <tr> <td>CET 1 Ratio</td> <td>11,6%</td> <td>10,9%</td> </tr> <tr> <td>T 1 Ratio</td> <td>13,8%</td> <td>13,3%</td> </tr> <tr> <td>Own Funds Ratio</td> <td>17,2%</td> <td>16,7%</td> </tr> </tbody> </table> <p>Summendifferenzen sind Rundungsdifferenzen.</p> <p>1) Die Behandlung von durch Konzernunternehmen emittierten Schuldverschreibungen, die ein anderes Konzernunternehmen im Bestand hält und die nicht über den Markt erworben wurden, ist zum 31. März 2016 geändert worden. Konzernintern emittierte Schuldverschreibungen werden im Unterschied zur bisherigen Darstellung im Konzernabschluss nicht mehr als eigene Schuldverschreibungen unter der Position "Schuldverschreibungen und andere festverzinsliche Wertpapiere" ausgewiesen, sondern im Rahmen der Schuldenkonsolidierung gegeneinander aufgerechnet. Hierdurch haben sich die Buchwerte für "Schuldverschreibungen und andere festverzinsliche Wertpapiere" sowie für "Verbriefte Verbindlichkeiten" in 2015 um jeweils 755,6 Mio. € reduziert. Aufgrund dieser Ausweisänderung wurden die Angaben für 2015 gegenüber den in 2015 veröffentlichten Werten angepasst.</p> <p>2) Angaben unter Berücksichtigung der Ein- und Ausphasungsregelungen der CRR. Die CET 1-Quoten wurden nach aktuellem Rechtsstand der CRR zum 31. März 2016 bzw. 31. März 2015 inklusive Übergangsvorschriften sowie der bekannten Interpretationen der Aufsicht und deren Auslegung ermittelt. Es ist nicht auszuschließen, dass zukünftige EBA-/EZB-Standards/Interpretationen bzw. sonstige aufsichtliche Handlungen retrograd zu einer abweichenden CET 1-Quote führen können.</p> <p>3) Angaben nach Bilanzfeststellung und unter stichtagsgleicher Zurechnung der Dotierung des Fonds für allgemeine Bankrisiken im CET 1.</p>	in Mio. €	2015/16	2014/15	Cashflow aus laufender Geschäftstätigkeit	-739,5	-1.327,3	Cashflow aus Investitionstätigkeit	788,6	1.349,7	Cashflow aus der Finanzierungstätigkeit	-50,0	-10,0	Finanzmittelfonds am Anfang der Periode	34,6	22,2	Finanzmittelfonds am Ende der Periode	33,7	34,6	in Mio. €	31. März 2016	31. März 2015 <sup>3)</sup>	Total Risk Weighted Assets (RWA)	12.763	13.340	Own Funds	2.190	2.228	CET 1 Ratio	11,6%	10,9%	T 1 Ratio	13,8%	13,3%	Own Funds Ratio	17,2%	16,7%
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	<p><b>Wesentliche Verschlechterung der Aussichten der Emittentin</b></p>	<p>Seit dem Datum des letzten geprüften Konzernabschlusses für das zum und am 31. März 2016 abgeschlossene Geschäftsjahr sind keine wesentlichen Veränderungen in den Aussichten der IKB AG eingetreten.</p>																																				
	<p><b>Wesentliche Veränderung in der Finanzlage</b></p>	<p>Seit dem Datum des letzten Konzernabschlusses zum und für das am 31. März 2016 abgeschlossene Geschäftsjahr sind keine wesentlichen Veränderungen in der Finanzlage der IKB AG eingetreten.</p>																																				

b. The subsection commencing on page 40 of the Base Prospectus which is entitled "Abschnitt B - Die Emittentin - B.13 - Letzte Entwicklungen, die für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant sind" shall be replaced in its entirety as follows:

B.13	Letzte Entwicklungen, die für die	<p><b>Valin Funds</b></p> <p>Der Investmentfonds "Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF" wurde am 3. Juni 2014 gegründet. Mit Wirkung zum 8. April 2015</p>
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	<p><b>Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant sind</b></p>	<p>hat die IKB alle ihre Gründungsaktien an dem Fonds Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF veräußert und bleibt über Schuldverschreibungen, die ein Rating erhalten haben und die über ein Verbriefungsvehikel auf Grundlage der Fondsanteile emittiert werden, mittelbar in dem Fonds investiert. Im November 2015 hat die IKB einen zusätzlichen Investmentfonds, den "Valin Ruysdael Fund" aufgelegt. Dieser Fonds ist ein Teilfonds des Umbrella-Fonds Valin Funds S.A., SICAV-SIF mit Kapitalzusagen in Höhe von insgesamt € 150 Millionen.</p> <p><b>Erstellung eines Sanierungsplans gemäß §§ 12 ff. Sanierungs- und Abwicklungsgesetz ("SAG") und den Mindestanforderungen an die Ausgestaltung von Sanierungsplänen ("MaSan")</b></p> <p>Im Jahr 2014 hat die BaFin die IKB AG aufgefordert, einen Sanierungsplan gemäß §§ 47 ff. KWG (in der bis zum 31. Dezember 2014 anwendbaren Fassung) und MaSan zu erstellen. Im April 2016 hat die BaFin der IKB AG mitgeteilt, dass sie derzeit als "nicht potenziell systemgefährdend" eingestuft sei. Diese Einstufung wird regelmäßig aktualisiert und unterliegt daher Änderungen.</p> <p><b>Potenzieller Verkauf der IKB</b></p> <p>Ein Verkauf der IKB durch ihren Hauptanteilseigner Lone Star bleibt jederzeit möglich. Der Vorstand behält es sich vor, diese Pläne zu unterstützen.</p> <p><b>Rio Debt Holdings</b></p> <p>Die IKB AG hat im Dezember 2014 durch ihr Luxemburger Tochterunternehmen IKB Lux Beteiligungen S.à.r.l. das Mezzanine Loan angekauft, das die LSF Aggregated Lendings S.à.r.l., eine Gesellschaft der Lone Star Funds-Gruppe, an Rio Debt Holdings (Ireland) Limited vergeben hatte. Das Geschäft wurde zu marktüblichen Konditionen abgewickelt. Das Mezzanine Loan, das bis auf einen US-Dollar getilgt ist, berechtigt die IKB Lux Beteiligungen S.à.r.l. zum Erhalt von 20% aller noch zu erwartenden Zins- und Tilgungszahlungen auf Wertpapiere aus dem Rio-Portfolio. Die übrigen 80% aller noch zu erwartenden Zins- und Tilgungszahlungen auf Wertpapiere aus dem Rio-Portfolio stehen der IKB Invest GmbH als Junior Lender zu.</p> <p><b>Interessenausgleich / Sozialplan</b></p> <p>Am 15. April 2016 wurden ein neuer Interessenausgleich sowie ein neuer Sozialplan ausgehandelt. Hintergrund der Neuerungen sind Kostensenkungen und Optimierungsmaßnahmen.</p> <p><b>Delisting</b></p> <p>Der Handel mit den Aktien der IKB AG an der Frankfurter Wertpapierbörse (im Segment Entry Standard) wurde ab dem 12. April 2016 eingestellt.</p>
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**C. Amendments to the section commencing on page 63 of the Base Prospectus which is entitled "B. RISK FACTORS"**

**Amendments to the subsection commencing on page 63 of the Base Prospectus which is entitled "1. RISK FACTORS RELATING TO THE ISSUER"**

- 1. The subsection commencing on page 71 of the Base Prospectus which is entitled "1.2 Risks Relating to IKB and its Business - Risk related to structured credit products." shall be replaced in its entirety as follows:**

### *Risk related to structured credit products*

The risks from IKB's remaining structured credit products in terms of the book value amount to €98.4 million. This amount can be divided into transactions related to the strategic core business of IKB, i.e. securitisations of IKB's own loans amounting to €29.6 million and €68.8 million remaining risk from mortgage investments (including subprime) which were transferred to the special purpose vehicle Rio Debt Holdings in 2008.

2. **The subsection commencing on page 76 of the Base Prospectus which is entitled "1.2 Risks Relating to IKB and its Business - *There is a risk of additional taxes due to a dissenting view of the tax authorities on the application of the German Corporate Income Tax Act (Körperschaftsteuergesetz; KStG) and the German Trade Tax Act (Gewerbsteuergesetz; GewStG).*" shall be replaced in its entirety as follows:**

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

In August 2015, IKB AG received tax assessment notices in which a dissenting view of the tax authorities was implemented with respect to the application of Section 8c of the German Corporate Income Tax Act (KStG) / Section 10a of the German Trade Tax Act (GewStG) in connection with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009. IKB AG has filed appeals against the tax assessments. IKB AG paid the corporation tax and the solidarity surcharge for 2009, including interest attributable to the corporation tax in time. Payment was made in the amount of around € 140 million from the tax provision recognised as at 31 March 2015 and in the amount of € 1 million from net other operating income (other interest). With respect to the trade tax base assessment ("*Gewerbsteuermessbetragsbescheid*") IKB AG was granted a suspension of enforcement ("*Aussetzung der Vollziehung*") by the tax authorities upon its application. The trade tax and the associated interest were therefore not yet payable.

The current outcome of the risk assessment does not differ from the outcome as at 31 March 2015. A provision has not yet been recognised for trade tax or the corresponding interest. There is a possibility that this risk will need to be reassessed as proceedings continue. The risk with respect to trade tax becoming finally payable currently amounts to around € 117 million plus interest of 0.5% per month and to € 1 million for cost allocations for chamber of commerce and industry membership fees. The potential risk of interest with respect to trade tax amounted to € 33 million as at 31 March 2016 plus around € 0.6 million for each additional month. If this risk were to occur, IKB would be able to release a part of the fund for general banking risks (section 340g HGB) and, as far as this risk is considered, IKB would not show a loss in the financial statements. If this risk were to occur and as far as this risk is considered, IKB would still meet the current minimum capital requirements of the banking supervisory authorities.

- D. **Amendment to the section commencing on page 100 of the Base Prospectus which is entitled "D. DESCRIPTION OF THE ISSUER"**
  1. **Amendments to the subsection commencing on page 101 of the Base Prospectus which is entitled "2. IKB DEUTSCHE INDUSTRIEBANK AKTIENGESELLSCHAFT"**
    - a. **The subsection commencing on page 105 of the Base Prospectus which is entitled "2.2 Business Overview - 2.2.4 Summary of Regulatory Indicators" shall be replaced in its entirety as follows:**

## 2.2.4 Summary of Regulatory Indicators

IKB has calculated its regulatory capital resources in accordance with the provisions of the CRR/CRD IV since 1 January 2014. It applies the standardised approach for credit risk for counterparty default risk, the standard method for the calculation of the credit valuation adjustment charge, the base indicator approach for operational risk, and the standard regulatory methods for market price risk (interest risk: duration method; option risk: delta plus method or scenario matrix method). IKB continues to recognise contractual netting agreements to reduce risk of derivative positions. The following table provides an overview of the regulatory risk items, equity base and ratios.

Table: Regulatory capital situation at the IKB Group in accordance with CRR / CRD IV<sup>1)</sup>

Figures in €million	31 Mar. 2016 <sup>2)</sup>	31 Mar. 2015 <sup>2)</sup>
Counterparty default risk	11,970	12,736
thereof: CVA charge	153	123
Market risk equivalent	182	153
Operational risk	611	451
<b>Total risk-weighted assets (RWA)</b>	<b>12,763</b>	<b>13,340</b>
<b>Common Equity Tier 1 (CET 1)</b>	<b>1,479</b>	<b>1,453</b>
Additional Tier 1 (AT 1)	282	326
<b>Total Tier 1 (T 1)</b>	<b>1,761</b>	<b>1,779</b>
Tier 2 (T 2)	429	448
<b>Own funds</b>	<b>2,190</b>	<b>2,228</b>
<b>CET 1 ratio</b>	<b>11.6%</b>	<b>10.9%</b>
T 1 ratio	13.8%	13.3%
Own funds ratio	17.2%	16.7%

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

<sup>1)</sup> Figures taking into consideration the phase-in and phase-out provisions of the CRR. The CET 1 ratios were calculated in accordance with the current legal status of the CRR as at 31 March 2016 and 31 March 2015 respectively, including transitional provisions and the interpretations published by the supervisory authorities. The possibility that future EBA/ECB standards and interpretations or other supervisory actions will lead to a retrospective change in the CET 1 ratio cannot be ruled out.

<sup>2)</sup> Figures after approval of the accounts and taking into consideration the addition to the fund for general banking risk in CET 1 at the reporting date.

The decrease in risk-weighted assets as at 31 March 2016 is primarily attributable to scheduled repayments, unscheduled repayments and sales of non-strategic assets accompanied by limited new business.

At 11.6% at Group level and 15.5% at individual IKB AG level, IKB's Common Equity Tier 1 ("**CET 1**") capital ratios significantly exceed the statutory minimum requirements including the capital conservation buffer and the countercyclical capital buffer.

IKB's Board of Managing Directors expects it to be possible to meet the statutory minimum requirements in the future. Although the CRR has been binding since 1 January 2014, there remains uncertainty with regard to the interpretation of the new regulation. This is also reflected in the large number of interpretation issues raised with the EBA, which are extremely important when it comes to interpreting the regulation. Furthermore, the final versions of many technical regulatory standards to be announced by the EBA are not yet available or their publication has been delayed compared with the EBA's original timetable. Further uncertainty stems from the fact that the results of the international banking regulation process and the development of a unified European bank supervision are not always foreseeable. This relates in particular to the implementation of the regulations arising from the Banking Recovery and Resolution Directive ("**BRRD**") with national implementation in the form of the German Recovery and Resolution Act and preparations for the Supervisory Review and Evaluation Process (SREP) in accordance with the EBA guidelines and the specific application of German regulation. In addition, in its draft regulation of the European Central Bank on the exercise of options and discretions available in Union law, the ECB advocates the abolition or severe restriction of national options in applying the provisions of the Capital Requirement Regulation. It is not yet clear whether this regulation will be adopted by the German regulatory authorities for institutions not monitored directly by the ECB in the interests of a level playing field. In addition, the Basel Committee on Banking Supervision (BCBS) has put up a range of working papers for discussion, or already adopted them, collected under the working title Basel IV. In particular, these include the papers on revisions to the standardised approach for credit risk (BCBS 347), the standardised approach for measuring counterparty credit risk exposures (BCBS 279), revisions to the securitisation framework (BCBS 303), the fundamental review of the trading book (BCBS 305), the standardised approaches for calculating operational risk capital (BCBS 355), interest rate risk in the banking book (BCBS 319) and capital floors when designing a framework based on standardised approaches (BCBS 306). The exact effect on future capital requirements cannot be quantified at this time. The binding date on which harmonised EU-wide banking supervisory legislation will come into force has also still yet to be defined.

- b. In the subsection commencing on page 107 of the Base Prospectus which is entitled "2.3 Organisational Structure / Description of the Group" the following line shall be added as last line to the table entitled "A. Consolidated Subsidiaries – 1. German Subsidiaries":**

UTA Truck Lease GmbH, Neu-Isenburg

1)

100.0

- c. The subsection on page 110 of the Base Prospectus which is entitled "2.4 Information on Business Trends - 2.4.1 Statement on Material Adverse Change" shall be replaced in its entirety as follows:**

#### **2.4.1 Statement on Material Adverse Change**

There has been no material adverse change in the prospects of IKB AG that has occurred since the date of the last audited consolidated financial statements as at and for the financial year ended 31 March 2016.

- d. The subsection on page 110 of the Base Prospectus which is entitled "2.4 Information on Business Trends - 2.4.2 Trend Information / Uncertainties" shall be replaced in its entirety as follows:**

#### **2.4.2 Trend Information / Uncertainties**

IKB AG is subject to the trends, uncertainties and influences explained in this Base Prospectus. Such uncertainties and influences may have a material effect on its business prospects for future periods.

These include, in particular, the continuing uncertainty concerning developments in the international financial markets, the sovereign debt crisis, the global economy and political uncertainties due to increasing regulations. Financial and geopolitical uncertainties, such as a potential withdrawal from the European Union possibly conducted by a Member State of the European Union (as could take place in case of the so-called Brexit) or the crisis situation in the Middle East, will remain additional risk factors. For further information, please see "B. RISK FACTORS – 1. RISK FACTORS RELATING TO THE ISSUER – 1.1 Risks Relating to the Economic and Financial Market Situation".

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

- e. The subsection commencing on page 110 of the Base Prospectus which is entitled "2.4 Information on Business Trends - 2.4.3 Recent Developments" shall be replaced in its entirety as follows:**

### **2.4.3 Recent Developments**

#### *Valin Funds*

The investment fund "Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF" was established by IKB on 3 June 2014. IKB sold all of its founding shares in Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF with effect from 8 April 2015 and remains indirectly invested in the fund via rated notes issued by a securitisation vehicle on the fund shares as underlying. In November 2015, IKB launched an additional investment fund, the "Valin Ruysdael Fund" as a sub-fund of the umbrella fund Valin Funds S.A., SICAV-SIF with aggregate capital commitments amounting to € 150 million. The Valin Ruysdael Fund was established as a co-investment vehicle following the same investment strategy as the Mittelstand Senior Debt Fund. The investors are a foreign institutional investor and IKB who committed an amount of € 7,5 million. IKB also acts as the investment manager of the Valin Ruysdael Fund.

*Compilation of Recovery Plan According to Sections 12 et seq. of the German Recovery and Resolution Act (SAG) and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (Mindestanforderungen an die Ausgestaltung von Sanierungsplänen; "MaSan").*

In 2014, BaFin requested IKB AG to compile a recovery plan according to Sections 47 et seq. of the KWG as applicable until 31 December 2014 and the MaSan. On 30 July 2014, IKB submitted its initial recovery plan to BaFin. Meanwhile, the recovery plan has been revised according to the requirements of the German Recovery and Resolution Act (SAG) and was re-submitted to BaFin on 30 October 2015. In April 2016, BaFin informed IKB AG of its current qualification as not potentially systemically important (*nicht potenziell systemgefährdend*). The qualification will be updated regularly and, thus, is subject to change.

#### *Potential sale of IKB*

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

#### *Rio Debt Holdings*

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

### *Reconciliation of interests/redundancy scheme*

In order to implement cost-cutting and optimisation measures, a new reconciliation of interests and redundancy scheme were negotiated with employee representatives and signed on 15 April 2016. The agreement provides for the downsizing of a total of 151 full-time employees within two years.

### *Delisting*

Trading of IKB AG's shares listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (segment Entry Standard) was discontinued from 12 April 2016.

- f. In the subsection commencing on page 117 of the Base Prospectus which is entitled "2.6 Major Shareholders" (as replaced by Supplement No. 2) the second and the third paragraph shall be replaced in their entirety as follows:**

The shares of IKB AG are listed on the general open market (*allgemeiner Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf AG*) and are also traded on the non-regulated markets (*Freiverkehr*) of several stock exchanges in Germany.

On 29 February 2016, with the approval of the Supervisory Board, the Board of Managing Directors of IKB AG applied for the revocation of the listing of IKB AG's shares from the Primary Market (*Primärmarkt*) and from the general open market (*allgemeiner Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf AG*) and terminated the inclusion of IKB AG's shares in the Entry Standard of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The revocation of the listing of IKB AG's shares from the Primary Market (*Primärmarkt*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf AG*) has become effective as of the end of 31 March 2016. From (and including) 1 April 2016, IKB AG's shares have been included in the general open market (*allgemeiner Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf AG*). The inclusion of IKB AG's shares in the general open market (*allgemeiner Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf AG*) will cease with effect as of the end of 30 September 2016. The termination of the inclusion of IKB AG's shares in the Entry Standard of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) has become effective as of the end of 11 April 2016. The trading of the shares of IKB AG on any non-regulated market (*Freiverkehr*) other than the respective non-regulated markets of the Düsseldorf Stock Exchange (*Börse Düsseldorf AG*) and Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) has not been initiated by IKB and, thus, such trading or any delisting are not subject to IKB's influence.

- g. The subsection commencing on page 117 of the Base Prospectus which is entitled "2.8 Financial Information - 2.8.1 Historical Financial Information" shall be replaced in its entirety as follows:**

#### **2.8.1 Historical Financial Information**

The Annual Report 2013/2014, the Annual Report 2014/2015 and the Annual Report 2015/2016 (together, the "**Annual Reports of IKB**") and the 6-Month Report 2015/2016 of IKB are partially incorporated by reference in, and partially form an integral part of, this Base Prospectus.

IKB's currency of presentation is the euro, and its financial year ends on 31 March of each year. IKB AG prepares unconsolidated financial statements in accordance with the German Commercial Code (*Handelsgesetzbuch*; "**HGB**"). IKB has prepared its consolidated financial statements as of and for the financial years ended 31 March 2014, 31 March 2015 and 31 March 2016 and as of and for the six months period ended 30 September 2015 in accordance with HGB.



- h. The subsection on page 118 of the Base Prospectus which is entitled "2.8 Financial Information - 2.8.2 Audit of Financial Information" shall be replaced in its entirety as follows:**

### **2.8.2 Audit of Financial Information**

The consolidated financial statements of IKB as of and for the financial years ended 31 March 2016, 31 March 2015 and 31 March 2014 and the annual financial statements of IKB AG as of and for the financial years ended 31 March 2016, 31 March 2015 and 31 March 2014 were audited by PwC and the auditors have issued in each case an unqualified auditors' opinion.

- i. In the subsection commencing on page 118 of the Base Prospectus which is entitled "2.8 Financial Information - 2.8.3 Legal Proceedings" the subsection entitled "Actions to Rescind Resolutions from General Meetings" shall be deleted in its entirety.**
- j. In the subsection commencing on page 118 of the Base Prospectus which is entitled "2.8 Financial Information - 2.8.3 Legal Proceedings" the subsection entitled "Derivatives business" shall be replaced in its entirety as follows:**

#### *Derivatives Business*

Several customers criticised the consulting services provided by IKB in connection with certain swap products. Corresponding suits are pending in four cases. One additional case is pending out of court. The provisional total value in dispute is approximately € 17.5 million. IKB defends itself against the accusations.

- k. In the subsection commencing on page 118 of the Base Prospectus which is entitled "2.8 Financial Information - 2.8.3 Legal Proceedings" the subsection entitled "Tax Procedures" shall be replaced in its entirety as follows:**

#### *Tax Procedures*

In August 2015, IKB AG received tax assessment notices in which a dissenting view of the tax authorities was implemented with respect to the application of Section 8c of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*) / Section 10a of the German Trade Tax Act (*Gewerbsteuergesetz*) in connection with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009. IKB AG has filed appeals against the tax assessments. IKB AG paid the corporation tax and the solidarity surcharge for 2009, including interest attributable to the corporation tax in time. Payment was made in the amount of around € 140 million from the tax provision recognised as at 31 March 2015 and in the amount of € 1 million from net other operating income (other interest). With respect to the trade tax base assessment (*Gewerbsteuermessbetragsbescheid*) IKB AG was granted a suspension of enforcement (*Aussetzung der Vollziehung*) by the tax authorities upon its application. The trade tax and the associated interest were therefore not yet payable.

The current outcome of the risk assessment does not differ from the outcome as at 31 March 2015. A provision has not yet been recognised for trade tax or the corresponding interest. There is a possibility that this risk will need to be reassessed as proceedings continue. The risk with respect to trade tax becoming finally payable currently amounts to around € 117 million plus interest of 0.5% per month and to € 1 million for cost allocations for chamber of commerce and industry membership fees. The potential risk of interest with respect to trade tax amounted to € 33 million as at 31 March 2016 plus around € 0.6 million for each additional month. If this risk were to occur, IKB would be able to release a part of the fund for general banking risks (Section 340g HGB) and, as far as this risk is considered, IKB would not show a loss in the financial statements. If this risk were to materialise and as far as this risk is considered, IKB would still meet the current minimum capital requirements of the banking supervisory authorities.

In April 2016, Aleanta GmbH (which is a wholly owned subsidiary of IKB AG without a profit transfer agreement and which is therefore not included in the income tax group), in the context of an audit of a company to which it is the legal successor (Olessa GmbH), received an initial written notice to the effect that the tax authorities are considering evaluating the retroactive merger of Olessa GmbH with Aleanta GmbH in the 2010/11 financial year as a case of Section 42 of the German Fiscal Code (*Abgabenordnung*) with the consequence that Aleanta GmbH would have to pay an additional amount of approximately € 27 million for outstanding payments and interest thereon amounting to € 6 million as at 31 March 2016 in addition. The tax audit is not finished yet, and Aleanta GmbH was invited to comment on the matter and the current assessment of the audit. If the tax authorities set respective tax assessments in place Aleanta will file appeals against these tax assessments.

- I. The subsection on page 121 of the Base Prospectus which is entitled "2.8 Financial Information - 2.8.4 Significant Changes in the Financial Position" shall be replaced in its entirety as follows:**

**2.8.4 Significant Changes in the Financial Position**

There has been no significant change in the financial position since the date of the last consolidated financial statements as of and for the financial year ended 31 March 2016.

- m. In the subsection commencing on page 121 of the Base Prospectus which is entitled "2.9 Material Contracts - 2.9.1 Financing Agreements" the last sentence of the subsection entitled "*Silent Participation*" shall be deleted.**

- 2. Amendments to the subsection commencing on page 124 of the Base Prospectus which is entitled "3. DOCUMENTS ON DISPLAY"**

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

- IKB's and IKB AG's compiled annual report for the financial year 2015/2016, including the management report and the audited consolidated financial statements and the audited annual financial statements as of and for the financial year ended 31 March 2016, prepared in accordance with the provisions of the German Commercial Code (HGB).

- E. Amendments to the section commencing on page 611 of the Base Prospectus which is entitled "I. DOCUMENTS INCORPORATED BY REFERENCE"**

- 1. The following shall be added as subsection "A.3" to the table commencing on page 611 of the Base Prospectus which is entitled "Table of Documents Incorporated by Reference":**

- A.3 Annual Report 2015/2016 (English Translation) of IKB containing the Combined Annual Financial Statements of the Group and IKB Deutsche Industriebank AG for the Financial Year 2015/16):**

Consolidated balance sheet of IKB Deutsche Industriebank AG as at 31 March 2016 Pages 74 – 75

Balance sheet of IKB Deutsche Industriebank AG as at 31 March 2016 Pages 76 – 77

Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2015 to 31 March 2016	Pages 78 – 79
Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2015 to 31 March 2016	Pages 80 – 81
Consolidated cash flow statement	Page 82 – 83
Notes on the consolidated cash flow statement	Page 84
Notes to the combined annual financial statements of the Group and IKB Deutsche Industriebank AG	Pages 85 – 132
Auditor's reports	Pages 133 – 134

**2. The first paragraph below the table commencing on page 611 of the Base Prospectus which is entitled "Table of Documents Incorporated by Reference" shall be replaced in its entirety as follows:**

The Annual Reports 2013/2014, 2014/2015, 2015/2016 and the 6-Month Report 2015/2016 of IKB are available on the Issuer's website ([www.ikb.de](http://www.ikb.de)) under "Investor Relations", "Financial Reports" ("*Finanzberichte*"). In addition, such documents together with this Base Prospectus and any Final Terms (for notes listed on the Luxembourg Stock Exchange) will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**F. Withdrawal Right**

Any investor who may wish to exercise any withdrawal right arising pursuant to Article 16.2 of the Prospectus Directive or Article 13.2 of the Prospectus Act as a result of the publication of this Supplement must exercise that right on or before 14 June 2016. Such withdrawal, if any, is not required to contain any reasons for the withdrawal and is to be addressed in writing to IKB Deutsche Industriebank Aktiengesellschaft, Wilhelm-Bötzkens-Straße 1, 40474 Düsseldorf, Federal Republic of Germany. In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.