

**Supplement No. 2 dated 10 November 2017
to the Base Prospectus dated 28 August 2017**



IKB Deutsche Industriebank Aktiengesellschaft ("IKB")

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

Debt Issuance Programme (the "Programme")

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

This supplement no. 2 (the "**Supplement**") constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, (the "**Prospectus Directive**") and Article 13 of the Luxembourg Law on Prospectuses for Securities (*Loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005, as amended, (the "**Prospectus Law**") to the Base Prospectus dated 28 August 2017 (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 19 October 2017 (the "**Supplement No. 1**")) and all documents incorporated by reference in the Base Prospectus.

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

To the extent that there is any inconsistency between (a) any statements in this Supplement 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. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in 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. Amendments to the section commencing on page 55 of the Base Prospectus which is entitled " B. RISK FACTORS"

Amendments to the subsection commencing on page 55 of the Base Prospectus which is entitled "1. RISK FACTORS RELATING TO THE ISSUER"

In the subsection commencing on page 62 of the Base Prospectus which is entitled "1.2 Risks Relating to IKB and its Business – IKB is exposed to substantial risk of loss from legal and regulatory proceedings." the third paragraph (as replaced by Supplement No. 1) shall be replaced in its entirety as follows:

Various investors have threatened or taken legal action in connection with subordinated debt instruments issued by IKB AG. Investors claim interest payments and allege, by way of example, a wrongful write-down of the principal amount of subordinated debt instruments issued by IKB AG over time. As at 10 November 2017, three actions are pending at the Regional Court (*Landgericht*) of Düsseldorf with a preliminary value at risk of about € 117 million.

B. Amendments to the section commencing on page 92 of the Base Prospectus which is entitled "D. DESCRIPTION OF THE ISSUER"

Amendments to the subsection commencing on page 92 of the Base Prospectus which is entitled "2. IKB DEUTSCHE INDUSTRIEBANK AKTIENGESELLSCHAFT"

1. The subsection on page 100 of the Base Prospectus which is entitled "2.3 Organisational Structure / Description of the Group – Consolidated Entities – A. Consolidated Subsidiaries – 3. Special Purpose Vehicles in accordance with Section 290 paragraph 2 No. 4 German Commercial Code" shall be replaced in its entirety as follows:

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

German Mittelstand Equipment Finance S.A., Luxembourg, Luxembourg

2. The subsection on page 111 of the Base Prospectus which is entitled "2.8 Financial Information – 2.8.3 Legal Proceedings – Subordinated Debt Claims" (as replaced by Supplement No. 1) shall be replaced in its entirety as follows:

Subordinated Debt Claims

Various investors have threatened or taken legal action in connection with subordinated debt instruments issued by IKB AG. Investors claim interest payments and allege, by way of example, a wrongful write-down of the principal amount of subordinated debt instruments issued by IKB AG over time. As at 10 November 2017, three actions are pending at the Regional Court (*Landgericht*) of Düsseldorf with a preliminary value at risk of about € 117 million.

3. The subsection on page 112 of the Base Prospectus which is entitled "2.9 Material Contracts – 2.9.1 Financing Agreements – Loans with Debt Waivers and Compensation out of Future Profits" shall be replaced in its entirety as follows:

Loans with Debt Waivers and Compensation out of Future Profits

In February and March 2008, KfW granted unsecured loans to IKB AG in the total amount of € 1,050 million (the "**Loans**"). Under the loan agreements, KfW waived (i) repayment of the Loans, (ii) payment of interest and (iii) reimbursement of increased costs. However, IKB AG and KfW

entered into agreements pursuant to which KfW will be compensated out of future profits for its claims under (i) to (iii) under certain conditions.

The Loans were transferred from KfW to LSF6 Europe Financial Holdings L.P. ("**LSF6**") and afterwards assigned to LSF6 Rio (Ireland) Limited, now operating under the legal name LSF6 Rio (Ireland) DAC, Dublin. The outstanding amount is approximately € 890 million. IKB AG is considering further simplifications of its capital structure.

C. 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 November 2017. Such withdrawal, if any, is not required to contain any reasons for the withdrawal and is to be addressed in writing to IKB Deutsche Industriebank Aktiengesellschaft, Wilhelm-Bötzkes-Straße 1, 40474 Düsseldorf, Federal Republic of Germany. In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.