

IKB Deutsche Industriebank Aktiengesellschaft

Düsseldorf

ISIN DE0008063306

Dear Shareholder,

We kindly invite you to our Annual General Meeting which will be held on

Thursday, 5 September 2013, 10.00 a.m.,

in 40474 Düsseldorf, CCD. Stadthalle, Congress-Center Düsseldorf, Rotterdamer Strasse.

Agenda

1 Submission of the adopted annual financial statements, the approved consolidated financial statements and the consolidated management report for IKB Deutsche Industriebank Aktiengesellschaft and the Group for the financial year 2012/2013 as well as the report of the Supervisory Board

The above documents are available for viewing by the shareholders at the Company's premises and on the Company's internet site at

<http://www.ikb.de/en/investor-relations/finanzberichte/>

from the time the Annual General Meeting is convened. On request, each shareholder will be provided with a copy immediately. The documents will also be available at the Annual General Meeting. No resolution regarding item 1 of the agenda has been provided for, since the presentation of the above records is merely a compulsory informational part of the agenda of an annual general meeting under applicable law.

2 Ratification of the members of the Board of Managing Directors

The ratification of the members of the Board of Managing Directors in office for the financial year 2012/2013 shall be voted on per individual i.e. by way of the ratification of individual members.

The Board of Managing Directors and the Supervisory Board propose the ratification of

- (a) Mr Hans Jörg Schüttler for his term in office as a member of the Board of Managing Directors from 1 April 2012 to 31 March 2013;
- (b) Dr Dieter Glüder for his term in office as a member of the Board of Managing Directors from 1 April 2012 to 31 March 2013;
- (c) Mr Claus Momburg for his term in office as a member of the Board of Managing Directors from 1 April 2012 to 31 March 2013;
- (d) Dr Michael H. Wiedmann for his term in office as a member of the Board of Managing Directors from 1 April 2012 to 31 March 2013.

3 Ratification of the members of the Supervisory Board

The ratification of the members of the Supervisory Board in office for the financial year 2012/2013 shall be voted on per individual i.e. by way of the ratification of individual members.

The Board of Managing Directors and the Supervisory Board propose the ratification of

- (a) Mr Stefan A. Baustert for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (b) Mr Olivier Brahin for his term in office as a member of the Supervisory Board from 1 April 2012 to 25 May 2012;
- (c) Dr Lutz-Christian Funke for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (d) Mr Jordi Goetstouwers for his term in office as a member of the Supervisory Board from 23 August 2012 to 1 March 2013;
- (e) Mr Ulrich Grillo for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (f) Mr Arndt G. Kirchhoff for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (g) Mr Bernd Klein for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (h) Mr Michael Kolbeck for his term in office as a member of the Supervisory Board from 23 August 2012 to 1 March 2013;
- (i) Dr Karsten von Köller for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (j) Dr Claus Nolting for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (k) Ms Nicole Riggers for her term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (l) Mr Bruno Scherrer for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (m) Dr Carola Steingraber for her term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (n) Ms Carmen Teufel for her term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (o) Dr Andreas Tuczka for his term in office as a member of the Supervisory Board from 1 April 2012 to 31 March 2013;
- (p) Mr Ulrich Wernecke for his term in office as a member of the Supervisory Board from 1 April 2012 to 28 February 2013.

4 Election of the auditor

Upon recommendation by its Finance and Audit Committee, the Supervisory Board proposes

- (a) to elect PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor of the annual financial statements and the consolidated financial statements for the financial year 2013/2014;
- (b) to elect PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor for a potential review of the condensed financial statements and the interim management report for the first half of the financial year 2013/2014.

5 Elections to the Supervisory Board

In accordance with Sec. 96 para. 1, Sec. 101 para. 1 of the German Stock Corporation Act (*Aktiengesetz - AktG*), Sec. 1, Sec. 4 para. 1 of the German One-Third Employee Participation Act (*Drittelbeteiligungsgesetz - DrittelbG*) and in line with Art. 8 para. 1 of the Articles of Association of IKB Deutsche Industriebank Aktiengesellschaft, the Supervisory Board consists of eight members to be elected by the Annual General Meeting and four members to be elected by the employees. The Annual General Meeting is not bound to nominations.

Upon proposal of its Nomination Committee, the Supervisory Board proposes

- (a) to re-elect to the Supervisory Board Dr Lutz-Christian Funke, Senior Vice President, Office of Corporate Management Affairs and Corporate Communications of KfW Group, resident in Oberursel, whose term in office ends as of the end of this Annual General Meeting, for the period until the end of the Annual General Meeting that resolves on the ratification of the members of the Supervisory Board for the financial year 2015/2016;
- (b) to elect as a new member of the Supervisory Board Dr Karl-Gerhard Eick, Director of KGE Asset Management and Consulting Ltd., resident in London, for the period until the end of the Annual General Meeting that resolves on the ratification of the members of the Supervisory Board for the financial year 2015/2016, in place of Mr Ulrich Grillo who is retiring from the Supervisory Board;
- (c) to re-elect to the Supervisory Board Dr Andreas Tuczka, Head of European Financial Institutions, Managing Director of Lone Star Europe Acquisitions Ltd., resident in Vienna, whose term in office ends as of the end of this Annual General Meeting, for the period until the end of the Annual General Meeting that resolves on the ratification of the members of the Supervisory Board for the financial year 2015/2016.

The nominations will be voted on per individual i.e. separate elections per nomination. The current mandates of the candidates proposed for election in other supervisory boards required to be established by law and comparable domestic and foreign supervisory bodies of economic enterprises can be found in the Annex to this convocation.

6 Creation of new Authorised Capital 2013 and corresponding amendment of the Articles of Association

According to Art. 5 para. 4 of the Articles of Association, the Board of Managing Directors is authorised to increase the Company's share capital, with the approval of the Supervisory Board, once or several times up to a total of 500,000,000.00 Euro against cash contributions and/or non-cash contributions by issuing up to 195,312,500 new bearer shares (Authorised Capital). This authorisation expires on 27 August 2013.

In order to provide the Board of Managing Directors, also in the future, with sufficient flexibility to finance the Company's growth, new Authorised Capital 2013 shall be created of up to 560,000,000.00 Euro.

The Board of Managing Directors and the Supervisory Board propose that the following resolution be adopted:

- (a) The Board of Managing Directors is authorised, with the approval of the Supervisory Board, until 4 September 2018 to increase the Company's share capital by issuing new bearer shares once or several times against cash contributions and/or non-cash contributions by a total of up to 560,000,000.00 Euro (Authorised Capital 2013). The number of shares must increase in the same proportion as the share capital. The shareholders shall in principle be granted a subscription right. The subscription right can also be granted in such manner that new shares are acquired by a financial institution or a company operating according to Sec. 53 para. 1 sentence 1 or Sec. 53b para. 1 sentence 1 or para. 7 German Banking Act (*Kreditwesengesetz - KWG*) (financial institution) or a syndicate of such banking organisations resp. financial institutions subject to the obligation to offer them to the Company's shareholders for subscription.

The Board of Managing Directors shall, however, be authorised, with the approval of the Supervisory Board, to exclude the statutory subscription right of the shareholders in the following cases:

- to compensate for fractional amounts;
- in the event of a capital increase against cash contributions, if the issue price is not materially lower than the stock exchange price of the shares already existing on the date of the final determination of the issue price by the Board of Managing Directors and the pro rata amount of the shares issued under exclusion of the subscription right does not exceed a total of 10% of the share capital, either on the date the resolution concerning this authorisation is adopted or on the date of its utilisation. If other authorisations are utilised to issue or sell shares of the Company or to grant rights allowing or obliging the subscription of shares of the Company during the term of the Authorised Capital 2013 until its utilisation, and the subscription right is excluded according to or pursuant to Sec. 186 para. 3 sentence 4 AktG, this must be applied against the 10% limit specified above;
- to the extent required in order to grant the holders of convertible bonds, convertible profit-sharing certificates or warrants issued or to be issued in the future by IKB Deutsche Industriebank Aktiengesellschaft or its direct or indirect wholly owned affiliated companies a subscription right to new

shares, to which they would be entitled after exercising the conversion and option right resp. after meeting the conversion obligation;

- in the event of a capital increase against non-cash contributions to acquire a company, parts of a company or an interest in a company.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to determine the further details to perform capital increases from the Authorised Capital 2013.

(b) Art. 5 para. 4 of the Articles of Association shall be reworded as follows:

“The Board of Managing Directors is authorised, with the approval of the Supervisory Board, until 4 September 2018 to increase the Company’s share capital by issuing new bearer shares once or several times against cash contributions and/or non-cash contributions by a total of up to 560,000,000.00 Euro (Authorised Capital 2013). The number of shares must increase in the same proportion as the share capital. The shareholders shall in principle be granted a subscription right. The subscription right can also be granted in such manner that new shares are acquired by a financial institution or a company operating according to Sec. 53 para. 1 sentence 1 or Sec. 53b para. 1 sentence 1 or para. 7 German Banking Act (*Kreditwesengesetz - KWG*) (financial institution) or a syndicate of such banking organisations resp. financial institutions subject to the obligation to offer them to the Company’s shareholders for subscription.

The Board of Managing Directors shall, however, be authorised, with the approval of the Supervisory Board, to exclude the statutory subscription right of the shareholders in the following cases:

- to compensate for fractional amounts;
- in the event of a capital increase against cash contributions, if the issue price is not materially lower than the stock exchange price of the shares already existing on the date of the final determination of the issue price by the Board of Managing Directors and the pro rata amount of the shares issued under exclusion of the subscription right does not exceed a total of 10% of the share capital, either on the date the resolution concerning this authorisation is adopted or on the date of its utilisation. If other authorisations are utilised to issue or sell shares of the Company or to grant rights allowing or obliging the subscription of shares of the Company during the term of the Authorised Capital 2013 until its utilisation, and the subscription right is excluded according to or pursuant to Sec. 186 para. 3 sentence 4 AktG, this must be applied against the 10% limit specified above;
- to the extent required in order to grant the holders of convertible bonds, convertible profit-sharing certificates or warrants issued or to be issued in the future by IKB Deutsche Industriebank Aktiengesellschaft or its direct or indirect wholly owned affiliated companies a subscription right to new shares, to which they would be entitled after exercising the conversion and option right resp. after meeting the conversion obligation;
- in the event of a capital increase against non-cash contributions to acquire a company, parts of a company or an interest in a company.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to determine the further details to perform capital increases from the Authorised Capital 2013.”

7 Approval to amend the Controlling and Profit and Loss Transfer Agreement with IKB Data GmbH

A Controlling and Profit and Loss Transfer Agreement was concluded between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Data GmbH as controlled company on 22 June 2004. The Annual General Meeting of IKB Deutsche Industriebank Aktiengesellschaft approved this agreement on 9 September 2004. The agreement now has to be adapted to changed general tax conditions in order to ensure tax approval and therefore preservation of fiscal unity for corporation tax purposes, also in the future. IKB Deutsche Industriebank Aktiengesellschaft therefore agreed with IKB Data GmbH on 16 July 2013 to amend Art. 3 of the existing agreement and to provide for a loss takeover according to Sec. 17 sentence 2 No. 2 German Corporation Tax Law (*Körperschaftsteuergesetz - KStG*) by reference to Sec. 302 AktG as amended from time to time. The Amendment Agreement in addition adapted the title of the Controlling and Profit and Loss Transfer Agreement editorially and for clarification purposes to the effect that the registered office of IKB Deutsche Industriebank Aktiengesellschaft is meanwhile located solely in Düsseldorf and no longer in Düsseldorf and Berlin. The Controlling and Profit and Loss Transfer Agreement otherwise remains unchanged.

The Board of Managing Directors and the Supervisory Board propose that the amendment of the existing Controlling and Profit and Loss Transfer Agreement between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Data GmbH as controlled company be approved according to the Amendment Agreement of 16 July 2013.

The following documents are available for viewing by the shareholders at the Company's premises and on the Company's internet site at

<http://www.ikb.de/en/investor-relations/general-meeting/>

from the time the Annual General Meeting is convened:

- Amendment Agreement of 16 July 2013 to the Controlling and Profit and Loss Transfer Agreement between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Data GmbH as controlled company with the Controlling and Profit and Loss Transfer Agreement as amended; the wording of the amended Controlling and Profit and Loss Transfer Agreement is also printed in the Annex to this convocation document
- Annual financial statements and management reports of IKB Deutsche Industriebank Aktiengesellschaft for the last three financial years
- Annual financial statements and management reports of IKB Data GmbH for the last three financial years
- Joint report by the Board of Managing Directors of IKB Deutsche Industriebank Aktiengesellschaft and the management of IKB Data GmbH analogue to Sec. 293a AktG

On request, each shareholder will be provided with a copy immediately and free of charge. The documents will also be available at the Annual General Meeting. An examination of

the Amendment Agreement resp. the amended agreement by an expert auditor (contract auditor) is not required because all shares of the controlled IKB Data GmbH are held directly by the controlling IKB Deutsche Industriebank Aktiengesellschaft (Sec. 295 para. 1 sentence 2, Sec. 293b AktG).

8 Approval to amend the Controlling and Profit and Loss Transfer Agreement with IKB Beteiligungen GmbH

A Controlling and Profit and Loss Transfer Agreement was concluded between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Beteiligungen GmbH as controlled company on 16 February 2006. The Annual General Meeting of IKB Deutsche Industriebank Aktiengesellschaft approved this agreement on 31 August 2006. The agreement now has to be adapted to changed general tax conditions in order to ensure tax approval and therefore preservation of fiscal unity for corporation tax purposes, also in the future. IKB Deutsche Industriebank Aktiengesellschaft therefore agreed with IKB Beteiligungen GmbH on 16 July 2013 to amend Art. 3 of the existing agreement and to provide for a loss takeover according to Sec. 17 sentence 2 No. 2 KStG by reference to Sec. 302 AktG as amended from time to time. The Amendment Agreement in addition adapted the title of the Controlling and Profit and Loss Transfer Agreement editorially and for clarification purposes to the effect that the registered office of IKB Deutsche Industriebank Aktiengesellschaft is meanwhile located solely in Düsseldorf and no longer in Düsseldorf and Berlin. The Controlling and Profit and Loss Transfer Agreement otherwise remains unchanged.

The Board of Managing Directors and the Supervisory Board propose that the amendment of the existing Controlling and Profit and Loss Transfer Agreement between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Beteiligungen GmbH as controlled company be approved according to the Amendment Agreement of 16 July 2013.

The following documents are available for viewing by the shareholders at the Company's premises and on the Company's internet site at

<http://www.ikb.de/en/investor-relations/general-meeting/>

from the time the Annual General Meeting is convened:

- Amendment Agreement of 16 July 2013 to the Controlling and Profit and Loss Transfer Agreement between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Beteiligungen GmbH as controlled company with the Controlling and Profit and Loss Transfer Agreement as amended; the wording of the amended Controlling and Profit and Loss Transfer Agreement is also printed in the Annex to this convocation document
- Annual financial statements and management reports of IKB Deutsche Industriebank Aktiengesellschaft for the last three financial years
- Annual financial statements of IKB Beteiligungen GmbH for the last three financial years
- Joint report by the Board of Managing Directors of IKB Deutsche Industriebank Aktiengesellschaft and the management of IKB Beteiligungen GmbH analogue to Sec. 293a AktG

On request, each shareholder will be provided with a copy immediately and free of charge. The documents will also be available for viewing at the Annual General Meeting. An examination of the Amendment Agreement resp. the amended agreement by an expert auditor (contract auditor) is not required because all shares of the controlled IKB Beteiligungen GmbH are held directly by the controlling IKB Deutsche Industriebank Aktiengesellschaft (Sec. 295 para. 1 sentence 2, Sec. 293b AktG).

9 Authorisation to acquire treasury shares for the purpose of securities trading in accordance with Sec. 71 para. 1 no. 7 AktG

Due to the admission of the shares of IKB Deutsche Industriebank Aktiengesellschaft for trading on the regulated market meanwhile being revoked and the change to the OTC market, the authorisation granted by the Annual General Meeting on 26 August 2010 to acquire treasury shares for the purpose of securities trading in accordance with Sec. 71 para. 1 no. 7 AktG requires adjustment. The intention is at the same time to redetermine the term of the authorisation.

The Board of Managing Directors and the Supervisory Board propose that the following be approved:

The company is authorised to acquire and sell treasury shares for the purpose of securities trading until the end of 4 September 2018. The number of shares to be acquired for this purpose cannot exceed 5% of the share capital at the end of any one day. Together with the treasury shares acquired for other reasons that are in the possession of the Company or that are attributable to it in accordance with Sec. 71a et seq. AktG, the treasury shares acquired on the basis of this authorisation cannot exceed 10% of the share capital at any time. The purchase price per share (not including incidental costs of acquisition) cannot be more than 20% higher or lower than the arithmetic mean of the share prices of the Company on the OTC market at Frankfurt Stock Exchange on the last three trading days before the date of acquisition of the share.

The authorisation to acquire treasury shares for the purpose of securities trading granted by the Annual General Meeting on 26 August 2010 under item 6 of the agenda that is currently in place shall be revoked from the time that the new authorisation takes effect.

10 Authorisation to acquire and use treasury shares according to Sec. 71 para. 1 no. 8 AktG excluding subscription right

The authorisation to acquire treasury shares in accordance with Sec. 71 para. 1 no. 8 AktG decided by the Annual General Meeting on 26 August 2010 also requires adjustment due to the admission of the shares of IKB Deutsche Industriebank Aktiengesellschaft for trading on the regulated market meanwhile being revoked and the change to the OTC market. The intention is at the same time to redetermine the term of the authorisation.

The Board of Managing Directors and the Supervisory Board therefore propose that the following be approved:

- (a) The Company is authorised to acquire treasury shares in a volume of up to 10% of the share capital for purposes other than securities trading until the end of 4 September 2018. Together with the treasury shares acquired for trading purposes and other reasons that are in the possession of the Company or that are attributable to it in accordance with Sec. 71a et seq. AktG, the treasury shares acquired on the

basis of this authorisation cannot exceed 10% of the share capital of the Company at any time.

The shares can be acquired on the stock exchange (OTC market) or by way of a public offering to all shareholders.

If the shares are purchased on the stock exchange, the purchase price per share (not including incidental costs of acquisition) cannot be more than 10% higher or lower than the arithmetic mean of the share prices of the Company on the OTC market at Frankfurt Stock Exchange on the last three trading days before the date of acquisition of the share.

If the shares are purchased by way of a public offering to all shareholders of the Company, the purchase price offered per share cannot be more than 10% (not including incidental costs of acquisition) higher or lower than the arithmetic mean of the share prices of the Company on the OTC market at Frankfurt Stock Exchange on the last three trading days before the date of decision by the Board of Managing Directors to make the offering. If the number of shares offered exceeds the prescribed maximum number of shares that the Company can buy back, acceptance shall be effected on a proportionate basis. In this context, preferred acceptance of lower numbers of up to 100 shares offered per shareholder can be provided for.

The authorisation can be exercised in full or in partial amounts on one or several occasions, separately or in combination with the acquisition options described above, by the Company but also by its direct and indirect wholly owned subsidiaries or by third parties for the account of the Company.

- (b) The shares of the Company acquired on the basis of the authorisation under (a) above can be used for the following purposes:
- (i) sale on the stock exchange (OTC market) or by way of an offer to all shareholders;
 - (ii) sale by any method other than on the stock exchange or an offer to all shareholders if the sale is effected against cash payment and at a price that is not significantly lower than the arithmetic mean of the share prices of the Company on the OTC market at Frankfurt Stock Exchange on the last three trading days before the date of the sale. In this context, the number of shares to be sold cannot exceed the limit of 10% of the share capital existing at the time this authorisation is approved and exercised. If, during the term of this authorisation until it is exercised, use is made of other authorisations to issue or sell shares of the Company or to issue rights, which allow or oblige the subscription to shares of the Company and in this context the subscription right in accordance with or in compliance with Sec. 186 para. 3 sentence 4 AktG is excluded, this shall be set off against the above-mentioned 10% limit;
 - (iii) transfer against non-cash consideration as part of business combinations or upon acquisition of companies, parts of companies, interests in companies or other assets;
 - (iv) delivery to any bearers of convertible bonds, convertible profit participation certificates or warrants with conversion or option rights or conversion duties

issued by the Company or its direct and indirect wholly owned subsidiaries in accordance with the conversion or option terms and conditions;

- (v) issue as employee shares to employees of the Company and its subsidiaries in which it holds an interest of at least 50%;
- (vi) redemption, without the requirement of a further resolution by the Annual General Meeting for the redemption or the performance of the redemption. The redemption shall lead to a capital reduction. In deviation from this, the Board of Managing Directors can determine that the share capital remain unchanged at the time of redemption and that the portion in the share capital of the other shares increases instead as a result of the redemption in accordance with Sec. 8 (3) AktG. In such event, the Supervisory Board shall be authorised to adjust the number of shares stated in the Articles of Association.

The authorisations can be exercised on one or several occasions, in full or in part, individually or jointly by the Company, but also by its direct and indirect wholly owned subsidiaries or by third parties for the account of the Company. The use of treasury shares in line with the authorisations under (ii) and (iii) requires the approval of the Supervisory Board, however, the use of treasury shares in line with the authorisation in (iii) only requires the approval of the Supervisory Board if the subject of the respective transaction exceeds 5% of the liable equity of the Company pursuant to the German Banking Act. The subscription right of shareholders shall be excluded if treasury shares are used in line with the authorisations under (i) (with the exception of the offering to all shareholders) (ii), (iii), (iv) and (v).

- (c) The Supervisory Board is authorised to transfer the shares acquired on the basis of the authorisation according to (a) to the members of the Board of Managing Directors of IKB Deutsche Industriebank Aktiengesellschaft in compliance with the respectively valid remuneration agreements. The authorisation can be exercised on one or several occasions, in full or in part. The subscription right of shareholders is excluded in this respect.
- (d) The Board of Managing Directors shall in each case inform the Annual General Meeting of the reasons for and purpose of the acquisition of treasury shares, the number of shares acquired and the amount of share capital attributed to them, their portion in the share capital and the equivalent value of the shares.
- (e) The authorisation to acquire and use treasury shares in accordance with Sec. 71 para. 1 no. 8 AktG granted by the Annual General Meeting on 26 August 2010, that is currently in place, shall be revoked from the time that the new authorisation takes effect.

11 Authorisation to use derivatives in the acquisition of treasury shares in accordance with Sec. 71 para. 1 no. 8 AktG

The authorisation decided by the Annual General Meeting on 26 August 2010 to use derivatives in the acquisition of treasury shares in accordance with Sec. 71 para. 1 no. 8 AktG also requires adjustment due to the admission of the shares of IKB Deutsche Industriebank Aktiengesellschaft for trading on the regulated market meanwhile being revoked and the change to the OTC market. The intention is at the same time to redetermine the term of the authorisation.

The Board of Managing Directors and the Supervisory Board propose that the following be approved:

Under the authorisation to acquire treasury shares to be decided under item 10 of the agenda, put or call options can also be used, in addition to the methods described therein, to acquire treasury shares. The Company can sell put options based on physical delivery to third parties and purchase call options from third parties if it is ensured by the option terms and conditions that these options are fulfilled only with shares which were acquired for their part subject to compliance with the principle of equal treatment (Sec. 53a AktG) themselves. All share acquisitions using put or call options are limited to shares of a maximum volume of 5% of the share capital existing at the time of the resolution on this authorisation by the Annual General Meeting. The terms of the options must end no later than on 4 September 2018.

The purchase price per share when exercising the options cannot be more than 10% (not including incidental costs of acquisition) higher or lower than the arithmetic mean of the share prices of the Company on the OTC market at Frankfurt Stock Exchange on the last three trading days before the conclusion of the option transaction in question.

The sale and redemption of treasury shares acquired by using derivatives can be carried out in line with the regulations stipulated under item 10 of the agenda.

Report of the Board of Managing Directors relating to item 6 of the agenda

The Board of Managing Directors reports below according to Sec. 186 para. 4 sentence 2 in conjunction with Sec. 203 para. 2 sentence 2 AktG on the reasons why it should be authorised in certain cases, when utilising the Authorised Capital 2013, to exclude the subscription right of the shareholders. This report is available for viewing by the shareholders at the Company's premises and also on the Company's internet site at

<http://www.ikb.de/en/investor-relations/general-meeting/>

from the time the Annual General Meeting is convened. On request, each shareholder will be provided with a copy immediately and free of charge. The documents will also be available for viewing in the conference room at the Annual General Meeting.

Authorisation of the Board of Managing Directors

It is the intention in the interests of the Company that the Board of Managing Directors will be in a position, also in the future, with the approval of the Supervisory Board, to take advantage of business opportunities flexibly while maintaining liquidity levels and to strengthen the Company's equity. The Board of Managing Directors and the Supervisory Board therefore propose that the Annual General Meeting adopts the resolution to create Authorised Capital 2013 in an amount totalling up to 560,000,000.00 Euro. The shareholders must in principle be granted a subscription right when the Authorised Capital 2013 is utilised. The Board of Managing Directors will, however, be authorised to exclude the subscription right, with the approval of the Supervisory Board, in certain individual cases specified in the resolution proposal.

Compensation for fractional amounts

It is the intention to authorise the Board of Managing Directors to exclude the subscription right for fractional amounts in order to provide for a practical subscription ratio with regard to the amount of the respective capital increase. This will facilitate the technical implementation of the capital increase, in particular where a capital increase involves a round figure. The uninvested fractional amounts resulting from the exclusion of the shareholders' subscription right, in the form of new

shares will be sold in the best possible manner for the Company, either by sale on a stock exchange or otherwise. As any exclusion of the subscription right is limited here only to fractional amounts, there is only a minor potential dilutive effect.

Capital increase for cash

The intention is for the Board of Managing Directors, with the approval of the Supervisory Board, to be authorised, in the event of a capital increase against cash contributions, to exclude the subscription right if the issue price of the new shares is not materially lower than the stock exchange price. This will allow management to place the new shares promptly and at a price close to the stock exchange price i.e. without the discount usually required for the issue of subscription rights. This allows higher issuing proceeds which are in the interests of the Company. This procedure is not precluded by the fact that the Company is not currently listed on an official stock exchange within the meaning of Sec. 3 para. 2 AktG. In conformity with Sec. 186 para. 3 sentence 4 AktG, the authorisation may require that the Company's shares have a stock exchange price but they do not necessarily have to be admitted to trading on the regulated market (Sec. 32 et seq. German Stock Exchange Act (*Börsengesetz - BörsG*)). Inclusion in the OTC market suffices in this respect (Sec. 48 BörsG).

The shareholders' need for protection against dilution of their shareholding is provided by limitation of the amount of the capital increase and by the issue price of the shares which is close to the stock exchange price. The proposed authorisation allows the Board of Managing Directors to exclude a subscription right only if the shares issued according to Sec. 186 para. 3 sentence 4 AktG do not exceed a total of 10% of the share capital either on the date the authorisation is utilised or on the date the resolution concerning this authorisation is adopted. The sale of own shares and the issue of shares from other authorised capital must be applied to this limitation if the sale and issue occur during the term of this authorisation excluding the subscription right according to Sec. 186 para. 3 sentence 4 AktG. Shares which are issued resp. have to be issued to service participation certificates and/or bonds with conversion and option rights resp. a conversion obligation must also be applied to this limitation if the participation certificates and/or bonds are issued during the term of this authorisation excluding the subscription according to Sec. 186 para. 3 sentence 4 AktG. Furthermore, shareholders in principle have the possibility, given the close proximity of the issue price to the stock exchange price and the limitation of the amount of the capital increase without a subscription right to maintain their proportionate shareholdings by purchasing shares through the stock exchange on approximately the same conditions.

Servicing of other subscription rights

The intention is furthermore to authorise the Board of Managing Directors to exclude the subscription right if such exclusion is required to grant the holders or creditors of convertible bonds, convertible profit-sharing certificates or warrants (hereinafter referred to as "bonds") a subscription right to new shares. Exclusion of the subscription right is intended to place the holders of bonds in the position in which they would have been if they had already exercised their rights under the bonds and were already shareholders. This facilitates placement of the bonds and therefore serves the interests of the shareholders in the Company having an optimum financial structure. To provide the bonds with such protection against dilution, the shareholders' subscription right on these shares must be excluded. This protection against dilution prevents the option resp. conversion price potentially having to be reduced for the bonds already issued. This ensures a higher inflow of funds as a whole.

Capital increase through cash contributions

According to the proposed authorisation, the Board of Managing Directors may finally exclude the subscription right in certain cases when the share capital is increased against cash contributions.

This allows the Board of Managing Directors to use shares of the Company in appropriate individual cases to acquire companies, parts of companies, interests in companies or other economic assets. The necessity of providing consideration in shares rather than cash can arise in the course of negotiations. This possibility therefore provides an advantage in the competition for interesting acquisitions and the necessary scope to take advantage of opportunities arising to acquire companies, parts of companies, interests in companies or other economic assets while maintaining liquidity levels. In terms of an optimum financial structure as well, the issue of shares may be expedient. The Company will not suffer any disadvantage as a result because the issue of shares against benefits in kind requires that the value of the benefit in kind is in reasonable proportion to the value of the shares. When determining the pricing ratio, the Board of Managing Directors will ensure that the interests of the Company and the shareholders are adequately safeguarded and an appropriate issue price is achieved for the new shares.

There are currently no plans to utilise the Authorised Capital 2013. The Board of Managing Directors will in any case carefully consider whether the issue of new shares and, if applicable, the exclusion of the subscription right is in the interest of the Company and its shareholders. The Board of Managing Directors will report to the Annual General Meeting on each utilisation of the authorisation. The approval of the Supervisory Board will be required for all cases of exclusion of the subscription right proposed here.

Report of the Board of Managing Directors on items 10 and 11 of the agenda

In accordance with Sec. 71 para. 1 no. 8 sentence 5, Sec. 186 para. 3 sentence 4, para. 4 sentence 2 AktG, the Board of Managing Directors shall report on the reasons for the proposed authorisation of the Board of Managing Directors to exclude the subscription right of shareholders when selling treasury shares of the Company. This report shall be available for viewing by the shareholders at the Company's premises and on the Company's internet site at

<http://www.ikb.de/en/investor-relations/general-meeting/>

from the time the Annual General Meeting is convened. It shall also be available for viewing in the conference room for the duration of the Annual General Meeting.

Authorisation of the Board of Managing Directors

The authorisation to acquire treasury shares in accordance with Sec. 71 para. 1 no. 8 AktG granted by the Company's Annual General Meeting on 26 August 2010 requires adjustment because the shares of IKB Deutsche Industriebank Aktiengesellschaft are no longer traded on the regulated market. For this reason, orientation at an average price in XETRA trading is no longer possible when acquiring treasury shares in order to provide the lowest and highest equivalent required by law. Decisive is, however, a price to be determined on the OTC market. The authorisation of the Board of Managing Directors decided by the Annual General Meeting on 26 August 2010 in this context to exclude the subscription right of shareholders when selling treasury shares is also partially affected by this adjustment. The reasons for which the subscription right can be excluded also remain unchanged.

The Board of Managing Directors and the Supervisory Board propose to the Annual General Meeting that the Company be granted a (new) authorisation to acquire treasury shares so that it can use the benefits associated with such acquisition in the interests of the Company and its shareholders. The Board of Managing Directors shall inform the Annual General Meeting of every utilisation of this authorisation.

As a result of the proposed authorisation, the Company shall be able until the end of 4 September 2018 to acquire treasury shares of up to 10% of the current share capital. This shall ensure com-

pliance with the maximum legal limit. The shares can only be acquired on the stock exchange (OTC market) or by way of a public offering to all shareholders. If the number of shares offered at the stipulated price exceeds the number of shares the Company is seeking, acceptance of offers to sell must be allocated. In this context, it should be possible to provide for preferred acceptance of smaller offers or smaller parts of offers of up to a maximum of 100 shares. This option serves to avoid fractional amounts in determining the ratios to be acquired and small residual amounts and thereby facilitate technical handling.

It shall be permitted to sell the acquired treasury shares on the stock exchange or by offering them to all shareholders.

Sale against cash payment

The proposed authorisation provides for the treasury shares to be sold to third parties also in any way other than on the stock exchange or by public offering to all shareholders if the treasury shares are sold against cash payment and at a price which is not significantly lower than the arithmetic mean of the share price of the Company on the OTC market at Frankfurt Stock Exchange on the last three trading days before the sale date. This is to enable the Company to sell shares to institutional investors, financial investors or other cooperation partners, thereby achieving the highest possible disposal amount and strengthening equity as much as possible by setting a price in line with market conditions. This type of disposal involves an exclusion of the subscription right of shareholders. However, this exclusion is permitted by law as it is in line with the simplified exclusion of the subscription right under Sec. 186 para. 3 sentence 4 AktG. This authorisation can only be used for up to 10% of the share capital, including other authorisations to issue or sell shares of the Company or to issue rights which allow or oblige the subscription to shares of the Company. This ensures that the maximum legal limit of 10% of the share capital is not exceeded in total for such a simplified exclusion of the subscription right (Sec. 186 para. 3 sentence 4 AktG).

Shares as acquisition currency

The authorisation furthermore enables the company to use treasury shares in appropriate individual cases to acquire companies, parts of companies, interests in companies or other assets. It may become necessary in the course of negotiations to offer shares as consideration rather than cash. This possibility therefore creates an advantage when competing for interesting acquisition targets and provides the scope to use potential opportunities to acquire companies, parts of companies, interests in companies or other assets while maintaining the liquidity level. The granting of shares may also be expedient in terms of an optimised financing structure. The Board of Managing Directors shall ensure that the interests of the Company and its shareholders are adequately safeguarded and an appropriate consideration is obtained for the granting of treasury shares. Such use of the treasury shares shall require the approval of the Supervisory Board if the subject of the respective transaction exceeds 5% of the Company's liable equity under the German Banking Act.

Servicing of other subscription rights

The authorisation is further intended to enable the Company to use treasury shares to service convertible bonds resp. bonds cum warrant and/or convertible profit participation certificates resp. participation certificates cum warrant issued by the Company or its subsidiaries. In the interest of flexible handling, it is expedient to create the possibility of being able to satisfy obligations arising from convertible bonds resp. bonds cum warrant and/or convertible profit participation certificates resp. participation certificates cum warrant with treasury shares. This method also precludes the dilutive effect arising from utilisation of conditional capital to service the convertible bonds resp. bonds cum warrant and/or convertible profit participation certificates resp. participation certificates cum warrant issued.

Issue of employee shares

Furthermore, the option to exclude the subscription right shall be provided for in the event that the acquired shares of the Company are issued as employee shares to employees of the Company and its subsidiaries in which it holds an interest of at least 50%. Employee shares are an important instrument for attracting qualified employees to the Company and ensuring their loyalty. Employee shares can also promote the focus of employees on corporate strategy and their motivation to work consistently to enhance corporate value. Shares of the Company may be transferred to employees in this context e.g. as part of their variable remuneration.

Redemption of shares acquired

The redemption of treasury shares acquired without the requirement of a further resolution by the Annual General Meeting allows the Company to adjust its equity quickly and flexibly in line with the respective requirements of the capital market by way of the share capital reduction entailed by the redemption.

Remuneration for the Board of Managing Directors

Finally, the proposed authorisation allows the Supervisory Board to transfer the shares acquired on the basis of the authorisation to the members of the Board of Managing Directors of IKB Deutsche Industriebank Aktiengesellschaft in compliance with the respectively valid remuneration agreements. In other words, the acquired shares can be used to service contractual rights which shall be granted in future to the members of the Board of Managing Directors according to the regulations. Exclusion of the subscription right of shareholders is also required in this respect. The granting of shares to members of the Board of Managing Directors increases the commitment of the members of the Board of Managing Directors to the Company because they participate in the enhancement of the corporate value. Variable remuneration components can be created which offer an incentive to long-term, sustainable corporate management. Part of the variable remuneration (variable bonus) can, for example, be granted as commitments for shares. It is then generally agreed that the member of the Board of Managing Directors may sell the shares received again only after expiry of a holding period. In this way, the member of the Board of Managing Directors participates during the holding period for the shares not only in positive but also negative developments of the stock exchange price. Apart from a bonus effect, this can therefore also have a penalty effect for the members of the Board of Managing Directors. The objective of such arrangements takes account of the German Act on the Appropriateness of Management Board Remuneration (*Gesetz zur Angemessenheit der Vorstandsvergütung - VorstAG*). The performance targets determined for the variable remuneration components, the assessment factors defined for the variable remuneration components, the rise and fall of the bonus when targets are exceeded or not met and the ratio of payment in cash to payment in shares and all other details are determined by the employment contracts resp. remuneration agreements which the Supervisory Board is still to conclude in the future with the individual members of the Board of Managing Directors in the Company's name. In accordance with its legal duty under Sec. 87 AktG, the Supervisory Board ensures that the total remuneration (including the components granted in shares) is appropriately in proportion to the responsibilities and performance of the member of the Board of Managing Directors and to the Company's position and does not exceed the customary remuneration without special reasons.

The Board of Managing Directors resp. the Supervisory Board shall in any case carefully consider whether the acquisition and sale of treasury shares and, if applicable, an exclusion of the subscription right is in the interest of the Company and its shareholders. The Board of Managing Directors shall inform the Annual General Meeting of every utilisation of the authorisation.

Participation in the Annual General Meeting and exercise of voting rights

Only those shareholders who register prior to the Annual General Meeting are entitled to participate in the Annual General Meeting and to exercise their voting rights (Art. 14 para. 1 sentence 1 of the Articles of Association). Shareholders must also provide evidence of their entitlement to participate in the Annual General Meeting (Art. 14 para. 2 sentence 1 of the Articles of Association). This requires evidence of shareholdings at the start of the 21st day before the Annual General Meeting (Thursday, 15 August 2013, 00.00 hrs CEST) by the custodian bank or financial services institution (Art. 14 para. 2 sentence 2 of the Articles of Association). Registration and evidence of shareholdings must be provided in text form and in German or English (Art. 14 para. 1 sentence 1, para. 2 sentence 2 of the Articles of Association). The registration and evidence of shareholdings must be received by the Company no later than six days before the Annual General Meeting, i.e. by Thursday, 29 August 2013, 24.00 hrs CEST, at the following address:

IKB Deutsche Industriebank AG
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
D-80637 München
Telefax: +49 (0)89/210 27 298
E-Mail: meldedaten@haubrok-ce.de

In relation to the Company, only those shareholders who have provided evidence of their shareholdings within due time are deemed to be shareholders entitled to participate in the Annual General Meeting and to exercise their voting rights (Sec. 123 para. 3 sentence 6 AktG). The Company may therefore deny participation in the Annual General Meeting and the exercise of voting rights to shareholders who failed to provide such evidence or failed to provide it in due time. After the registration for the Annual General Meeting, the shares will not be blocked in an account, but will remain freely available. Any disposals effected after the due date for provision of evidence will have no effects on the entitlement to participate in the Annual General Meeting and to exercise voting rights while, vice versa, any persons who do not yet own any shares on the due date for provision of evidence and only become shareholders afterwards will not be entitled to either participate in the Annual General Meeting or exercise voting rights.

Upon receipt of evidence of their shareholdings by the Company, tickets to the Annual General Meeting will be sent to the shareholders. In order to facilitate organisation of the Annual General Meeting, we request shareholders to assure that evidence of their shareholdings is submitted to the Company at an early stage.

Voting proxies

Shareholders who do not wish to participate in the Annual General Meeting personally can arrange for their voting rights to be exercised by a proxy. For such action in proxy, registration in due time and timely provision of evidence of shareholdings are also required as described above. The shareholders will receive an authorisation form, together with the ticket for the Annual General Meeting. Please note that the Company, in case more than one person or institution is authorised, will have the right to reject one or more of these persons or institutions respectively (Sec. 134 para. 3 sentence 2 AktG).

Authorisations that are not granted to a bank or an association of shareholders or any other person or institution of equivalent status pursuant to Sec. 135 para. 8 and para. 10 in conjunction with

Sec. 125 para. 5 AktG require text form for their legal effectiveness, revocation and evidence towards the Company (Sec. 134 para. 3 sentence 3 AktG, Art. 14 para. 3 sentence 2 of the Articles of Association). There are two procedures in effect to issue authorisations and to revoke them: on the one hand shareholders may issue authorisations to third parties or revoke these by way of written declaration to the Company. In such case, there is no need for separate evidence of authorisation. Such declaration must be sent to the following address:

IKB Deutsche Industriebank AG
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
D-80637 München
Telefax: +49 (0)89/210 27 298
E-Mail: vollmacht@haubrok-ce.de

On the other hand shareholders may issue and revoke authorisations by way of written declarations to the proxy. In such case, the Company will require written evidence for such authorisation. Such evidence may be presented at the admission desk on the day the Annual General Meeting is held. As an alternative, the written evidence may also be transmitted to the Company at the above address.

If a bank, a shareholder association or any person or institution of equivalent status pursuant to Sec. 135 para. 8 and para. 10 in conjunction with Sec. 125 para. 5 AktG are intended to be authorised, the person or institution to be authorised may require a special form of authorisation. Please agree therefore in due time with the relevant person or institution to be authorised on the required form of the authorisation. In such case, Sec. 135 para. 5 sentence 4 AktG will apply to the provision of evidence of authorisation by the proxy.

Proxies appointed by the Company

In addition, we offer our shareholders the possibility to authorise proxies appointed by the Company and subject to instructions prior to the Annual General Meeting. Shareholders who wish to authorise such proxies appointed by the Company must also register for the Annual General Meeting as stated above and must provide evidence for their entitlement to participate. The shareholders must use the relevant authorisation form to empower the proxies appointed by the Company and to issue instructions. The shareholders will receive such form together with the ticket for the Annual General Meeting. This should be ordered as early as possible in order to ensure timely receipt of the ticket and authorisation form. Any issuing of authorisation and related instructions as well as any revocation of the authorisation must be sent to the following address only:

IKB Deutsche Industriebank AG
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
D-80637 München
Telefax: +49 (0)89/210 27 298
E-Mail: vollmacht@haubrok-ce.de

The proxies appointed by the Company will vote exclusively in line with the instructions issued by shareholders. Authorisations will be void if precise instructions are not issued. The proxies appointed by the Company will abstain in motions at the Annual General Meeting that were not previously announced. Please note that proxies appointed by the Company cannot accept authorisations and instructions to exercise the right to speak and ask questions, to table motions or to object to resolutions by the Annual General Meeting.

Requests for additions to the agenda

Such shareholders whose shares together amount to at least 5% of the share capital of the Company or the proportional amount of 500,000.00 Euro may request in writing, by indicating purpose and reasons, that items be put on the agenda and be announced (Sec. 122 para. 2 AktG). Any request for additions to the agenda must be addressed to the Board of Managing Directors at the following address:

IKB Deutsche Industriebank AG
– Vorstand –
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
D-80637 München

Such request must be received by the Company with any legally required information and evidence no later than 24 days prior to the Annual General Meeting i.e. by Sunday, 11 August 2013, 24.00 hrs CEST.

Counter-motions and proposals for election

Counter-motions and proposals for election from shareholders regarding items of the agenda as defined by Sec. 126 and Sec. 127 AktG must be directed exclusively to the following address:

IKB Deutsche Industriebank AG
c/o Haubrok Corporate Events GmbH
Landshuter Allee 10
D-80637 München
Telefax: +49 (0)89/210 27 298
E-Mail: gegenantraege@haubrok-ce.de

They must be received at this address no later than 14 days prior to the Annual General Meeting i.e. by Wednesday, 21 August 2013, 24.00 hrs CEST.

Düsseldorf, July 2013

IKB Deutsche Industriebank Aktiengesellschaft

The Board of Managing Directors

Annex to item 5 of the agenda

The candidates proposed for election to the Supervisory Board under item 5 of the agenda are members of (a) a supervisory board required to be established by law or (b) a comparable domestic or foreign supervisory body at the following companies:

Dr Lutz-Christian Funke

(a) -

(b) -

Dr Karl-Gerhard Eick

(a) -

(b) Corpus Sireo Holding GmbH & Co. KG (Chairman)

Dr Andreas Tuczka

(a) Düsseldorfer Hypothekenbank AG

(b) -

Annex to item 7 of the agenda

The Controlling and Profit and Loss Transfer Agreement between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Data GmbH as controlled company of 22 June 2004 as amended by the Amendment Agreement of 16 July 2013 has the following wording:

“Controlling and Profit and Loss Transfer Agreement

by and between

IKB Deutsche Industriebank AG, Düsseldorf

hereinafter referred to as: **“IKB”**

and

IKB Data GmbH, Düsseldorf

hereinafter referred to as: **“IKB Data”**

as amended by the Amendment Agreement of 16 July 2013.

Art. 1

Management and instructions

IKB Data places the management of its company under the control of IKB. IKB accordingly has the right to give the management of IKB Data instructions in respect of the management of the company.

Art. 2

Profit transfer

1. IKB Data undertakes to transfer its entire profit to IKB during the term of the agreement. The net income arising without the profit transfer, reduced by any accumulated deficit carried forward from the previous year, shall be transferred, subject to the set-up or write-back of reserves according to para. 2.
2. IKB Data may, with IKB's consent, allocate amounts from the net income to other earnings reserves (Sec. 272 para. 3 German Commercial Code (*Handelsgesetzbuch - HGB*)) only to the extent that this is admissible under commercial law and justified in economic terms on the basis of reasonable commercial assessment. Other earnings reserves set up during the term of this agreement according to Sec. 272 para. 3 HGB shall be written back at IKB's request and applied to set off any net loss or transferred as profit. The transfer of amounts from the write-back of other earnings reserves according to sentence 2, which were set up before the agreement commenced, shall be excluded.

Art. 3

Loss takeover

The regulations of Sec. 302 German Stock Corporation Act (*Aktiengesetz - AktG*) as amended from time to time shall apply accordingly to any loss takeover.

Art. 4

Entry into force and term of the agreement

1. This agreement is concluded subject to the approval of the Annual General Meeting of IKB and the shareholders' meeting of IKB Data. It shall enter into force upon entry in the commercial register of IKB Data and shall apply retroactively, with the exception of the right to give instructions according to Art. 1, as of 1 April 2004.

2. The agreement can be terminated for the first time to the end of 31 March 2009 subject to a period of notice of one year. Unless terminated, it shall be renewed in each case by one year subject to the same period of notice.
3. This shall not affect the right to terminate the agreement for good cause without complying with a period of notice. IKB shall have the right to terminate the agreement for good cause, in particular if its interest in IKB Data is disposed of in whole or in part.”

Annex to item 8 of the agenda

The Controlling and Profit and Loss Transfer Agreement between IKB Deutsche Industriebank Aktiengesellschaft as controlling company and IKB Beteiligungen GmbH as controlled company of 16 February 2006 as amended by the Amendment Agreement of 16 July 2013 has the following wording:

“Controlling and Profit and Loss Transfer Agreement

by and between

IKB Deutsche Industriebank AG, Düsseldorf hereinafter referred to as: **“IKB Bank”**

and

IKB Beteiligungen GmbH, Düsseldorf hereinafter referred to as: **“IKB Beteiligungen”**

as amended by the Amendment Agreement of 16 July 2013.

Art. 1

Management and instructions

IKB Beteiligungen places the management of its company under the control of IKB Bank. IKB Bank accordingly has the right to give the management of IKB Beteiligungen instructions in respect of the management of the company.

Art. 2

Profit transfer

1. IKB Beteiligungen undertakes to transfer its entire profit to IKB Bank during the term of the agreement. The net income arising without the profit transfer, reduced by any accumulated deficit carried forward from the previous year, shall be transferred, subject to the set-up or write-back of reserves according to para. 2.

3. IKB Beteiligungen may, with IKB Bank's consent, allocate amounts from the net income to other earnings reserves (Sec. 272 para. 3 German Commercial Code (*Handelsgesetzbuch - HGB*)) only to the extent that this is admissible under commercial law and justified in economic terms on the basis of reasonable commercial assessment. Other earnings reserves set up during the term of this agreement according to Sec. 272 para. 3 HGB shall be written back at IKB Bank's request and applied to set off any net loss or transferred as profit. The transfer of amounts from the write-back of other earnings reserves according to sentence 2, which were set up before the agreement commenced, shall be excluded.

Art. 3

Loss takeover according to Sec. 302 German Stock Corporation Act (*Aktiengesetz - AktG*)

The regulations of Sec. 302 AktG as amended from time to time shall apply accordingly to any loss takeover.

Art. 4

Entry into force and term of the agreement

1. This agreement is concluded subject to the approval of the Annual General Meeting of IKB Bank and the shareholders' meeting of IKB Beteiligungen. It shall enter into force upon entry in the commercial register of IKB Beteiligungen and shall apply retroactively, with the exception of the right to give instructions according to Art. 1, as of 1 January 2006.
2. The agreement can be terminated for the first time to the end of 31 December 2010 subject to a period of notice of one year. Unless terminated, it shall be renewed in each case by one year subject to the same period of notice.
4. This shall not affect the right to terminate the agreement for good cause without complying with a period of notice. IKB Bank shall have the right to terminate the agreement for good cause, in particular if its interest in IKB Beteiligungen is disposed of in whole or in part."