

**First Supplement dated 7 December 2012  
to the Registration Document dated 10 August 2012  
and to the threepart Base Prospectus consisting of  
the Registration Document, the Securities Note dated  
20 September 2012 and the  
Summary Note dated 20 September 2012**

*This document constitutes a supplement (the "**Supplement**") which has been drawn up in accordance with Art. 16 subparagraph 1 and 2 of the Securities Prospectus Act (Wertpapierprospektgesetz – WpPG) which implements Directive 2003/71/EC of the European Parliament as amended by Directive 2010/73/EU and of the Council of 4 November 2003 (the "**Prospectus Directive**") into German law. This Supplement is supplemental to and must be read in conjunction with the Registration Document of IKB Deutsche Industriebank Aktiengesellschaft dated 10 August 2012 (the "**Registration Document**") and the threepart base prospectus consisting of the Registration Document, the summary note of IKB Deutsche Industriebank Aktiengesellschaft dated 20 September 2012 (the "**Summary Note**") and the securities note (the "**Securities Note**") dated 20 September 2012 (the "**Base Prospectus**").*



**Deutsche Industriebank**

**IKB Deutsche Industriebank Aktiengesellschaft**

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

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

This Supplement will be published in electronic form on the website of the Issuer ([www.ikb.de](http://www.ikb.de)).

#### **Right to withdraw**

**On 14 November 2012, IKB Deutsche Industriebank Aktiengesellschaft published its Consolidated Interim Financial Statements (IFRS) as of 30 September 2012.**

**In accordance with Article 16 paragraph 3 of the Securities Prospectus Act, where the supplemented Registration document relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes before this Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Supplement, until 11 December 2012 to withdraw their acceptances *provided that* the new factor, mistake or inaccuracy referred to in Article 16 paragraph 1 of the Securities Prospectus Act arose before the final closing of the offer to the public and the delivery of the Notes.**

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

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

IKB Deutsche Industriebank Aktiengesellschaft, ("**IKB AG**" or the "**Issuer**" or together with its consolidated subsidiaries and special-purpose entities, "**IKB**") with its registered office in Düsseldorf is solely responsible for the information given in this Supplement. The Issuer hereby declares that, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and no material circumstances have been omitted.

**IMPORTANT NOTICE**

Terms defined or otherwise attributed meanings in the Registration Document or the Base Prospectus have the same meaning when used in this Supplement.

This Supplement shall only be distributed in connection with the Registration Document or the Base Prospectus.

The Issuer will confirm to the Dealers that each of the Registration Document and the Base Prospectus (as supplemented) contains all information which is material in the context of the Programme and the issue and offering of Notes there-under, that the information contained therein is accurate in all material respects and is not misleading; that there are no other facts, the omission of which would make the Registration Document or the Base Prospectus (as supplemented) as a whole or any such information misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

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

This Supplement and the Base Prospectus should be read in conjunction only and together constitute one prospectus for the purpose of the Prospectus Directive, and for a particular issue of or tranche of Notes should be read in conjunction with any applicable Final Terms.

Save as disclosed herein and in the Registration Document or the Base Prospectus, there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Registration Document or the Base Prospectus since its publication.

**Supplemental information pertaining to the Registration Document**

The Section "Table of Contents" on page 2 of the Registration Document shall be replaced by the following:

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

**In the section "Risk Factors relating to IKB and its Business", the first paragraph under the heading "Non-compliance with obligations under the SoFFin framework guarantees may adversely affect IKB's access to the debt capital markets "on page 4 of the Registration Document shall be replaced by the following:**

"In 2009 Special Fund Financial Market Stabilization (Sonderfonds Finanzmarktstabilisierung) ("SoFFin") granted IKB AG a guarantee framework for the issuance of new bonds of up to EUR 12 billion. On 31 March 2012 the guarantee amount was EUR 4.5 billion. On 18 May 2012, 2 August 2012, 24 August 2012 and 27 September 2012 IKB AG returned SoFFin guarantees in the total amount of EUR 1 billion; repaid EUR 2.0 billion and returned guarantees in the same amount on 10 September 2012. After 30 September 2012 IKB AG returned further guarantees in the total amount

of EUR 1,150 million thereby reducing the framework guarantees to EUR 350 million."

**The last sentence of the third paragraph under the heading "*The conditions imposed on IKB by the EU Commission may significantly limit IKB's future operations.*" on page 5 of the Registration Document shall be replaced by the following:**

"By way of a letter dated 23 October 2012, the European Commission issued an opinion on the final report on the implementation of the EU conditions and confirmed the fulfilment of the vast majority of the conditions (for further information see section 5.2.3.)."

**The date "31 March 2012" in the section under the heading "*IKB's business performance could be adversely affected if its capital is not managed effectively.*" on page 6 of the Registration Document shall be replaced by "30 September 2012".**

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

**The fourth paragraph and the following itemisation of section "5.2.2 EU Commission State Aid Decision" on page 13 of the Registration Document shall be deleted.**

**The section "5.2.3 Status of Implementation of EU Conditions on page 13 of the Registration Document shall be replaced by the following:**

**"Status of implementation of EU Conditions**

By way of a letter dated 23 October 2012, the European Commission issued an opinion on the final report on the implementation of the EU conditions and stated that IKB had largely met the obligations arising from its ruling dated 21 October 2008. Specifically, the European Commission confirmed the following:

- The restructuring plan has been implemented properly. In particular, the change in the ownership of IKB was successful. IKB is now fully privatised and this is reflected in its presence on the market.
- IKB has reduced its total assets to EUR 32.1 billion, which is lower than the figure of EUR 33.5 billion required by the European Commission.
- The Real Estate Finance segment (including IKB Management GmbH, IKB Projektentwicklungs GmbH & Co. KG and IKB Projektentwicklungsgesellschaft mbH) has been sold or wound up.
- The winding-up of the Luxembourg location is in progress. There are still legal reasons preventing IKB International S.A. and the Luxembourg branch of IKB AG from being wound up in full. No new business is being conducted in these areas and the measures that have already been implemented cannot be reversed.
- IKB Capital Corporation has been wound up.
- IKB AG's business activities in Amsterdam have been wound up.
- According to the European Commission, the sale or winding-up of the business activities of Movesta Lease and Finance GmbH, 50% of whose shares were previously held by IKB, is not yet complete. Although irreversible measures have been initiated, the European Commission stated that there were still legal reasons delaying completion.
- Due to legal restrictions, the winding-up of other non-strategic assets originally reported in the balance sheet in the amount of € 1.7 billion was only completed in part; however, this is no longer required due to IKB's total assets falling below € 33.5 billion.

Accordingly, the European Commission restricted its monitoring of the conditions arising from its ruling dated 21 October 2008 to the full winding-up of IKB International S.A. and IKB's former 50% equity interest in Movesta Lease and Finance GmbH.

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

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

and will remain in force until the approved SoFFin guarantees are returned in full."

**In the section "5.4 Organisational Structure / Description of the Group – Consolidated Entities – Consolidated Subsidiaries" subparagraph "2. Other German Companies" on page 15 of the Registration Document, the company "Erste Equita Suporta GmbH, Düsseldorf" shall be replaced by "Erste Equity Suporta GmbH, Düsseldorf" and the company "IKB Private Equity GmbH, Düsseldorf" shall be replaced by "IKB Invest GmbH, Düsseldorf (former: IKB Private Equity GmbH)".**

**In the section "5.4 Organisational Structure / Description of the Group – Consolidated Entities – Special Purpose Entities in accordance with SIC-12" the company "German Mittelstand Equipment Finance No. 1S.A., Luxembourg" shall be inserted.**

**In the section "5.5.3. Recent Developments" on page 17 of the Registration Document, the sections with the headings "Change of segment from the regulated market to the quality segments of the unregulated market" and "SoFFin guarantees" shall be deleted.**

**The date "25 May 2012" in the section under the heading "Settlement of legal disputes." on page 18 of the Registration Document shall be replaced by "25 June 2012".**

**Before the beginning of section "5.6 Administrative, Management and Supervisory Bodies" (Recent Developments) on page 18 of the Registration Document the following paragraphs shall be supplemented:**

"Since 30 September 2012, the following recent developments have arisen:

*SoFFin guarantees*

On 26 October 2012, IKB returned SoFFin guarantees in the amount of EUR 650 million ahead of schedule. This related to the bond DE000A0SMPB1 (maturing on 1 February 2013, FRN 3-month Euribor). On 31 October 2012, IKB returned the outstanding SoFFin guarantees in this bond in the amount of EUR 100 million, meaning that the bond has been repaid in full. On 29 November 2012 IKB returned SoFFin guarantees in the amount of EUR 400 million ahead of schedule. This related to the bond DE000A0SMPA3 maturing on 2 February 2015.

As of 7 December 2012, IKB's SoFFin guarantee amounted to EUR 350 million and related to the bond ISIN DE000A0SMPA3 maturing on 2 February 2015.

*Change of segment from the regulated market to the quality segments of the unregulated market*

The Board of Managing Directors of IKB AG has, with the approval of the Supervisory Board, concluded a change in the stock exchange segment of all of IKB AG's securities from the regulated market to the quality segments of the unregulated market (*Freiverkehr*). The change in the stock exchange segment of all of IKB AG's securities from the regulated market to the quality segments of the unregulated market is largely complete. The revocation of the admission of IKB's shares to trading on the regulated market of Deutsche Börse AG in Frankfurt/Main came into force on 26 October 2012. IKB's shares were introduced to the Entry Standard on 29 October 2012.

The change of segment of all of IKB AG's securities was completed in November 2012.

In accordance with the publication requirements of the new stock exchange segments, IKB will publish an annual financial report and a half-yearly financial report in future. External accounting will be fully converted to HGB (German Commercial Code) as of 1 April 2013. IKB does not expect the change in accounting standards to have a material impact in terms of transparency.

*Purchase programme for IKB Funding Trust I and IKB Funding Trust II hybrid securities*

On 17 August 2012, IKB invited the holders of the stock exchange listed securities issued by IKB Funding Trust I and IKB Funding Trust II to submit an offer to sell the securities. The purchase programme ran until 30 October 2012. The approval of the proposed contractual amendments relating to IKB Funding Trust I by not less than 66 2/3% of the investors, which was necessary in order for the offer to be accepted, was not achieved. Accordingly, IKB will not purchase any IKB Funding Trust I or IKB Funding Trust II securities on the basis of the purchase programme."

**In the section under the heading "Legal proceedings due to alleged incorrect capital market information" in section 5.9.3 (Legal Proceedings) on pages 22 and 23 of the Registration Document the last two paragraphs shall be replaced by the following:**

"More than 130 of these claims brought by investors have now been finally terminated with legally binding rules in favour of the Bank or the withdrawal of the respective claims; the Bank has only been ordered to pay part of the damages claimed in two cases. Five cases of denial of leave to appeal are pending with the German Federal Court of Justice.

IKB still considers the outstanding claims by investors not yet dismissed (with a remaining provisional value of around € 9.8 million) and the out-of-court claims for damages to be unfounded. Nonetheless, even after more than five years since the crisis broke out, the possibility that additional investors will claim for damages against the Bank cannot be completely ruled out. The success of these claims could increase the overall risk to which the Bank is exposed."

**The paragraph under the heading "FGIC and Calyon Proceedings" in section 5.9.3 (Legal Proceedings) on page 23 of the Registration Document shall be deleted.**

**The date "25 May 2012" in the section under the heading "Putative Class Actions" on page 23 of the Registration Document shall be replaced by "25 June 2012".**

**The paragraph under the heading "Other Threatened Actions" in section 5.9.3 (Legal Proceedings) on page 23 of the Registration Document shall be replaced as follows:**

"It cannot be ruled out that further claims for damages are brought against IKB as a result of its activities or the activities of IKB Credit Asset Management GmbH in relation to Rhineland Funding, the Havenrock Entities and/or Rhinebridge by other parties involved in these transactions.

To that end IKB AG and IKB International S.A. in Liquidation have signed standstill and tolling agreements (*verjährungshemmende Vereinbarungen*) with a number of parties in the United Kingdom and the USA."

**The paragraph under the heading "Investigation by the Public Prosecutor." in section 5.9.3 (Legal Proceedings) on page 24 of the Registration Document shall be deleted.**

**The section "5.9.5 Significant Changes in the Financial Position" on page 25 of the Registration Document shall be replaced by the following:**

"Since 30 September 2012, there have not been any significant changes in IKB's financial position."

**In the paragraph under the heading "SoFFin Guarantees" (5.10.1 Financing Agreements) on page 24 of the Registration Document, the first paragraph shall be supplemented as following:**

"As of 7 December 2012, IKB's SoFFin guarantee limit amounted to EUR 350 million."

**The section "7. Documents on Display" on page 27 of the Registration Document shall be supplemented by the following:**

- "IKB's 6-Month Report 2011/2012 as at and for the period ended 30 September 2012 prepared in accordance with international Financial Reporting Standards (IFRS)."

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

**"8. FINANCIAL INFORMATION**

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**After the page F-273 of the registration document the following section shall be supplemented:**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS AT  
30 SEPTEMBER 2012**



## Consolidated statement of comprehensive income

### Consolidated income statement

€ million	Note	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*
<b>Net interest income</b>	(1)	58.0	79.8
Interest income		804.3	836.9
Interest expenses		746.3	757.1
<b>Provisions for possible loan losses</b>	(2)	11.9	-26.4
<b>Net interest income after provisions for possible loan losses</b>		46.1	106.2
<b>Net fee and commission income</b>	(3)	-12.1	-30.8
Fee and commission income		22.2	29.0
Fee and commission expenses		34.3	59.8
<b>Net income from financial instruments at fair value</b>	(4)	-11.4	-272.6
<b>Net income from investment securities</b>	(5)	29.1	-9.7
<b>Net income from investments accounted for using the equity method</b>	(6)	0.7	1.3
<b>Administrative expenses</b>	(7)	145.9	148.2
Personnel expenses		77.6	80.5
Other administrative expenses		68.3	67.7
<b>Net other operating income</b>	(8)	24.3	42.0
Other operating income		105.8	112.9
Other operating expenses		81.5	70.9
<b>Operating result</b>		-69.2	-311.8
Income tax payments	(9)	7.3	-2.2
Other taxes		1.2	2.4
<b>Consolidated net loss</b>		-77.7	-312.0

\* Figures restated

As in the previous year, the consolidated net result relates in full to the shareholders of IKB.

### Earnings per share

	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*
Consolidated net loss (€ million)	-77.7	-312.0
Average number of shares outstanding (million)	633.4	633.4
<b>Undiluted earnings per share (€)</b>	<b>-0.12</b>	<b>-0.49</b>
<b>Diluted earnings per share (€)</b>	<b>-0.12</b>	<b>-0.49</b>

\* Figures restated

Undiluted and diluted earnings are identical as all convertible instruments underwent mandatory conversion in the current financial year and full conversion was assumed for all convertible instruments in the previous year.

**Condensed consolidated statement of comprehensive income**

<b>€ million</b>	<b>1 Apr. 2012 - 30 Sep. 2012</b>	<b>1 Apr. 2011 - 30 Sep. 2011</b>
<b>Consolidated net loss</b>	<b>-77.7</b>	<b>-312.0</b>
Changes in financial assets available for sale recognised directly in equity	63.5	-7.6
Changes in financial assets available for sale recognised in profit or loss	-10.0	3.6
Changes in derivatives hedging fluctuations in future cash flows recognised directly in equity	0.3	-4.3
Currency translation differences recognised directly in equity	1.1	0.8
Changes due to actuarial gains/losses (IAS 19) recognised directly in equity	-65.6	-20.3
Deferred taxes on other comprehensive income	3.9	9.1
<b>Other comprehensive income</b>	<b>-6.8</b>	<b>-18.7</b>
<b>Total comprehensive income</b>	<b>-84.5</b>	<b>-330.7</b>

As in the previous year, the total comprehensive income relates in full to the shareholders of IKB.

## Consolidated balance sheet

€ million	Note	30 Sep. 2012	31 Mar. 2012	31 Mar. 2011*
<b>Assets</b>				
Cash reserve		78.4	19.1	84.8
Loans and advances to banks	(10)	2,538.8	3,023.6	2,316.2
Loans and advances to customers	(11)	17,163.9	17,783.6	20,330.9
Provisions for possible loan losses	(12)	-466.6	-508.1	-818.5
Assets held for trading	(13)	2,971.8	2,479.2	815.5
Investment securities	(14)	7,951.2	7,941.3	7,892.3
Investments accounted for using the equity method	(15)	10.7	10.5	10.8
Intangible assets		24.3	24.9	19.3
Property, plant and equipment	(16)	191.6	183.5	167.5
Current tax assets	(17)	24.7	22.3	36.1
Deferred tax assets	(17)	218.4	218.0	190.8
Other assets	(18)	377.6	381.2	386.0
of which inventories (30 June 2012: € 97.0 million; 31 Mar. 2012: € 97.0 million; 31 Mar. 2011: € 97.0 million)				
Non-current assets held for sale	(19)	5.3	14.6	-
<b>Total</b>		<b>31,090.1</b>	<b>31,593.7</b>	<b>31,431.7</b>

<b>Equity and liabilities</b>				
Liabilities to banks	(20)	13,670.6	13,221.8	11,193.6
Liabilities due to customers	(21)	10,398.0	9,997.4	7,693.7
Securitised liabilities	(22)	355.4	2,277.2	7,710.5
Liabilities held for trading	(23)	4,487.8	3,835.6	2,003.6
Provisions	(24)	210.2	164.4	137.1
Current tax liabilities	(25)	103.3	103.9	107.0
Deferred tax liabilities	(25)	68.4	67.4	30.3
Other liabilities	(26)	456.3	483.5	468.1
Subordinated capital	(27)	999.6	1,017.7	1,144.4
Equity		340.5	424.8	943.4
Issued capital		1,621.5	1,621.3	1,621.3
Capital reserve		597.8	597.8	597.8
Retained earnings		-1,804.8	-1,242.9	-1,243.0
Currency translation reserve		-18.0	-19.1	-17.5
Revaluation surplus		21.7	-15.4	-36.5
Consolidated loss/profit		-77.7	-516.9	21.3
<b>Total</b>		<b>31,090.1</b>	<b>31,593.7</b>	<b>31,431.7</b>

\* Figures restated

## Consolidated statement of changes in equity

€ million	Issued capital	Capital reserves	Retained earnings			Currency translation reserve	Revaluation surplus		Consolidated loss/profit*	Total equity*
			Legal reserve	Actuarial gains/losses (IAS 19)	Other retained earnings*		Financial assets available for sale	Derivatives hedging fluctuations in future cash flows		
Equity as at 31 Mar. 2011	1,621.3	597.8	10.2	-24.6	-1,230.7	-17.5	-35.0	-1.5	51.5	971.5
IAS 8: Adjustments as at 31 Mar. 2011	-	-	-	-	2.1	-	-	-	-30.2	-28.1
Equity as at 1 Apr. 2011*	1,621.3	597.8	10.2	-24.6	-1,228.6	-17.5	-35.0	-1.5	21.3	943.4
Consolidated net profit	-	-	-	-	-	-	-	-	-312.0	-312.0
Other comprehensive income	-	-	-	-14.0	-	0.8	-2.8	-2.9	-	-18.7
Total comprehensive income*	-	-	-	-14.0	-	0.8	-2.8	-2.9	-312.0	-330.7
Netting of consolidated net profit/loss 1 Apr. 2010 to 31 Mar. 2011	-	-	-	-	21.3	-	-	-	-21.3	-
Equity as at 30 Sep. 2011	1,621.3	597.8	10.2	-38.6	-1,207.3	-16.7	-37.8	-4.4	-312.0	612.5
Consolidated net profit	-	-	-	-	-	-	-	-	-204.9	-204.9
Other comprehensive income	-	-	-	-7.2	-	-2.4	27.3	-0.5	-	17.2
Total comprehensive income*	-	-	-	-7.2	-	-2.4	27.3	-0.5	-204.9	-187.7
Equity as at 31 Mar. 2012	1,621.3	597.8	10.2	-45.8	-1,207.3	-19.1	-10.5	-4.9	-516.9	424.8
Consolidated net loss	-	-	-	-	-	-	-	-	-77.7	-77.7
Other comprehensive income	-	-	-	-45.0	-	1.1	36.8	0.3	-	-6.8
Total comprehensive income	-	-	-	-45.0	-	1.1	36.8	0.3	-77.7	-84.5
Netting of consolidated net profit/loss 1 Apr. 2011 to 31 Mar. 2012	-	-	-	-	-516.9	-	-	-	516.9	-
Addition from convertible bond	0.2	-	-	-	-	-	-	-	-	0.2
Equity as at 30 Sep. 2012	1,621.5	597.8	10.2	-90.8	-1,724.2	-18.0	26.3	-4.6	-77.7	340.5

\* Figures restated

Please see the condensed consolidated statement of comprehensive income for total comprehensive income.

## Condensed consolidated statement of cash flows

€ million	2012	2011
<b>Cash and cash equivalents as at 1 Apr.</b>	<b>19.1</b>	<b>84.8</b>
Cash flow from operating activities	-10.0	56.7
Cash flow from investing activities	107.5	-108.1
Cash flow from financing activities	-38.2	-4.4
<b>Cash and cash equivalents as at 30 Sep.</b>	<b>78.4</b>	<b>29.0</b>

## Notes to the consolidated financial statements

### Principles of Group accounting

IKB Deutsche Industriebank AG (IKB), based at Wilhelm-Bötzkes-Strasse 1, 40474 Düsseldorf, Germany, provides support for medium-sized enterprises and private equity funds in Germany and Europe with loans, risk management, capital market services and advisory services.

The interim consolidated financial statements of IKB as at 30 September 2012 were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable under EU law as at the end of the reporting period on the basis of Regulation 1606/2002 of the European Parliament and Council of 19 July 2002 and the related subsequent regulations.

This includes the interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretation Committee (IFRIC). The interim consolidated financial statements have been prepared in condensed form in accordance with the requirements on interim financial reporting set out in IAS 34. The German requirements set out in section 315a(1) of the German Commercial Code (HGB) were also applied to the extent that they were applicable at the end of the reporting period. In accordance with section 37w of the German Securities Trading Act (WpHG) in conjunction with section 37y no. 2 of the German Securities Trading Act, IKB prepares a half-year report consisting of these condensed interim financial statements and an interim Group management report in addition to a responsibility statement in line with the requirements of section 297(2) sentence 3 of the German Commercial Code and section 315(1) sentence 6 of the German Commercial Code.

The interim financial statements of IKB include additional disclosures on the income statement, the balance sheet, segment reporting, financial instruments and other financial information. They should be read in conjunction with the audited consolidated financial statements of IKB for the 2011/12 financial year, which was prepared in accordance with the same accounting policies, barring one exception. The exception concerns IFRS 7, the effects of which on the interim consolidated financial statements are presented in the section entitled "Accounting policies applied for the first time in the interim consolidated financial statements".

The following individual regulations of IFRS 7 have been satisfied outside the consolidated financial statements in the risk report contained in the Group management report:

- IFRS 7.33: Qualitative disclosures on risks arising from financial instruments
- IFRS 7.34(c): Disclosures on concentrations of risk
- IFRS 7.34 in conjunction with IFRS 7.40-42: Qualitative and quantitative disclosures on market risk.

Unless otherwise indicated, all amounts are stated in millions of euro (€ million). Amounts and percentages are generally rounded to one decimal place in accordance with standard commercial principles. Some totals and percentages may contain discrepancies between the various presentations due to rounding differences. Outside tables, the term "previous year" is used in these financial statements for disclosures of comparative figures for the prior-year period.

### Overview of accounting policies

Over recent years, the International Accounting Standards Board (IASB) has published a number of amendments to standards. The following table shows these amendments in order of their publication date.

No.	Standard/Interpretation	Title	Date of publication by IASB	Effective for financial years beginning on or after the following date according to the IASB	Endorsed in European law	
					on	from start of first financial year after date shown
<b>Accounting standards applied for the first time in the 2012/2013 half-year</b>						
1	IFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets	7 Oct. 2010	1 Jul. 2011	20 Nov. 2011	30 Jun. 2011
<b>Accounting standards to be applied in the forthcoming 2013/2014 financial year</b>						
2	IAS 19	Recognition of Pension Provisions	16 Jun. 2011	1 Jan. 2013	5 Jun. 2012	1 Jan. 2013
3	IAS 1	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income	16 Jun. 2011	1 Jul. 2012	5 Jun. 2012	1 Jan. 2013
<b>Standards published by the IASB but not yet endorsed in EU law</b>						
4	IFRS 9	Financial Instruments: Classification and Measurement for Financial Assets	12 Nov. 2009 / 28 Oct. 2010	1 Jan. 2015		
5	IFRS 1	Severe Hyperinflation and Removal of Fixed Transition Dates	20 Dec. 2010	1 Jul. 2011		
6	IAS 12	Deferred Taxes: Recovery of Underlying Assets	20 Dec. 2010	1 Jan. 2012		
7	IFRS 10	Consolidated Financial Statements	12 May 2011	1 Jan. 2013		
8	IFRS 11	Joint Arrangements	12 May 2011	1 Jan. 2013		
9	IFRS 12	Disclosure of Interests in Other Entities	12 May 2011	1 Jan. 2013		
10	IFRS 13	Fair Value Measurement	12 May 2011	1 Jan. 2013		
11	IAS 27	Financial Statements	12 May 2011	1 Jan. 2013		
12	IAS 28	Investments in Associates and Joint Ventures	12 May 2011	1 Jan. 2013		
13	IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	19 Oct 2011	1 Jan. 2013		
14	IAS 32	Offsetting Financial Assets and Liabilities	16 Dec 2011	1 Jan. 2014		
15	IFRS 7	Disclosures - Offsetting Financial Assets and Liabilities	16 Dec 2011	1 Jan. 2013		
16	IFRS 1	Government Loans	13 Mar. 2012	1 Jan. 2013		

### Accounting policies applied for the first time in the 2012/13 half-year

These half-year consolidated financial statements are based on standards and interpretations that are effective within the European Union for the financial year.

- (1) On 7 October 2010, the IASB published amendments to IFRS 7 "Financial Instruments: Disclosures" as part of the "Derecognition of financial assets" project. The regulations on derecognition under IAS 39 remain unchanged. The new regulations stipulate additional disclosure requirements for financial assets that are transferred but not derecognised or not fully derecognised. The relationship between these assets and the associated liabilities should be set out in such cases. For transferred and derecognised financial assets, the type and possible risks from continuing involvement exposure must also be disclosed in the notes to the consolidated financial statements. The changes are intended to grant readers of the financial information a better insight into the net assets, financial position and results of operations. The amendment of the standard has no significant effect on IKB.

### Accounting policies to be applied in future

The following section discusses the standards and interpretations published by the IASB and adopted by the European Union in the last half-year.

- (2) The IASB published amendments to IAS 19 "Employee Benefits" on 16 June 2011. Under these changes, actuarial gains and losses, like other remeasurement changes, are recognised directly in other comprehensive income. In future, income from plan assets will be recognised

in profit or loss on the basis of the discount rate regardless of actual interest. IAS 19 also increases the disclosure requirements for defined benefit plans. These changes are effective for financial years beginning on or after 1 January 2013. The effects of the amendments to the standard cannot yet be fully analysed.

- (3) The IASB published amendments to IAS 1 "Presentation of Financial Statements" on 16 June 2011. The amendments stipulate that items of other comprehensive income be grouped together according to whether or not they can be reclassified to the income statement in future. It was also confirmed that it will still be permitted to show the components of other comprehensive income in one or two separate statements, i.e. single or two-statement approach. The amended regulations of IAS 1 are effective for financial years beginning on or after 1 July 2012. The effects of the amendments to the standard cannot yet be fully analysed.

### **Standards published by the IASB but not yet endorsed in EU law**

The following standards and interpretations were published by the IASB but had not been endorsed in EU law as at 30 September 2012. The amendments to the standards and interpretations, which are expected to be implemented from the date on which they are required to be applied, will have at least some significant effects on IKB's accounting policies.

- (4) The regulations of IFRS 9 "Financial Instruments" are intended to improve the comprehensibility of the financial statements with regard to the classification and measurement of financial instruments. The discontinuation of the previous breakdown of financial assets in accordance with IAS 39 into four measurement categories rather than two (measurement at amortised cost and measurement at fair value), originally presented in ED IFRS 9 (2009), has been amended again. Depending on the business model and the cash flow characteristics, debt instruments are assigned to one of three measurement categories (measurement at amortised cost, measurement at fair value through profit and loss, measurement at fair value in equity). They are allocated to one of these categories on first-time recognition. If a financial asset (debt instrument) meets the two following conditions, it is assigned to the "at amortised cost" measurement category: a) The financial asset is held as part of a business model whose objective is to hold assets to collect contractual cash flows; b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding (cash flow characteristics). Interest is defined here as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

If the above conditions are not both met, the financial assets are measured at fair value through profit and loss on subsequent measurement. If the objective is to both hold and dispose of the financial asset and if the cash flow characteristics apply, debt instruments are recognised at fair value in equity. The fair value option has been retained.

Equity instruments are always measured at fair value. If there is no intention to sell such instruments, value changes are recognised in other comprehensive income. However, if it is intended to sell them or they are derivatives, value changes must be recognised in profit or loss.

In addition, regulations on the treatment of financial liabilities were published and adopted in the standard on 28 October 2010. The amendments chiefly relate to financial liabilities for which an entity has exercised the fair value option. The part of changes in fair value resulting from own credit risk will be recognised under other comprehensive income rather than in the consolidated income statement as before. This avoids the reporting of gains and losses due to changes in the reporting entity's own credit rating. However, all other changes in fair value are still to be reported in the consolidated income statement. According to the current status of the standard, the supplementary regulations of IFRS 9 are applicable for financial years beginning on or after 1 January 2015.

In connection with IFRS 9, the standard requirements for calculating impairment (phase 2) and hedge accounting (phase 3) are also being revised. The IASB already published an exposure draft on impairment, which is currently being revised, in the fourth quarter of 2009. Regarding the revision of the hedge accounting regulations, the IASB decided in May 2012 to leave macro hedge accounting out of the IFRS 9 project and to develop it in its own right. A working draft on general hedge accounting was published in September 2012, comprising all the IASB's decisions to date. A new exposure draft for the first two phases and a final standard for phase 3 – General Hedge Accounting – have been announced for the fourth quarter of 2012. According to the current status of the standard, the regulations of IFRS 9 are effective for financial years beginning on or after 1 January 2015.

The effects of the amendments to the standard have not yet been fully analysed.

- (5) The amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates" published by the IASB on 20 December 2010 is not relevant to IKB.
- (6) On 20 December 2010 the IASB published amendments to IAS 12 "Income Taxes" which are effective for the first time for financial years beginning on or after 1 January 2012. The amendment to IAS 12 emphasises that recovery of the carrying amount of an asset covered by the scope of IAS 40 takes place through sale rather than through use. The new regulation relates solely to investment property as defined in IAS 40. The amendments are not currently relevant to IKB.
- (7) On 12 May 2011, the IASB published a uniform consolidation model for all companies in IFRS 10 "Consolidated Financial Statements", which supersedes the consolidation guidelines of IAS 27 "Consolidated and Separate Financial Statements in Accordance with IFRS" and SIC 12 "Consolidation – Special Purpose Entities". Under the regulations of IFRS 10, consolidation is required when a parent company receives variable returns from a subsidiary and can determine the relevant activities of the subsidiary, meaning that it has a significant influence on these returns. The new regulations in this standard are applicable for financial years beginning on or after 1 January 2013. The effects of the amendments to the standard have not yet been fully analysed.
- (8) Published on 12 May 2011, IFRS 11 "Joint Arrangements" defines two types of joint arrangements: joint operations and joint ventures. The difference is that in the case of joint operations (e.g. a joint project) the operators have rights to assets and liabilities held jointly, whereas joint ventures grant the venturers rights to the net assets or earnings only. Entities participating in joint operations therefore recognise their interest on the basis of direct rights and obligations instead of on the basis of their participation in the joint arrangement. For joint ventures, equity accounting is mandatory, meaning that the previous option of proportionate consolidation no longer applies. The standard also stipulates regulations for entities that are participating in a joint arrangement but that do not exercise joint control. This standard is effective for financial years beginning on or after 1 January 2013. The effects of the amendments to the standard have not yet been fully analysed.
- (9) IFRS 12 "Disclosure of Interests in Other Entities", also published on 12 May 2011, specifies the disclosures required for entities applying the new standards IFRS 10 and IFRS 11. IFRS 12 requires disclosures that enable users of the financial statements to evaluate the type, risks and financial effects associated with the investment in other entities. With the publication of the standard, associated amendments to IAS 27 and IAS 28 were also announced. The amended disclosure requirements are effective for financial years beginning on or after 1 January 2013. The effects of the amendments to the standard cannot yet be fully analysed.
- (10) In IFRS 13 "Fair Value Measurement", the IASB issued a standard that replaces the existing regulations on measuring fair value in the individual current IFRS pronouncements with a single standard. In addition, extensive disclosures on the method used to determine fair value are required. This standard is effective for financial years beginning on or after 1 January 2013. The amendments of IFRS 13 could affect the income statement, but cannot yet be fully analysed at this time.



- (11) IAS 27 "Separate Financial Statements" contains the regulations on separate financial statements remaining after the regulations on control were transferred to IFRS 10. The revised standard is effective for financial years beginning on or after 1 January 2013. The effects of the amendments to the standard have not yet been fully analysed.
- (12) IAS 28 "Investments in Associates and Joint Ventures" includes the regulations on joint ventures and associates carried at equity after the publication of IFRS 11. The revised standard is effective for financial years beginning on or after 1 January 2013. The effects of the amendments to the standard have not yet been fully analysed.
- (13) The interpretation IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine", which was approved by the IASB on 19 October 2011, concerns the issues of the recognition and measurement of stripping costs in the production phase of a surface mine. This interpretation is of no relevance to IKB.
- (14) The IASB published a revised version of IAS 32 "Offsetting Financial Assets and Liabilities" on 16 December 2011. The application guidelines of IAS 32 "Financial Instruments: Presentation" were merely clarified. The changes to IAS 32 are effective for financial years beginning on or after 1 January 2014. The effects of the amendments to the standard cannot yet be fully analysed.
- (15) In connection with the revision of IAS 32, the IASB also published amendments to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" on 16 December 2011. In future, IFRS 7 "Financial Instruments: Disclosures" will require additional disclosures for financial instruments under master netting or similar agreements, even if the underlying instruments are not reported net. The amended regulations of IFRS 7 are effective for financial years beginning on or after 1 January 2013. The effects of the amendments to the standard cannot yet be fully analysed.
- (16) The IASB published an amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" on 13 March 2012. This amendment grants first-time IFRS adopters the same conveniences as current adopters as regards accounting for government loans. This regulation is effective for the first time for financial years beginning on or after 1 January 2013. The amendments to IFRS 1 are of no relevance to IKB.

For the changes listed above that are relevant to it, IKB is examining the possible effects on the consolidated financial statements.

**Amendments in accordance with IAS 8**

These financial statements contain one change as against the interim consolidated financial statements as at 30 September 2011. Details of this change can be found in the consolidated financial statements as at 31 March 2012.

The adjustment resulted in the following effects on the prior-year comparison values in the income statement.

The methodology of taking into account the provision of collateral in lending business was developed further in the past financial year. As a result of the improved consideration of collateral cash flows in lending business, the provision for possible loan losses rose by € 4.0 million. In return, the interest income from unwinding increased by the same amount. The correction resulted in a change in reporting. It had no effect on consolidated net profit.

## Accounting policies

### (a) General information

With the exception of the changes presented above, the interim consolidated financial statements were prepared using the same accounting policies and calculation methods as the consolidated financial statements as at 31 March 2012.

Income taxes are calculated in accordance with IAS 34.30.

### (b) Scope of consolidation

In addition to the parent company, a total of 27 German companies (31 March 2012: 27; 31 March 2011: 30) and 18 foreign companies (31 March 2012: 18; 31 March 2011: 17) are included in the consolidated financial statements of IKB as at 30 September 2012 in accordance with IAS 27. IKB AG (in)directly holds the majority of the voting rights in these companies.

The consolidated financial statements also include one associate in accordance with IAS 28 (31 March 2012: one; 31 March 2011: one) and one joint venture in accordance with IAS 31 (31 March 2012: one; 31 March 2011: one). The interests in both companies are measured using the equity method.

Six foreign special purpose entities (31 March 2012: eight; 31 March 2011: seven) were included in the consolidated financial statements in accordance with SIC-12.

The consolidated companies are listed in note (41).

#### ***The following changes took place in the scope of consolidation as at 30 September 2012:***

In April 2012, the investment fund Partner Fonds Eurobonds, Luxembourg, was liquidated in full.

In May 2012, IKB Partner Fonds, Luxembourg, and Partner Fonds Europa Renten Teilfonds II, Luxembourg, were dissolved.

The three special-purpose entities were deconsolidated by way of repayment of their liquidity.

The newly formed special-purpose entity German Mittelstand Equipment Finance No.1 S.A., Luxembourg, was included in the consolidated financial statements for the first time as at 30 September 2012. The purpose of the company is the securitisation of lease receivables.

## Notes on the consolidated income statement

## (1) Net interest income

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*
Interest income from lending and money market transactions and from securities and derivatives	792.4	834.2
Other interest income/income from equities and shareholdings	11.9	2.7
<b>Total interest income</b>	<b>804.3</b>	<b>836.9</b>
Interest expenses for securitised liabilities, subordinated capital, other liabilities and derivatives	746.3	757.1
<b>Total interest expenses</b>	<b>746.3</b>	<b>757.1</b>
<b>Net interest income</b>	<b>58.0</b>	<b>79.8</b>

\* Figures restated

No current interest income is recognised for impaired loans and advances. Instead, the increase in the present value of forecast future payments as a result of the passage of time is recognised as interest income (unwinding). The interest income resulting from the unwinding effect for loans and advances to customers and investment securities amounts to € 15.4 million (previous year: € 16.9 million).

## (2) Provisions for possible loan losses

1 Apr. 2012 - 30 Sep. 2012 € million	Amortised cost		Fair value in equity	Finance lease receivables	Provisions for off-balance sheet transactions	Total
	Loans and advances to customers	Investment securities	Investment securities	Loans and advances to customers		
Additions to specific impairment losses/provisions	53.7	-	-	6.5	4.4	64.6
Direct write-downs	3.3	-	-	-	-	3.3
Recoveries on loans previously written off	4.1	-	-	-	-	4.1
Additions to (+)/reversals of (-) portfolio impairment losses	-13.0	-	-	-0.7	-	-13.7
Reversal of specific impairment losses/provisions	26.0	-	-	8.2	4.0	38.2
<b>Provisions for possible loan losses</b>	<b>13.9</b>	<b>-</b>	<b>-</b>	<b>-2.4</b>	<b>0.4</b>	<b>11.9</b>
Additions to (+)/reversals of (-) impairment on investment securities (see "(5) Net income from investment securities")	-	-1.9	2.1	-	-	0.2
<b>Total</b>	<b>13.9</b>	<b>-1.9</b>	<b>2.1</b>	<b>-2.4</b>	<b>0.4</b>	<b>12.1</b>

1 Apr. 2011 - 30 Sep. 2011 € million*	Amortised cost		Fair value in equity	Finance lease receivables	Provisions for off-balance sheet transactions	Total
	Loans and advances to customers	Investment securities	Investment securities	Loans and advances to customers		
Additions to specific impairment losses/provisions	56.5	-	-	3.2	3.0	62.7
Direct write-downs	9.8	-	-	-	-	9.8
Recoveries on loans previously written off	5.2	-	-	-	-	5.2
Additions to (+)/reversals of (-) portfolio impairment losses	-22.1	-	-	1.5	-	-20.6
Reversal of specific impairment losses/provisions	59.8	-	-	3.9	9.4	73.1
Provisions for possible loan losses	-20.8	-	-	0.8	-6.4	-26.4
Additions to (+)/reversals of (-) impairment on investment securities (see "(5) Net income from investment securities")	-	10.6	0.0	-	-	10.6
<b>Total</b>	<b>-20.8</b>	<b>10.6</b>	<b>0.0</b>	<b>0.8</b>	<b>-6.4</b>	<b>-15.8</b>

\* Figures restated

### (3) Net fee and commission income

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
Net fee and commission income from lending business	16.0	20.9
Fee and commission expense for liquidity generation	-29.4	-55.2
Other	1.3	3.5
<b>Total</b>	<b>-12.1</b>	<b>-30.8</b>

The item "Net fee and commission income from lending business" essentially includes the contributions from the Credit Products and Advisory & Capital Markets segments.

The item "commission expenses for liquidity generation" includes the guarantee fees paid to SoFFin in connection with the guaranteed bonds.

### (4) Net income from financial instruments at fair value

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
Net trading result	79.9	45.8
Net result from fair value option	-90.6	-305.7
Hedging result	-0.7	-12.7
<b>Total</b>	<b>-11.4</b>	<b>-272.6</b>

The positive effects in net trading income primarily relate to the derivative result of € 75.8 million (previous year: € 25.8 million) and the currency result of € 6.5 million (previous year: € 21.2 million), offset by the result from trading securities and promissory note loans of € -2.4 million (previous year: € -1.2 million).

Some of the investments in international credit portfolios and some of the European government and bank bonds held as a liquidity investment were measured in accordance with the fair value option. The fair value option is also applied to financial instruments containing separable embedded derivatives and to implement risk-minimising hedging strategies. The changes in the fair value of hedging swaps are recognised in this item, as are the changes in the fair value of the hedged items.

The result of the adoption of the fair value option is due to different effects from the measurement of the above mentioned financial instruments. € -84.3 million (previous year: € -336.2 million) of this figure relates to fair value losses on long-term investments, obligations and derivatives from hedging swaps, € 16.8 million to net fair value gains on portfolio investments (previous year: net losses of

€ 40.1 million) and € -0.1 million (previous year: € -0.6 million) to write-downs on direct investments of the IKB Invest Group (formerly: IKB Private Equity Group).

Public-sector financial instruments measured at fair value from nations affected by the debt crisis (Italy and Spain) resulted in barely any negative effect on the fair value result as at the end of the reporting period.

The sustained drop in the general interest level is causing interest-induced measurement losses on the Bank's own obligations for which the fair value option had been exercised.

Owing to the narrowing of the IKB credit spread, there were credit rating-induced expenses of € 23.0 million (previous year: income of € 71.2 million) on the Bank's own obligations. Until the planned repayment of these financial instruments, net income from financial instruments at fair value will continue to be affected by changes in credit spreads in future periods.

The result from hedges is composed of the result of fair value hedges and cash flow hedges. The result from fair value hedges is composed of the result from hedged items of € 59.6 million (previous year: € 140.8 million) and from hedging derivatives of € -60.3 million (previous year: € -153.5 million). The earnings contribution from ineffective portions of effective cash flow hedges is not significant.

#### (5) Net income from investment securities

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
Net income/loss from securities	29.7	-9.7
Net loss from shareholdings and investments in non-consolidated subsidiaries	-0.6	-
<b>Total</b>	<b>29.1</b>	<b>-9.7</b>

The result from securities includes net measurement losses of € -0.2 million (previous year: € -10.6 million). The sale of securities resulted in net income of € 29.9 million (previous year: € 0.9 million).

#### (6) Net income from investments accounted for using the equity method

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
Linde Leasing GmbH	0.7	1.3
MD Capital Beteiligungsgesellschaft mbH	0.0	0.0
<b>Total</b>	<b>0.7</b>	<b>1.3</b>

#### (7) Administrative expenses

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
Personnel expenses	77.6	80.5
Other administrative expenses	61.8	62.4
Write-downs on office and operating equipment, buildings and intangible assets	6.5	5.3
<b>Total</b>	<b>145.9</b>	<b>148.2</b>

Other administrative expenses include expenses for advisory and other services in connection with managing the crisis of € 3.0 million (previous year: € 3.8 million) and expenses for the Deposit Protection Fund of € 8.2 million (previous year: € 7.5 million).

**(8) Other operating result**

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
<b>Other operating income</b>	<b>105.8</b>	<b>112.9</b>
of which:		
Income from the remeasurement of compensation from future profits and hybrid financial instruments	10.1	33.1
<b>Other operating expenses</b>	<b>81.5</b>	<b>70.9</b>
<b>Total</b>	<b>24.3</b>	<b>42.0</b>

The income from the IAS 39 AG8 remeasurement of compensation from future profits and hybrid financial instruments is explained in note (21) "Liabilities due to customers" and note (27) "Subordinated capital".

In addition to income from the remeasurement of compensation from future profits and hybrid financial instruments, the other operating result is characterised by the net profit in operating lease business and net reversals of/additions to provisions.

**(9) Taxes on income**

€ million	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
Current income taxes	2.8	-1.3
Deferred taxes	4.5	-0.9
<b>Total</b>	<b>7.3</b>	<b>-2.2</b>

(-) = income/(+) = expense

## Notes on the consolidated balance sheet (assets)

### (10) Loans and advances to banks

€ million	30 Sep. 2012	31 Mar. 2012
Loans and advances to banks (remaining term up to 1 year)	2,493.4	2,972.6
Loans and advances to banks (remaining term 1-5 years)	40.7	43.8
Loans and advances to banks (remaining term more than 5 years)	4.7	7.2
<b>Total</b>	<b>2,538.8</b>	<b>3,023.6</b>

The decline in loans and advances to banks essentially results from the utilisation of cash and cash equivalents for the early repayment and planned repayment of SoFFin-guaranteed bonds.

### (11) Loans and advances to customers

€ million	30 Sep. 2012	31 Mar. 2012
Loans and advances to customers (remaining term up to 1 year)	3,795.6	3,679.8
Loans and advances to customers (remaining term 1-5 years)	8,039.3	8,377.4
Loans and advances to customers (remaining term more than 5 years)	3,364.0	3,713.0
Finance lease receivables	1,965.0	2,013.4
<b>Total</b>	<b>17,163.9</b>	<b>17,783.6</b>

The drop in loans and advances to customers is mainly due to the expiry of loan agreements.

The carrying amount of loans and advances to customers includes hedge adjustments from hedged items in macro fair value hedge accounting for interest risks in the amount of € 209.3 million (31 March 2012: € 191.8 million).



**(12) Provisions for possible loan losses**

30 Sep. 2012 € million	Specific impairment losses		Portfolio impairment losses	Provisions for off- balance sheet transactions	Total
	Amortised cost	Finance lease receivables			
	Loans and advances to customers	Loans and advances to customers			
Opening balance as at 1 Apr. 2012	417.2	7.5	83.4	21.6	529.7
Utilisation	44.5	0.0	0.0	7.2	51.7
Reversal	26.0	8.2	13.7	4.0	51.9
Unwinding	10.0	0.0	0.0	0.3	10.3
Addition	53.7	6.5	0.0	4.4	64.6
Reclassification	0.0	-0.7	0.0	0.0	-0.7
Effect of exchange rate changes	1.3	0.1	0.0	0.1	1.5
Closing balance as at 30 Sep. 2012	391.7	5.2	69.7	14.6	481.2
less provisions	-	-	-	14.6	14.6
Provisions for possible loan losses as at 30 Sep. 2012	391.7	5.2	69.7	-	466.6

31 Mar. 2012 € million	Specific impairment losses		Portfolio impairment losses	Provisions for off- balance sheet transactions	Total
	Amortised cost	Finance lease receivables			
	Loans and advances to customers	Loans and advances to customers			
Opening balance as at 1 Apr. 2011	698.6	7.6	112.3	35.2	853.7
Utilisation	305.3	0.0	0.0	20.9	326.2
Reversal	123.9	10.2	30.6	15.3	180.0
Unwinding	20.4	0.0	0.0	0.4	20.8
Addition	166.0	10.3	1.8	22.9	201.0
Reclassification	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate changes	2.2	-0.2	-0.1	0.1	2.0
Closing balance as at 31 Mar. 2012	417.2	7.5	83.4	21.6	529.7
less provisions	-	-	-	21.6	21.6
Provisions for possible loan losses as at 31 Mar. 2012	417.2	7.5	83.4	-	508.1

Specific loan loss provisions on loans and advances to customers and provisions for off-balance sheet transactions are recognised to hedge the discernible risks in loans business.

Provisions for possible loan losses in the form of specific loan loss provisions on loans and advances to customers and provisions for off-balance sheet lending amounted to € 411.5 million as at 30 September 2012 (31 March 2012: € 446.3 million).

In addition, any further risks which have occurred but not yet been identified and which are not covered by individual write-downs are accounted for by way of portfolio provisions. Net reversals of specific portfolio provisions amounted to € 69.7 million as at 30 September 2012 (31 March 2012: € 83.4 million).

**(13) Assets held for trading**

€ million	30 Sep. 2012	31 Mar. 2012
Bonds and other fixed-income securities	3.4	26.8
Promissory note loans carried as trading assets	17.2	36.3
Asset derivatives	2,651.4	2,134.1
Asset derivatives offset by non-derivative financial instruments measured at fair value	275.9	266.8
Hedging derivatives with positive fair values	23.9	15.2
<b>Total</b>	<b>2,971.8</b>	<b>2,479.2</b>

The change in trading assets of € 0.5 billion is mainly due to higher positive fair values for derivatives.

**(14) Investment securities**

Investment securities include the following items:

€ million	30 Sep. 2012	31 Mar. 2012
Bonds and other fixed-income securities	7,885.8	7,865.5
Investments	65.0	75.4
of which in banks	0.2	0.2
Shares in non-consolidated subsidiaries	0.4	0.4
<b>Total</b>	<b>7,951.2</b>	<b>7,941.3</b>

**(15) Investments accounted for using the equity method**

€ million	30 Sep. 2012	31 Mar. 2012
Linde Leasing GmbH	10.2	10.0
MD Capital Beteiligungsgesellschaft mbH	0.5	0.5
<b>Total</b>	<b>10.7</b>	<b>10.5</b>

**(16) Property, plant and equipment**

€ million	30 Sep. 2012	31 Mar. 2012
Operating lease assets	165.1	156.2
Land and buildings including advance payments and assets under construction	12.0	12.2
Operating and office equipment	14.5	15.1
<b>Total</b>	<b>191.6</b>	<b>183.5</b>

**(17) Tax assets**

€ million	30 Sep. 2012	31 Mar. 2012
Current tax assets	24.7	22.3
Deferred tax assets	218.4	218.0
<b>Total</b>	<b>243.1</b>	<b>240.3</b>

Income tax is calculated in accordance with IAS 34.30 on the basis of the expected effective tax rate on the Bank's earnings before taxes.

Deferred tax assets and liabilities were offset in accordance with IAS 12 within tax groups and companies on the basis of maturities.

**(18) Other assets**

<b>€ million</b>	<b>30 Sep. 2012</b>	<b>31 Mar. 2012</b>
Lease receivables	104.6	94.4
Trade receivables	46.0	58.3
Prepaid expenses	42.0	48.1
Inventories	97.0	97.0
Other receivables	88.0	83.4
<b>Total</b>	<b>377.6</b>	<b>381.2</b>

The carrying amount of one property is reported under inventories.

**(19) Non-current assets held for sale**

This item includes loans and advances to customers held as available for sale of € 5.3 million (31 March 2012: € 14.6 million).

## Notes on the consolidated balance sheet (equity and liabilities)

### (20) Liabilities to banks

€ million	30 Sep. 2012	31 Mar. 2012
Liabilities to banks (remaining term up to 1 year)	6,467.9	5,158.9
Liabilities to banks (remaining term 1-5 years)	5,772.3	6,321.2
Liabilities to banks (remaining term more than 5 years)	1,430.4	1,741.7
<b>Total</b>	<b>13,670.6</b>	<b>13,221.8</b>

The rise in liabilities to banks is essentially due to short-term borrowing on the interbank market.

### (21) Liabilities due to customers

€ million	30 Sep. 2012	31 Mar. 2012
Liabilities due to customers (remaining term up to 1 year)	6,513.0	6,041.6
Liabilities due to customers (remaining term 1-5 years)	1,960.5	1,677.6
Liabilities due to customers (remaining term more than 5 years)	1,924.5	2,278.2
<b>Total</b>	<b>10,398.0</b>	<b>9,997.4</b>

The loans received with debt waivers and compensation from future profits measured in accordance with IAS 39 AG8 and reported in this item are measured at their present value as at the end of each reporting period. This is calculated using an estimate of the expected interest and principal cash flows discounted using the effective original yield. The carrying amount was € 295.9 million (31 March 2012: € 291.5 million) as at the end of the reporting period. The rise in the carrying amount is attributable to unwinding expenses (increase in carrying amount) of € 13.8 million and a remeasurement gain (decrease in carrying amount) of € 9.4 million.

### (22) Securitised liabilities

€ million	30 Sep. 2012	31 Mar. 2012
Bonds issued (remaining term up to 1 year)	93.4	2,181.1
Bonds issued (remaining term 1-5 years)	249.1	73.9
Bonds issued (remaining term more than 5 years)	12.9	22.2
<b>Total</b>	<b>355.4</b>	<b>2,277.2</b>

The € 1.9 billion decline in securitised liabilities (31 March 2012: € 5.4 billion) is essentially due to the repayment of SoFFin-guaranteed liabilities and bullet maturities.

The carrying amount of securitised liabilities includes changes in value of € 6.3 million (31 March 2012: € 5.8 million) from hedge adjustments on hedged items.

**(23) Liabilities held for trading**

€ million	30 Sep. 2012	31 Mar. 2012
Liability derivatives with negative fair values	3,710.7	3,181.5
Liability derivatives offset by non-derivative financial instruments measured at fair value	452.0	416.3
Hedging derivatives with negative fair values	325.1	237.8
<b>Total</b>	<b>4,487.8</b>	<b>3,835.6</b>

The change in liabilities held for trading of € 0.7 billion is mainly due to higher negative fair values for derivatives.

**(24) Provisions**

€ million	30 Sep. 2012	31 Mar. 2012
Pension provisions	93.9	30.2
Provisions for restructuring	14.6	13.3
Provisions for off-balance sheet transactions	14.6	21.6
Other provisions	87.1	99.3
<b>Total</b>	<b>210.2</b>	<b>164.4</b>

The rise in provisions for pensions and similar obligations is essentially the result of the actuarial interest rate used to calculate provisions. The interest rate declined by 1.75 percentage points from 5.25% to 3.5%.

**(25) Tax liabilities**

€ million	30 Sep. 2012	31 Mar. 2012
Current tax liabilities	103.3	103.9
Deferred tax liabilities	68.4	67.4
<b>Total</b>	<b>171.7</b>	<b>171.3</b>

Deferred tax assets and liabilities were offset in accordance with IAS 12 within tax groups and companies on the basis of maturities.

**(26) Other liabilities**

€ million	30 Sep. 2012	31 Mar. 2012
Trade payables	97.4	115.3
Deferred income	61.3	31.0
Restructuring liabilities	2.5	1.6
Other liabilities	295.1	335.6
<b>Total</b>	<b>456.3</b>	<b>483.5</b>

Other liabilities include an ABS transaction under which lease receivables were sold to an unconsolidated special purpose entity. The ABS transaction did not result in derecognition. The other liability to the acquirer of the ABS transaction amounts to € 269.2 million (31 March 2012: € 282.4 million).

**(27) Subordinated capital**

€ million	30 Sep. 2012	31 Mar. 2012
Subordinated liabilities	882.5	891.5
Profit participation certificates	13.2	11.9
Silent partnership contributions/preferred shares	103.9	114.3
<b>Total</b>	<b>999.6</b>	<b>1,017.7</b>

In subordinated capital, the "at fair value through profit or loss" item is reported at fair value and "other financial liabilities" are reported at amortised cost. Some items carried at amortised cost are measured in accordance with IAS 39 AG8. The changes in the carrying amounts of items measured at fair value are essentially due to credit ratings and interest rates. In the event of changes in forecasts for future payments on obligations measured at amortised cost, a new present value is calculated using the effective original return. The difference between the new present value and the previous carrying amount was recognised directly in profit or loss in the past financial year and the previous year. The effects are summarised in the following table:

€ million	Unwinding (interest expense)	Changes in present value (other operating income)	Unwinding (interest expense)	Changes in present value (other operating income)
	1 Apr. 2012 - 30 Sep. 2012		1 Apr. 2011 - 30 Sep. 2011	
Profit participation certificates	-0.5	-	-0.7	2.9
Silent partnership contributions/preferred shares	-0.5	0.8	-0.8	1.4
<b>Total</b>	<b>-1.0</b>	<b>0.8</b>	<b>-1.5</b>	<b>4.3</b>

Expenses are shown with a minus sign

**Subordinated liabilities**

As at 30 September 2012, there were the following significant subordinated liabilities in excess of € 100.0 million:

Year of issue	Original nominal amount € million*	Currency	Interest rate in %	Maturity
2003/2004	310.0	EUR	4.50	9. Jul. 2013
2006/2007	160.0	EUR	2.56	23 Jan. 2017
2008/2009	101.5	EUR	12.00	27 Nov. 2018

\* The original nominal amount of the subordinated liability maturing as at 23 January 2017 has been restated at the nominal amount as at the issue date.

**Profit participation certificates**

The profit participation capital breaks down as follows:

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

***Silent partnership contributions/preferred shares***

The following table shows the carrying amount of silent partnership contributions/preferred shares as at the end of the reporting period. This includes preferred shares that were issued by two US subsidiaries formed for this purpose and silent partnership contributions after loss participation.

<b>€ million</b>	<b>30 Sep. 2012</b>	<b>31 Mar. 2012</b>
Silent partnership contributions	12.8	33.6
Preferred shares	91.1	80.7
<b>Total</b>	<b>103.9</b>	<b>114.3</b>

## Notes on consolidated segment reporting

### (28) Segment reporting

Segment reporting is based on the internal income statement, which forms part of IKB's management information system. The presentation is based on the internal management reporting that is used by the full Board of Managing Directors as the chief operating decision-maker (CODM) to assess the performance of the segments and to allocate resources. Segment reporting is prepared in accordance with IFRS 8.

Segment reporting is in line with the Bank's product units. Segment information is presented to show each segment as an independent enterprise responsible for its own earnings and with the required capital resources.

#### **Segmentation**

Reporting is based on Bank products by the segments:

- Credit Products
- Advisory and Capital Markets
- Treasury and Investments
- Head Office/Consolidation.

The **Credit Products segment** reports the earnings components and asset positions from IKB's lending and leasing business. This includes regular loans and public programme loans, IKB Leasing Group business and mezzanine financing for companies by the subsidiary IKB Invest GmbH (formerly IKB Private Equity GmbH). The results of collateralised loan obligations, which relate to the loans of this segment, are also presented here.

The **Advisory and Capital Markets segment** comprises IKB's advisory activities in the fields of M&A, structuring, restructuring, structure/income optimisation and private equity. The sub-segment Capital Markets offers capital market solutions for equity and debt capital, risk management solutions in the area of customer derivatives, obtaining deposits from institutional investors and consulting services and structuring for securitisation transactions.

The **Treasury and Investments segment** reports the earnings components resulting from investment decisions by Treasury in the context of asset/liability management and inventories of liquid or ECB-eligible securities. The segment also includes structured investments such as bonds and promissory note loans, IKB's portfolio investments, which represent IKB's investments in securitisation products including first loss pieces and IKB's proprietary trading. Credit exposures that are no longer included in the strategic portfolio and assets of IKB not directly related to customers and managed as investments are also assigned to the Treasury and Investments segment. These portfolios are intended to be reduced while protecting equity by way of active portfolio management.

#### **Segment results and key figures**

Income and expenses are allocated to the segments in accordance with their respective profit responsibility. Net interest income from lending business is calculated using the market interest method and is allocated to the segments on a theoretical basis as a net factor (in accordance with IFRS 8.23). The segments are regarded as independent entities with their own capital resources. Capital is allocated based on risk-weighted assets (in accordance with the standard Basel II approach) with an equity ratio of 8%, taking into account existing hybrid funds. In the Head Office/Consolidation column, the tier I capital attributable to the segments is reconciled to consolidated IFRS Group equity as at 1 April of the respective financial year. In addition to the investment income from this economic capital, net interest income also comprises expenditure for hybrid and subordinated capital. The interest rate for equity investments corresponds to a risk-free interest rate on the long-term capital market.



The reported carrying amount of the provision for possible loan losses in the segments corresponds to the difference between additions to and reversals of valuation allowances for credit defaults and the recoveries on loans and advances previously written off.

To the extent that such costs can be properly allocated, head office staff and operating expenses are allocated to the segments. Project costs are allocated to the segments if the projects were directly attributable to them. Administrative expenses for projects and corporate functions incurred for company law and regulatory reasons are allocated to the Head Office/Consolidation segment.

The performance of a segment is indicated by its operating result. The results are also measured on the basis of its return on equity and cost/income ratio. The return on equity is the ratio of the operating result to the average allocated equity. IKB calculates the cost/income ratio as the ratio of administrative expenses to reported income items not including the provision for possible loan losses.

### Segment reporting

€ million	Credit Products		Advisory and Capital Markets		Treasury and Investments		Head Office/ Consolidation		Total	
	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*
Net interest income	97.9	100.8	0.7	0.9	-14.5	-9.5	-26.1	-12.4	58.0	79.6
Provisions for possible loan losses	10.5	-8.8	0.0	0.0	1.6	-17.2	-0.2	-0.4	11.0	-26.4
<b>Net interest income after provisions for possible loan losses</b>	<b>87.4</b>	<b>109.6</b>	<b>0.7</b>	<b>0.9</b>	<b>-16.1</b>	<b>7.7</b>	<b>-26.9</b>	<b>-12.0</b>	<b>46.1</b>	<b>106.2</b>
Net fee and commission income	4.9	6.1	11.6	16.6	-29.3	-54.5	0.7	1.0	-12.1	-30.8
Net income from financial instruments at fair value	-0.2	0.5	3.0	3.3	11.9	-344.4	-26.1	68.0	-11.4	-272.6
Net income from investment securities	0.0	0.0	0.0	0.0	29.0	-10.4	0.1	0.7	29.1	-9.7
Net income from investments accounted for using the equity method	0.7	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.3
Administrative expenses	55.6	55.7	32.6	33.5	22.6	28.5	35.1	30.5	145.9	148.2
Net other operating income	8.6	4.9	1.4	1.3	5.9	2.2	8.4	33.6	24.3	42.0
<b>Operating result</b>	<b>45.8</b>	<b>66.7</b>	<b>-15.9</b>	<b>-11.4</b>	<b>-21.2</b>	<b>-427.9</b>	<b>-77.9</b>	<b>60.8</b>	<b>-69.2</b>	<b>-311.8</b>
Cost/income ratio in %	49.6	49.0	195.2	151.6	753.3	-6.8	-	-	164.7	-78.0
Return on equity in %	15.3	24.3	0.0	0.0	-8.7	-153.9	-	-	-32.6	-66.1
Average allocated equity	600	548	0	0	488	556	-663	-161	425	943
Credit volume	13,707	14,714	0	0	17,470	17,123	412	169	31,580	32,006
New business volume	1,461	1,577	0	0	12	33	0	0	1,473	1,610

\* Figures restated

### Head Office/Consolidation reconciliation

In the statement of reconciliation, the earnings and assets allocated to the segments on the basis of the internal reporting systems are reconciled to the consolidated financial statements. IKB's earnings are influenced by extraordinary factors that cannot be controlled by the operating units and for which they cannot be held responsible. In particular, these extraordinary factors include accounting effects from the rating-driven measurement of liabilities and the measurement of liabilities in accordance with IAS 39 AG8.

The "Consolidation" column is used to show the effects of methodological differences between management reporting and the consolidated financial statements as well as intra-Group consolidation matters separately for each item.

€ million	Other		Consolidation		Head Office/ Consolidation	
	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011
Net interest income	-22.6	-20.2	-3.5	7.8	-26.1	-12.4
Provisions for possible loan losses	-0.3	-0.4	0.1	0.0	-0.2	-0.4
<b>Net Interest income after provisions for possible loan losses</b>	<b>-22.3</b>	<b>-19.8</b>	<b>-3.6</b>	<b>7.8</b>	<b>-25.9</b>	<b>-12.0</b>
Net fee and commission income	0.3	0.6	0.4	0.4	0.7	1.0
Net income from financial instruments at fair value	-23.0	71.3	-3.1	-3.3	-26.1	68.0
Net income from investment securities	0.1	0.7	0.0	0.0	0.1	0.7
Net income from investments accounted for using the equity method	0.0	0.0	0.0	0.0	0.0	0.0
Administrative expenses	35.1	30.5	0.0	0.0	35.1	30.5
Net other operating income	8.8	33.3	-0.4	0.3	8.4	33.6
<b>Operating result</b>	<b>-71.2</b>	<b>55.6</b>	<b>-6.7</b>	<b>5.2</b>	<b>-77.9</b>	<b>60.8</b>
Credit volume	0	169	412	0	412	169

### Results by geographical market

The allocation of income, expenditure and credit volumes is based on the domicile of the respective facility or Group company.

€ million	Germany		Rest of Europe		Americas		Total	
	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*
Net interest income	8.0	27.3	45.2	44.1	4.8	8.4	58.0	79.8
Provisions for possible loan losses	0.4	-37.7	11.5	11.3	0.0	0.0	11.9	-26.4
<b>Net Interest income after provisions for possible loan losses</b>	<b>7.6</b>	<b>65.0</b>	<b>33.7</b>	<b>32.8</b>	<b>4.8</b>	<b>8.4</b>	<b>46.1</b>	<b>106.2</b>
Net fee and commission income	-16.7	-35.9	4.6	5.1	0.0	0.0	-12.1	-30.8
Net income from financial instruments at fair value	1.7	-328.2	-2.3	4.6	-10.8	51.0	-11.4	-272.6
Net income from investment securities	14.3	0.4	14.8	-10.1	0.0	0.0	29.1	-9.7
Net income from investments accounted for using the equity method	0.7	1.3	0.0	0.0	0.0	0.0	0.7	1.3
Administrative expenses	129.1	129.3	16.8	18.9	0.0	0.0	145.9	148.2
Net other operating income	22.4	41.5	1.2	-0.9	0.7	1.4	24.3	42.0
<b>Operating result</b>	<b>-99.1</b>	<b>-385.2</b>	<b>35.2</b>	<b>12.6</b>	<b>-5.3</b>	<b>60.8</b>	<b>-69.2</b>	<b>-311.8</b>
Credit volume	27,727	27,146	3,832	4,844	30	16	31,589	32,006

\* Figures restated

**Notes on financial instruments****(29) Classification of financial instruments in accordance with IFRS 7**

The following table contains the carrying amounts of the Bank's financial instruments (before deduction of risk provisions) in accordance with the IFRS 7 reporting classes (titles not identical to balance sheet items).

The cash reserve is shown in the balance sheet. Amounts are recognised at nominal amount, which is a sufficient approximation of fair value. They are not considered again in the IFRS 7 information below.

IFRS 7 reporting categories for financial instruments € million	30 Sep. 2012	31 Mar. 2012
<b>Assets</b>		
<b>Fair value through profit or loss</b>		
<b>Held for trading</b>	<b>2,947.9</b>	<b>2,464.0</b>
<i>Assets held for trading</i>	2,672.0	2,197.2
<i>Asset derivatives offset by non-derivative financial instruments measured at fair value</i>	275.9	266.8
<b>Fair value option</b>	<b>1,918.1</b>	<b>2,073.7</b>
<i>Loans and advances to customers</i>	8.9	9.0
<i>Investment securities</i>	1,909.2	2,064.7
<b>Hedging derivatives</b>		
<i>Assets held for trading</i>	23.9	15.2
<b>Fair value in equity</b>		
<b>Available for sale</b>	<b>3,065.1</b>	<b>2,951.8</b>
<i>Investment securities</i>	3,065.1	2,951.8
<b>Carried at amortised cost</b>		
<b>Loans and receivables</b>	<b>20,711.1</b>	<b>21,724.2</b>
<i>Loans and advances to banks</i>	2,538.8	3,023.6
<i>Loans and advances to customers (including hedge fair value adjustments)</i>	15,190.1	15,761.2
<i>Investment securities</i>	2,976.9	2,924.8
<i>Non-current assets held for sale</i>	5.3	14.6
<b>Receivables from finance leases</b>		
<i>Loans and advances to customers</i>	1,964.9	2,013.4
<b>Other financial instruments not covered by IFRS 7</b>		
<i>Investments accounted for using the equity method</i>	10.7	10.5
<b>Total</b>	<b>30,641.7</b>	<b>31,252.8</b>
<b>Equity and liabilities</b>		
<b>Fair value through profit or loss</b>		
<b>Held for trading</b>	<b>4,162.7</b>	<b>3,597.8</b>
<i>Liabilities held for trading</i>	3,710.7	3,181.5
<i>Liability derivatives offset by non-derivative financial instruments measured at fair value</i>	452.0	416.3
<b>Fair value option</b>	<b>2,863.1</b>	<b>4,939.9</b>
<i>Liabilities to banks</i>	654.0	655.2
<i>Liabilities due to customers</i>	1,870.7	1,840.8
<i>Securitised liabilities</i>	131.0	2,224.1
<i>Subordinated capital</i>	207.4	219.8
<b>Hedging derivatives</b>		
<i>Liabilities held for trading</i>	325.1	237.8
<b>Carried at amortised cost</b>		
<b>Other financial liabilities</b>	<b>22,560.5</b>	<b>21,574.2</b>
<i>Liabilities to banks</i>	13,016.6	12,566.6
<i>Liabilities due to customers</i>	8,527.3	8,156.6
<i>Securitised liabilities</i>	224.4	53.1
<i>Subordinated capital</i>	792.2	797.9
<b>Total</b>	<b>29,911.4</b>	<b>30,349.7</b>
<b>Off-balance sheet transactions</b>		
Contingent liabilities	253.5	340.1
Other obligations	1,150.5	1,609.7
<b>Total</b>	<b>1,404.0</b>	<b>1,949.8</b>

**(30) Fair value of financial assets and liabilities****Comparison of fair values and the corresponding carrying amounts**

€ million	Fair value		Carrying amount		Difference	
	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012
<b>Assets</b>						
<b>Loans and receivables</b>	<b>20,197.2</b>	<b>20,972.2</b>	<b>20,319.4</b>	<b>21,307.0</b>	<b>-122.2</b>	<b>-334.8</b>
<i>Loans and advances to banks</i>	2,539.5	3,034.4	2,538.8	3,023.6	0.7	10.8
<i>Loans and advances to customers (including hedge fair value adjustments)</i>	14,615.3	15,022.4	14,798.4	15,344.0	-183.1	-321.6
<i>Investment securities</i>	3,037.1	2,900.8	2,976.9	2,924.8	60.2	-24.0
<i>Non-current assets held for sale</i>	5.3	14.6	5.3	14.6	-	-
<b>Finance lease receivables</b>	<b>1,959.7</b>	<b>2,005.9</b>	<b>1,959.7</b>	<b>2,005.9</b>	<b>-</b>	<b>-</b>
<i>Loans and advances to customers</i>	1,959.7	2,005.9	1,959.7	2,005.9	-	-
<b>Assets after provisions for possible loan losses</b>	<b>22,156.9</b>	<b>22,978.1</b>	<b>22,279.1</b>	<b>23,312.9</b>	<b>-122.2</b>	<b>-334.8</b>
<b>Equity and liabilities</b>						
<b>Other financial liabilities</b>	<b>22,971.5</b>	<b>21,806.7</b>	<b>22,560.5</b>	<b>21,574.2</b>	<b>411.0</b>	<b>232.5</b>
<i>Liabilities to banks</i>	13,325.5	12,823.9	13,016.6	12,566.6	308.9	257.3
<i>Liabilities due to customers</i>	8,804.7	8,299.8	8,527.3	8,156.6	277.4	143.2
<i>Securitised liabilities (including hedge fair value adjustments)</i>	200.4	28.3	224.4	53.1	-24.0	-24.8
<i>Subordinated capital</i>	640.9	654.7	792.2	797.9	-151.3	-143.2
<b>Equity and liabilities</b>	<b>22,971.5</b>	<b>21,806.7</b>	<b>22,560.5</b>	<b>21,574.2</b>	<b>411.0</b>	<b>232.5</b>

The carrying amount of loans and advances to customers is shown less specific impairment losses in the amount of € 396.9 million (31 March 2012: € 424.7 million).

**Level classification**

IFRS 7 defines a three-level hierarchy (levels 1 to 3) for disclosures in the notes. The following section discusses the fundamental criteria for distinguishing between the individual level hierarchies to which financial instruments at fair value are allocated:

**Level 1.** Level 1 includes unadjusted quoted prices on active markets that can be applied by an entity for identical assets and liabilities at the measurement date.

An entity must also have access to the market on the respective measurement date. An active market is one on which transactions occur with sufficient frequency and in a sufficient volume to allow permanent price information to be available.

At IKB, the Level 1 hierarchy is primarily used to report corporate and government bonds. The assessment as to whether securities are traded on an active market is performed on a daily basis using a statistical analysis of prices obtained from various market participants (e.g. Bloomberg) and analysed using statistical methods (e.g. outlier method).

**Level 2.** Level 2 comprises all financial instruments whose input factors for calculating fair value can be observed directly, i.e. as a price, or indirectly, i.e. derived from prices. Fair values calculated using DCF procedures or option pricing models whose input parameters can be observed on the market are also reported in level 2. At IKB, level 2 includes all instruments that cannot be allocated to level 1 or level 3.

**Level 3.** Financial instruments for which input factors cannot be observed on active markets are measured using valuation models. If measurement parameters have a significant influence on determining the fair value and these input factors cannot be observed, the financial instruments are allocated to level 3. The fair value must be determined from the perspective of knowledgeable, willing and independent market participants, meaning that significant unobservable input parameters must reflect the assumptions made by market participants in pricing, including risk assumptions.



**(31) Derivatives**

The following table shows a breakdown of derivatives:

€ million	Nominal amount		Fair value					
			Positive		Negative		Total	
	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012
Interest rate derivatives	58,322.2	68,096.1	2,783.6	2,277.8	4,303.1	3,665.4	-1,519.5	-1,387.6
Credit derivatives	824.8	229.1	9.9	0.4	16.6	9.1	-6.7	-8.7
Currency derivatives	4,198.2	3,776.9	155.7	137.9	168.1	161.1	-12.4	-23.2
<b>Total</b>	<b>63,345.2</b>	<b>72,102.1</b>	<b>2,949.2</b>	<b>2,416.1</b>	<b>4,487.8</b>	<b>3,835.6</b>	<b>-1,538.6</b>	<b>-1,419.5</b>

## Other disclosures

### (32) Income taxes in other comprehensive income

€ million	As at 1 Apr. 2012	Changes recognised directly in equity	Changes recognised in profit or loss	Before income tax effects as at 30 Sep. 2012	Income tax effects on changes recognised directly in equity	Income tax effects on changes recognised directly in profit or loss	After income tax effects as at 30 Sep. 2012
Financial assets available for sale	-10.6	63.5	-10.0	43.0	-19.8	3.1	26.3
Derivatives hedging fluctuations in future cash flows	-4.9	0.3	-	-4.6	-	-	-4.6
Currency translation reserve	-19.1	1.1	-	-18.0	-	-	-18.0
Actuarial gains/losses (IAS 19)	-45.8	-65.6	-	-111.4	20.6	-	-90.8
<b>Total</b>	<b>-80.3</b>	<b>-0.7</b>	<b>-10.0</b>	<b>-91.0</b>	<b>0.8</b>	<b>3.1</b>	<b>-87.1</b>

€ million	As at 1 Apr. 2011	Changes recognised directly in equity	Changes recognised in profit or loss	Before income tax effects as at 30 Sep. 2011	Income tax effects on changes recognised directly in equity	Income tax effects on changes recognised directly in profit or loss	After income tax effects as at 30 Sep. 2011
Financial assets available for sale	-36.0	-7.6	3.6	-39.0	2.4	-1.1	-37.7
Derivatives hedging fluctuations in future cash flows	-1.5	-4.3	-	-5.8	1.4	-	-4.4
Currency translation reserve	-17.5	0.8	-	-16.7	-	-	-16.7
Actuarial gains/losses (IAS 19)	-24.6	-20.3	-	-44.9	6.4	-	-38.5
<b>Total</b>	<b>-78.6</b>	<b>-31.4</b>	<b>3.6</b>	<b>-106.4</b>	<b>10.2</b>	<b>-1.1</b>	<b>-97.3</b>

### (33) Contingent assets/liabilities and other commitments

IKB's contingent liabilities and other commitments break down as follows:

€ million	30 Sep. 2012	31 Mar. 2012
<b>Contingent liabilities</b>	<b>253.5</b>	<b>340.1</b>
<b>Other obligations</b>	<b>1,150.5</b>	<b>1,609.7</b>
Commitments up to one year	728.1	995.1
Commitments of more than one year	422.4	614.6
<b>Total</b>	<b>1,404.0</b>	<b>1,949.8</b>

Contingent liabilities are offset by contingent assets in the same amount.

The figures presented reflect the amounts that would have to be paid if the respective customers were to use the relevant credit facilities in full, adjusted for provisions.

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

### (34) Other financial obligations

As at the end of the reporting period, the Group's payment obligations from equities not fully paid in, investments in GmbHs, investments in non-consolidated subsidiaries, the interests held by IKB Invest GmbH (formerly IKB Private Equity GmbH) and subordinated loans amounted to € 1.3 million (31 March 2012: € 1.3 million).

Other financial obligations for rental agreements, leases and other agreements totalled € 283.6 million on 30 September 2012 (31 March 2012: € 279.3 million).



In accordance with section 5(10) of the by-laws of the Deposit Protection Fund, IKB AG is required to indemnify the Association of German Banks from losses incurred by the latter due to assistance provided for another bank in which IKB AG holds the respective majority of the shares or over which it can directly or indirectly exercise control.

### (35) Disclosures on collateral

#### *Disclosures on collateral provided for own liabilities and contingent liabilities*

The following table provides an overview of all assets (except for cash collateral payments) pledged as collateral by IKB. This also includes collateral that the secured party can dispose of freely and for which the secured party has a customary right of resale.

€ million	Assets provided as collateral	
	30 Sep. 2012	31 Mar. 2012
<b>Assets</b>		
<b>Fair value through profit or loss</b>		
<b>Held for trading</b>	<b>14.1</b>	<b>12.3</b>
Assets held for trading	14.1	12.3
<b>Fair value option</b>	<b>1,200.5</b>	<b>843.5</b>
Investment securities	1,200.5	843.5
<b>Fair value in equity</b>		
<b>Available for sale</b>	<b>1,637.0</b>	<b>1,429.6</b>
Investment securities	1,637.0	1,429.6
<b>Carried at amortised cost</b>		
<b>Loans and receivables</b>	<b>10,560.0</b>	<b>10,974.8</b>
Loans and advances to banks	1.3	1.4
Loans and advances to customers	8,452.7	9,144.4
Investment securities	2,106.0	1,829.0
<b>Total</b>	<b>13,411.6</b>	<b>13,260.2</b>

Fixed-income securities with a nominal volume of € 2.3 billion (31 March 2012: € 3.0 billion) have been transferred as collateral for the tender business of the European Central Bank and for general collateral pooling with Eurex Repo GmbH. In addition, loan receivables with a nominal amount of € 0.4 billion (31 March 2012: € 0.2 billion) have been deposited with Deutsche Bundesbank.

As at the end of the reporting period, these credit facilities had been utilised to a total of € 5.0 billion (31 March 2012: € 4.8 billion).

IKB AG has transferred a total of € 10,558.7 million (31 March 2012: € 10,973.4 million) in loans and advances to customers and investment securities to other banks (particularly KfW) as collateral.

As at the end of the reporting period, there were cash collateral payments amounting to € 1.3 million (31 March 2012: € 1.5 million) in connection with lending business.

Cash collateral in the amount of € 2.1 billion (31 March 2012: € 2.0 billion) was assigned for OTC derivatives as part of collateral management.

Securities with a nominal value of € 69.7 million (31 March 2012: € 184.2 million) have been deposited with Clearstream Banking AG, Frankfurt/Main, for compliance with payment obligations in securities transactions. As at the end of the reporting period, no securities had been deposited with Clearstream Banking S.A., Luxembourg, as collateral (31 March 2012: nominal value of € 7.0 million). In trading on EUREX Germany, securities for margin obligations have been lodged with Barclays, London, with a nominal value of € 5.0 million (31 March 2012: € 22.0 million).

Securities with a nominal volume of € 417.4 million (31 March 2012: € 417.4 million) have been pledged to KfW, Frankfurt/Main, to help hedge joint business concepts and cash collateral of € 230.0 million (31 March 2012: € 230.0 million) has been provided. € 33.1 million (31 March 2012: € 30.0 million) has been pledged as cash collateral at other banks. Additional securities with a nominal volume of € 171.6 million (31 March 2012: € 165.0 million) were pledged as collateral to various banks to secure global loans.

### (36) Securities repurchase agreements

In the context of repurchase agreement business, securities with a nominal volume of € 4.1 billion (31 March 2012: € 3.8 billion) were transferred as at the end of the reporting period. The carrying amounts of the investment securities transferred as at the end of the reporting period were € 3.3 billion (31 March 2012: € 2.1 billion) (repo transactions). These assets included collateral that can be resold or repledged.

Securities with a nominal volume of € 0.1 billion (31 March 2012: € 0.5 billion) were deposited with SIX SIS Ltd., Switzerland, to hedge repo transactions with various Swiss counterparties.

The repurchase agreements resulted in deposits from other banks of € 3.2 billion (31 March 2012: € 2.0 billion).

€ million	Repurchase agreements		Corresponding purchase price liabilities (liabilities to banks or customers)	
	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012
<b>Assets</b>				
<b>Fair value through profit or loss</b>				
Fair value option	459.2	257.7	441.4	248.8
Investment securities	459.2	257.7	441.4	248.8
<b>Fair value in equity</b>				
Available for sale	1,118.3	237.5	1,054.5	221.5
Investment securities	1,118.3	237.5	1,054.5	221.5
<b>Carried at amortised cost</b>				
Loans and receivables	1,714.7	1,601.6	1,665.6	1,511.4
Investment securities	1,714.7	1,601.6	1,665.6	1,511.4
<b>Total</b>	<b>3,292.2</b>	<b>2,096.8</b>	<b>3,161.5</b>	<b>1,981.7</b>

### (37) Average number of employees

	30 Sep. 2012	31 Mar. 2012
Men	937	968
Women	556	576
<b>Total</b>	<b>1,493</b>	<b>1,544</b>

**(38) Related party disclosures*****Receivables from and liabilities to non-consolidated subsidiaries and other investment companies***

Related party transactions primarily relate to refinancing and capital strengthening measures by the parent of IKB's main shareholder LSF6 Europe Financial Holdings, L.P. and companies assigned to it. Loans and advances to customers primarily relate to loans issued to associated companies and other investees and investors that are non-consolidated subsidiaries.

The following table shows the related parties in accordance with IAS 24.19:

€ million	Companies allocated to the parent company		Subsidiaries		Joint ventures/ associates		Total	
	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012	30 Sep. 2012	31 Mar. 2012
<b>Receivables</b>								
Loans and advances to banks	8.0	6.9	-	-	-	-	8.0	6.9
Loans and advances to customers	-	-	0.4	18.6	43.9	50.1	44.3	68.7
Assets held for trading	0.1	-	-	3.2	4.2	2.2	4.3	5.4
Bonds and other fixed-income securities	-	-	0.4	0.4	2.5	2.5	2.9	2.9
Other assets	-	-	-	-	0.2	-	0.2	-
<b>Total</b>	<b>8.1</b>	<b>6.9</b>	<b>0.8</b>	<b>22.2</b>	<b>50.8</b>	<b>54.8</b>	<b>59.7</b>	<b>83.9</b>
<b>Liabilities</b>								
Liabilities due to customers	307.3	311.4	0.5	-	-	-	307.8	311.4
Liabilities held for trading	8.1	6.8	-	-	-	-	8.1	6.8
<b>Total</b>	<b>315.4</b>	<b>318.2</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315.9</b>	<b>318.2</b>

There have been no significant changes in the net assets, financial position or results of operations due to related party transactions as against 31 March 2012.

***Letter of comfort***

IKB undertakes to ensure that its subsidiaries indicated in the scope of consolidation (Note (41)) as protected by the letter of comfort are able to meet their contractual obligations with the exception of the event of political risk.

The letters of comfort for the foreign subsidiaries of IKB Leasing GmbH, Hamburg, and IKB Leasing Berlin GmbH, Erkner, were withdrawn. Subsequent liability risks could arise from existing liabilities to third parties of € 7 million.

IKB Invest GmbH (formerly IKB Private Equity GmbH) issued a letter of comfort for IKB Equity Capital Fund GmbH (formerly IKB Equity Capital Fund I GmbH & Co. KG) so that it can meet its obligations under loan and guarantee agreements transferred to it under a spin-off and transfer agreement, including the reimbursement of prosecution and legal costs.

In addition to the existing letter of comfort, IKB also issued a commitment to provide sufficient capital and liquidity for IKB Projektentwicklung GmbH & Co. KG in the 2012/13 financial year.

IKB Leasing Berlin GmbH, Erkner, and IKB Leasing GmbH, Hamburg, have issued unrestricted letters of comfort for IKB Leasing S.R.L., Bucharest, and IKB Leasing Finance IFN SA, Bucharest, for the continuation of the respective companies and for their respective guarantee liabilities.

**(39) Events after 30 September 2012**

The following new developments have occurred since 30 September 2012:

***SoFFin guarantees***

IKB repaid SoFFin guarantees of € 650 million ahead of schedule on 26 October 2012. This related to the bond ISIN DE000A0SMPB1 (maturing on 1 February 2013). IKB returned the SoFFin guarantees still outstanding under this bond in the amount of € 100 million on 31 October 2012. It has therefore been repaid in full.

IKB's SoFFin guarantee was therefore reduced to a total of € 750 million as a result of the repayment as at 31 October 2012. This amount relates to the bond ISIN DE000A0SMPA3 maturing on 2 February 2015.

***Buyback of IKB Funding Trust I and Funding Trust II***

The IKB Group ended its purchase programme for the listed issues of IKB Funding Trust I, ISIN DE0008592759, and IKB Funding Trust II, ISIN XS0194701487 on 30 October 2012. It was intended that the units would be acquired by Matrona GmbH, a company of the IKB Group.

The required approval rating for the proposed contractual amendments to IKB Funding Trust I of not less than 66 2/3 % of investors needed for acceptance of the offer was not achieved. On the basis of the purchase programme, IKB will therefore not be acquiring the securities of IKB Funding Trust I or IKB Funding Trust II.

**(40) Executive bodies*****Board of Managing Directors***

Hans Jörg Schüttler (Chairman of the Board of Managing Directors)  
Dr Dieter Glüder  
Claus Momburg  
Dr Michael H. Wiedmann

***Supervisory Board***

Bruno Scherrer (Chairman)  
Dr Karsten von Köller (Deputy Chairman)  
Stefan A. Baustert  
Olivier Brahin (until 25 May 2012)  
Dr Lutz-Christian Funke  
Jordi Goetstouwers (since 23 August 2012)  
Ulrich Grillo  
Arndt G. Kirchhoff  
Bernd Klein\*  
Michael Kolbeck (since 23 August 2012)  
Dr Claus Nolting  
Nicole Riggers\*  
Dr Carola Steingraber\*  
Carmen Teufel\*  
Dr Andreas Tuczka  
Ulrich Wernecke\*

\* Employee representative

## (41) Scope of consolidation as at 30 September 2012

	Letter of comfort	Share of capital in %
<b>A. Consolidated subsidiaries</b>		
<b>1 Foreign banks</b>		
IKB International S.A. in Liquidation, Luxembourg <sup>3)</sup>	x	100
<b>2 Other German companies</b>		
Aleanta GmbH, Düsseldorf		100
Erste Equity Suporta GmbH, Düsseldorf		100 <sup>1)</sup>
Equity Fund GmbH, Düsseldorf		100 <sup>1)</sup>
IKB Autoleasing GmbH, Hamburg	x	100 <sup>1)</sup>
IKB Beteiligungen GmbH, Düsseldorf	x	100
IKB Data GmbH, Düsseldorf	x	100
IKB Equity Capital Fund GmbH, Düsseldorf	x	100 <sup>1)</sup>
IKB Grundstücks GmbH & Co. Objekt Holzhausen KG, Düsseldorf	x	100
IKB Grundstücks GmbH, Düsseldorf	x	100
IKB Leasing Berlin Gesellschaft mit beschränkter Haftung, Erkner	x	100 <sup>1)</sup>
IKB Leasing Gesellschaft mit beschränkter Haftung, Hamburg	x	100 <sup>1)</sup>
IKB Invest GmbH, Düsseldorf (formerly: IKB Private Equity GmbH)	x	100 <sup>1)</sup>
IKB Projektentwicklung GmbH & Co. KG i. L., Düsseldorf	x	100
Istop 1 GmbH, Düsseldorf		100
Istop 2 GmbH, Düsseldorf		100
Istop 4 GmbH, Düsseldorf		100
Istop 5 GmbH, Düsseldorf		100
IKB Struktur GmbH, Düsseldorf		100 <sup>1)</sup>
IMAS Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf	x	100
ISTOS Beteiligungsverwaltungs- und Grundstücks- Vermietungsgesellschaft mbH, Düsseldorf	x	100
ISTOS Dritte Beteiligungsverwaltungs- und Grundstücksvermietungsgesellschaft mbH & Co. KG, Düsseldorf		100
ISTOS Erste Beteiligungsverwaltungs- und Grundstücksvermietungsgesellschaft mbH & Co. KG, Düsseldorf	x	100
ISTOS Zweite Beteiligungsverwaltungs- und Grundstücksvermietungsgesellschaft mbH & Co. KG, Düsseldorf		100
Projektbeteiligung TH GmbH & Co. KG, Düsseldorf		89.8
Tempelhofer Hafen GmbH & Co. KG, Düsseldorf		94.9 <sup>1)</sup>
MATRONA GmbH, Düsseldorf		100 <sup>1)</sup>
Zweite Equity Suporta GmbH, Düsseldorf		100 <sup>1)</sup>

1) Indirect shareholding

2) Subordinated letter of comfort

3) In liquidation (bank licence returned)

4) In liquidation

	Letter of comfort	Share of capital in %
<b>3 Other foreign companies</b>		
IKB Capital Corporation, New York <sup>4)</sup>		100
IKB Finance B.V., Amsterdam	x	100
IKB Funding LLC II, Wilmington	x <sup>2)</sup>	100
IKB Funding LLC I, Wilmington	x <sup>2)</sup>	100
IKB Leasing Austria GmbH, Vienna		100 <sup>1)</sup>
IKB Leasing CR s.r.o., Prague		100 <sup>1)</sup>
IKB Leasing Finance IFN SA, Bucharest		100 <sup>1)</sup>
IKB Leasing France S.A.R.L., Marne La Vallée Cedex 4		100 <sup>1)</sup>
IKB Leasing Korlátolt Felelősségű Társaság, Budapest		100 <sup>1)</sup>
IKB Leasing Polska Sp.z.o.o, Poznan		100 <sup>1)</sup>
IKB Leasing SR, s.r.o, Bratislava		100 <sup>1)</sup>
IKB Leasing S.R.L., Bucharest		100 <sup>1)</sup>
IKB LuxBeteiligungen S.à.r.l, Luxembourg	x	100
IKB Pénzügyi Lízing zártkörűen működő Részvénytársaság, Budapest		100 <sup>1)</sup>
STILL LOCATION S.à.r.l., Marne La Vallée Cedex 4		100 <sup>1)</sup>
IKBL Renting and Service S.r.l., Lainate (MI)		100 <sup>1)</sup>
IKB Leasing geschlossene Aktiengesellschaft, Moscow		100 <sup>1)</sup>
<b>B. Joint ventures/associates</b>		
Linde Leasing GmbH, Wiesbaden		30 <sup>1)</sup>
MD Capital Beteiligungsgesellschaft mbH, Düsseldorf		50 <sup>1)</sup>
<b>C. Special purpose entities in accordance with SIC 12</b>		
Bacchus 2008-1 Plc, Dublin		
Bacchus 2008-2 Plc, Dublin		
Partner Fonds Europa Renten Teilfonds I, Luxembourg		
Partner Fonds Government & Covered Select, Luxembourg		
German Mittelstand Equipment Finance No. 1 S.A., Luxembourg		
Rio Debt Holdings Ltd., Dublin		

1) Indirect interest

2) Subordinated letter of comfort

3) In liquidation (bank licence returned)

4) In Liquidation

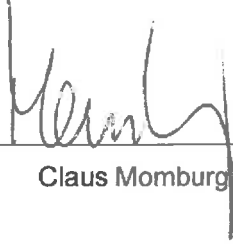
Düsseldorf, 12 November 2012

IKB Deutsche Industriebank AG  
The Board of Managing Directors



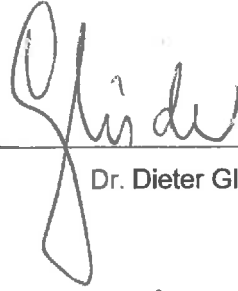
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Hans Jörg Schüttler



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Claus Momburg



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Dr. Dieter Glüder



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Dr. Michael H. Wiedmann

**Responsibility statement in accordance with section 37y WpHG in conjunction with section 37w(2) no. 3 WpHG**

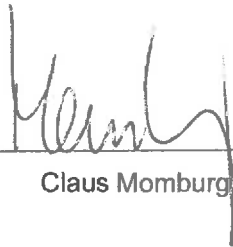
To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the condensed interim consolidated financial statements present a true and fair view of the assets, liabilities, and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Düsseldorf, 12 November 2012

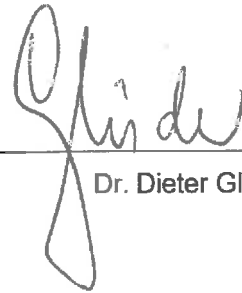
IKB Deutsche Industriebank AG  
The Board of Managing Directors



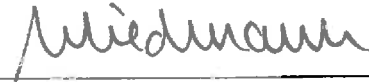
Hans Jörg Schüttler



Claus Momburg



Dr. Dieter Glüder



Dr. Michael H. Wiedmann



**Supplemental information pertaining to the Summary Note**

Element B.12 in the section "Section B – The Issuer" on pages 4 to 6 of the Summary Note shall be supplemented by the following:

<b>B.12</b>	<b>Selected Historical Key Financial Information</b>	<i>Summary of Selected Financial Information</i>			
		The consolidated financial statements of IKB AG as of and for the financial years ended 31 March 2011 and 31 March 2012 and the annual financial statements of IKB AG as of and for the financial year ended 31 March 2012 were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC"). PwC has issued an unqualified auditors' report for the afore-mentioned consolidated financial statements and annual financial statements.			
		<i>Consolidated statement of comprehensive income</i>			
		€ million	Note	1 Apr. 2012 - 30 Sep. 2012	1 Apr. 2011 - 30 Sep. 2011*
		<b>Net interest income</b>	(1)	58.0	79.8
		Interest income		804.3	836.9
		Interest expenses		746.3	757.1
		<b>Provisions for possible loan losses</b>	(2)	11.9	-26.4
		<b>Net interest income after provisions for possible loan losses</b>		46.1	106.2
		<b>Net fee and commission income</b>	(3)	-12.1	-30.8
		Fee and commission income		22.2	29.0
		Fee and commission expenses		34.3	59.8
		<b>Net income from financial instruments at fair value</b>	(4)	-11.4	-272.6
		<b>Net income from investment securities</b>	(5)	29.1	-9.7
		<b>Net income from investments accounted for using the</b>	(6)	0.7	1.3
		<b>Administrative expenses</b>	(7)	145.9	148.2
		Staff costs		77.6	80.5
		Other administrative expenses		68.3	67.7
		<b>Net other operating income</b>	(8)	24.3	42.0
		Other operating income		105.8	112.9
		Other operating expenses		81.5	70.9
		<b>Operating result</b>		-69.2	-311.8
		Income tax payments	(9)	7.3	-2.2
Other taxes		1.2	2.4		
<b>Consolidated net loss</b>		-77.7	-312.0		
* Figures restated					

*Consolidated balance sheet*

€ million	Note	30 Sep. 2012	31 Mar. 2012	31 Mar. 2011*
<b>Assets</b>				
Cash reserve		78.4	19.1	84.8
Loans and advances to banks	(10)	2,538.8	3,023.6	2,316.2
Loans and advances to customers	(11)	17,163.9	17,783.6	20,330.9
Provisions for possible loan losses	(12)	-466.6	-508.1	-818.5
Assets held for trading	(13)	2,971.8	2,479.2	815.5
Investment securities	(14)	7,951.2	7,941.3	7,892.3
Investments accounted for using the equity method	(15)	10.7	10.5	10.8
Intangible assets		24.3	24.9	19.3
Property, plant and equipment	(16)	191.6	183.5	167.5
Current tax assets	(17)	24.7	22.3	36.1
Deferred tax assets	(17)	218.4	218.0	190.8
Other assets	(18)	377.6	381.2	386.0
of which inventories (30 June 2012: € 97.0 million; 31 Mar. 2012: € 97.0 million; 31 Mar. 2011: € 97.0 million)				
Non-current assets held for sale	(19)	5.3	14.6	-
<b>Total</b>		<b>31,090.1</b>	<b>31,593.7</b>	<b>31,431.7</b>
<b>Equity and liabilities</b>				
Liabilities to banks	(20)	13,670.6	13,221.8	11,193.6
Liabilities due to customers	(21)	10,388.0	9,997.4	7,693.7
Securitised liabilities	(22)	355.4	2,277.2	7,710.5
Liabilities held for trading	(23)	4,487.8	3,835.6	2,003.6
Provisions	(24)	210.2	164.4	137.1
Current tax liabilities	(25)	103.3	103.9	107.0
Deferred tax liabilities	(25)	68.4	67.4	30.3
Other liabilities	(26)	456.3	483.5	468.1
Subordinated capital	(27)	999.6	1,017.7	1,144.4
Equity		340.5	424.8	943.4
Issued capital		1,621.5	1,621.3	1,621.3
Capital reserve		597.8	597.8	597.8
Retained earnings		-1,804.8	-1,242.9	-1,243.0
Currency translation reserve		-18.0	-19.1	-17.5
Revaluation surplus		21.7	-15.4	-36.5
Consolidated loss/profit		-77.7	-516.9	21.3
<b>Total</b>		<b>31,090.1</b>	<b>31,593.7</b>	<b>31,431.7</b>

\* Figures restated

*Summary of Cash Flow Data*

€ million	2012	2011
Cash and cash equivalents as at 1 Apr.	19.1	84.8
Cash flow from operating activities	-10.0	56.7
Cash flow from investing activities	107.5	-108.1
Cash flow from financing activities	-38.2	-4.4
Cash and cash equivalents as at 30 Sep.	78.4	29.0

*Summary of Regulatory Indicators*

in € million	30 Sep. 2012	31 Mar. 2012
Risk-weighted assets	15,701	16,143
Market risk equivalent	525	661
Operational risk	287	497
<b>Risk position</b>	<b>16,513</b>	<b>17,301</b>
Tier I capital	1,594	1,698
Tier II capital	704	695
Tier III capital	0	0
Deductions <sup>1)</sup>	-70	-137
<b>Equity capital</b>	<b>2,228</b>	<b>2,256</b>
Tier I ratio in %	9.4	9.4
Overall capital ratio in %	13.5	13.0

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

<sup>1)</sup> Deductions primarily consist of securitisation positions and shareholdings in accordance with section 10 (6) sentence 1 no. 1 KWG.

**In Element B.12 in the section "Section B – The Issuer" on page 6 of the Summary Note the subsection "Significant changes in the financial or trading position" shall be replaced by the following:**

"Since 30 September 2012, there have not been any significant changes in IKB's financial position."

**In Element B.13 in the section "Section B – The Issuer" on page 7 of the Summary Note, the second bullet point of the section shall be supplemented by the following:**

"The change of stock exchange segment was fully completed in November 2012."

**In Element B.13 in the section "Section B – The Issuer" on page 7 of the Summary Note, the third bullet point of the section shall be replaced by the following:**

"On 18 May 2012, 2 August 2012, 24 August 2012, 27 September 2012, 26 October 2012 and 31 October 2012 IKB returned further SoFFin guarantees in the total amount of EUR 4.150 billion thereby reducing the framework guarantees to EUR 350 million."

**In Element B.13 in the section "Section B – The Issuer" on page 7 of the Summary Note, the sixth bullet point of the section shall be replaced by the following:**

"On 25 June 2012, King County, Iowa Student Loan Liquidity Corporation and IKB signed a settlement agreement to end the legal dispute between the parties that was pending with the United States District Court of the Southern District of New York, USA."

**In Element B.13 in the section "Section B – The Issuer" on page 7 of the Summary Note, the following bullet points shall be inserted:**

"

- By way of a letter dated 23 October 2012, the European Commission issued an opinion on the final report on the implementation of the EU conditions and confirmed the fulfilment of the vast majority of the conditions.
- The purchase programme for holders of the trust preferred securities issued by IKB Funding Trust I and IKB Funding Trust II ran until 30 October 2012 without having achieved the approval rate of 66 <sup>2/3</sup> % of the investors."

Element B.12 in the section "Abschnitt B – Die Emittentin" on pages 16 to 18 of the Summary Note shall be supplemented by the following:

B.12	Ausgewählte wesentliche historische Finanzinformationen	<p><b>Zusammenfassung ausgewählter Finanzinformationen</b></p> <p>Die Konzernjahresabschlüsse der IKB AG für die zum 31. März 2011 und 31. März 2012 endenden Geschäftsjahre und der Jahresabschluss der IKB AG für das zum 31. März 2012 endende Geschäftsjahr wurden durch PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC") geprüft. PwC hat für die vorgenannten Jahres- und Konzernabschlüsse einen uneingeschränkten Bestätigungsvermerk erteilt.</p> <p><i>Konzern-Gesamtergebnisrechnung</i></p> <table border="1" data-bbox="564 689 1410 1227"> <thead> <tr> <th>in Mio. €</th> <th>Notes</th> <th>1.4.2012 - 30.9.2012</th> <th>1.4.2011 - 30.9.2011*</th> </tr> </thead> <tbody> <tr> <td><b>Zinsüberschuss</b></td> <td>(1)</td> <td><b>58,0</b></td> <td><b>79,8</b></td> </tr> <tr> <td>Zinserträge</td> <td></td> <td>804,3</td> <td>836,9</td> </tr> <tr> <td>Zinsaufwendungen</td> <td></td> <td>746,3</td> <td>757,1</td> </tr> <tr> <td><b>Risikovorsorge im Kreditgeschäft</b></td> <td>(2)</td> <td><b>11,9</b></td> <td><b>-26,4</b></td> </tr> <tr> <td><b>Zinsüberschuss nach Risikovorsorge</b></td> <td></td> <td><b>46,1</b></td> <td><b>106,2</b></td> </tr> <tr> <td><b>Provisionsüberschuss</b></td> <td>(3)</td> <td><b>-12,1</b></td> <td><b>-30,8</b></td> </tr> <tr> <td>Provisionserträge</td> <td></td> <td>22,2</td> <td>29,0</td> </tr> <tr> <td>Provisionsaufwendungen</td> <td></td> <td>34,3</td> <td>59,8</td> </tr> <tr> <td><b>Fair-Value-Ergebnis</b></td> <td>(4)</td> <td><b>-11,4</b></td> <td><b>-272,6</b></td> </tr> <tr> <td><b>Ergebnis aus Finanzanlagen</b></td> <td>(5)</td> <td><b>29,1</b></td> <td><b>-9,7</b></td> </tr> <tr> <td><b>Ergebnis aus at equity bilanzierten Unternehmen</b></td> <td>(6)</td> <td><b>0,7</b></td> <td><b>1,3</b></td> </tr> <tr> <td><b>Verwaltungsaufwendungen</b></td> <td>(7)</td> <td><b>145,9</b></td> <td><b>148,2</b></td> </tr> <tr> <td>Personalaufwendungen</td> <td></td> <td>77,6</td> <td>80,5</td> </tr> <tr> <td>Andere Verwaltungsaufwendungen</td> <td></td> <td>68,3</td> <td>67,7</td> </tr> <tr> <td><b>Sonstiges betriebliches Ergebnis</b></td> <td>(8)</td> <td><b>24,3</b></td> <td><b>42,0</b></td> </tr> <tr> <td>Sonstige betriebliche Erträge</td> <td></td> <td>105,8</td> <td>112,9</td> </tr> <tr> <td>Sonstige betriebliche Aufwendungen</td> <td></td> <td>81,5</td> <td>70,9</td> </tr> <tr> <td><b>Operatives Ergebnis</b></td> <td></td> <td><b>-69,2</b></td> <td><b>-311,8</b></td> </tr> <tr> <td>Steuern vom Einkommen und vom Ertrag</td> <td>(9)</td> <td>7,3</td> <td>-2,2</td> </tr> <tr> <td>Sonstige Steuern</td> <td></td> <td>1,2</td> <td>2,4</td> </tr> <tr> <td><b>Konzernfehlbetrag</b></td> <td></td> <td><b>-77,7</b></td> <td><b>-312,0</b></td> </tr> </tbody> </table> <p>* Zahlen angepasst</p>	in Mio. €	Notes	1.4.2012 - 30.9.2012	1.4.2011 - 30.9.2011*	<b>Zinsüberschuss</b>	(1)	<b>58,0</b>	<b>79,8</b>	Zinserträge		804,3	836,9	Zinsaufwendungen		746,3	757,1	<b>Risikovorsorge im Kreditgeschäft</b>	(2)	<b>11,9</b>	<b>-26,4</b>	<b>Zinsüberschuss nach Risikovorsorge</b>		<b>46,1</b>	<b>106,2</b>	<b>Provisionsüberschuss</b>	(3)	<b>-12,1</b>	<b>-30,8</b>	Provisionserträge		22,2	29,0	Provisionsaufwendungen		34,3	59,8	<b>Fair-Value-Ergebnis</b>	(4)	<b>-11,4</b>	<b>-272,6</b>	<b>Ergebnis aus Finanzanlagen</b>	(5)	<b>29,1</b>	<b>-9,7</b>	<b>Ergebnis aus at equity bilanzierten Unternehmen</b>	(6)	<b>0,7</b>	<b>1,3</b>	<b>Verwaltungsaufwendungen</b>	(7)	<b>145,9</b>	<b>148,2</b>	Personalaufwendungen		77,6	80,5	Andere Verwaltungsaufwendungen		68,3	67,7	<b>Sonstiges betriebliches Ergebnis</b>	(8)	<b>24,3</b>	<b>42,0</b>	Sonstige betriebliche Erträge		105,8	112,9	Sonstige betriebliche Aufwendungen		81,5	70,9	<b>Operatives Ergebnis</b>		<b>-69,2</b>	<b>-311,8</b>	Steuern vom Einkommen und vom Ertrag	(9)	7,3	-2,2	Sonstige Steuern		1,2	2,4	<b>Konzernfehlbetrag</b>		<b>-77,7</b>	<b>-312,0</b>
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**Konzernbilanz**

In Mio. €	Notes	30.9.2012	31.3.2012	31.3.2011*
<b>Aktiva</b>				
Barreserve		78,4	19,1	84,8
Forderungen an Kreditinstitute	(10)	2.538,8	3.023,6	2.316,2
Forderungen an Kunden	(11)	17.163,9	17.783,6	20.330,9
Risikovorsorge im Kreditgeschäft	(12)	-466,6	-508,1	-818,5
Handelsaktiva	(13)	2.971,8	2.479,2	815,5
Finanzanlagen	(14)	7.951,2	7.941,3	7.882,3
Anteile an af equity bilanzierten Unternehmen	(15)	10,7	10,5	10,8
Immaterielle Vermögenswerte		24,3	24,9	19,3
Sachanlagen	(16)	191,6	183,5	167,5
Laufende Ertragsteueransprüche	(17)	24,7	22,3	36,1
Latente Ertragsteueransprüche	(17)	218,4	218,0	190,8
Sonstige Aktiva	(18)	377,6	381,2	386,0
davon Vorräte (30. Juni 2012: 97,0 Mio. €; 31. März 2012: 97,0 Mio. €; 31. März 2011: 97,0 Mio. €)				
Zur Veräußerung gehaltene langfristige Vermögenswerte	(19)	5,3	14,6	-
<b>Gesamt</b>		<b>31.090,1</b>	<b>31.593,7</b>	<b>31.431,7</b>

<b>Passiva</b>				
Verbindlichkeiten gegenüber Kreditinstituten	(20)	13.670,6	13.221,8	11.193,6
Verbindlichkeiten gegenüber Kunden	(21)	10.398,0	9.997,4	7.693,7
Verbriefte Verbindlichkeiten	(22)	355,4	2.277,2	7.710,5
Handelspassiva	(23)	4.487,8	3.835,6	2.003,6
Rückstellungen	(24)	210,2	164,4	137,1
Laufende Ertragsteuerverpflichtungen	(25)	103,3	103,9	107,0
Latente Ertragsteuerverpflichtungen	(25)	68,4	67,4	30,3
Sonstige Passiva	(26)	456,3	483,5	468,1
Nachrangkapital	(27)	999,6	1.017,7	1.144,4
<b>Eigenkapital</b>		<b>340,5</b>	<b>424,8</b>	<b>943,4</b>
Gezeichnetes Kapital		1.621,5	1.621,3	1.621,3
Kapitalrücklage		597,8	597,8	597,8
Gewinnrücklagen		-1.804,8	-1.242,9	-1.243,0
Rücklage aus der Währungsumrechnung		-18,0	-19,1	-17,5
Neubewertungsrücklage		21,7	-15,4	-36,5
Konzernbilanzverlust/-gewinn		-77,7	-516,9	21,3
<b>Gesamt</b>		<b>31.090,1</b>	<b>31.593,7</b>	<b>31.431,7</b>

\* Zahlen angepasst

**Zusammenfassung der Kapitalfluss-Daten**

In Mio. €	2012	2011
<b>Zahlungsmittelbestand zum 1.4.</b>	<b>19,1</b>	<b>84,8</b>
Cashflow aus operativer Geschäftstätigkeit	-10,0	56,7
Cashflow aus Investitionstätigkeit	107,5	-108,1
Cashflow aus Finanzierungstätigkeit	-38,2	-4,4
<b>Zahlungsmittelbestand zum 30.9.</b>	<b>78,4</b>	<b>29,0</b>

**Zusammenfassung der regulatorischen Indikatoren**

In Mio. €	zum 30.9.2012	zum 31.3.2012
Risikoaktiva	15.701	16.143
Marktrisikoäquivalent	525	661
perationelles Risiko	287	497
<b>Risikoposition</b>	<b>16.513</b>	<b>17.301</b>
Kernkapital (TIER I)	1.594	1.698
Ergänzungskapital (TIER II)	704	695
Drittangmittel	0	0
Abzugsposition <sup>1)</sup>	-70	-137
<b>Eigenmittel</b>	<b>2.228</b>	<b>2.256</b>
Kernkapitalquote in %	9,4	9,4
Gesamtkennziffer in %	13,5	13,0

Summendifferenzen sind Rundungsdifferenzen.

<sup>1)</sup> In den Abzugspositionen befinden sich überwiegend Verbriefungspositionen sowie Beteiligungen gemäß § 10 Abs. 6 Satz 1 Nr. 1 KWG.

**In Element B.12 in the section "Abschnitt B – Die Emittentin" on page 18 of the Summary Note the subsection "Signifikante Veränderungen in der Finanz- bzw. Handelsposition" shall be replaced by the following:**

"Seit dem 30. September 2012 hat es keine wesentlichen Veränderungen in der Finanzlage der IKB gegeben."

**In Element B.13 in the section "Abschnitt B – Die Emittentin" on page 19 of the Summary Note, the second bullet point of the section shall be supplemented by the following:**

"Der Segmentwechsel wurde im November 2012 vollständig abgeschlossen."

**In Element B.13 in the section "Abschnitt B – Die Emittentin" on page 20 of the Summary Note, the third bullet point of the section shall be replaced by the following:**

"Die IKB AG hat am 18. Mai 2012, 2. August 2012, 24. August 2012, 27. September 2012, 26. Oktober 2012 und 31. Oktober 2012 weitere SoFFin-Garantien in Höhe von insgesamt EUR 4,150 Milliarden zurückgegeben. Der SoFFin-Garantierahmen reduzierte sich damit auf EUR 350 Millionen."

**In Element B.13 in the section "Abschnitt B – Die Emittentin" on page 20 of the Summary Note, the sixth bullet point of the section shall be replaced by the following:**

"King County, Iowa Student Loan Liquidity Corporation und die IKB haben am 25. Juni 2012 eine Vereinbarung gerichtlich protokolliert, die darauf abzielt, die vor dem United States District Court of the Southern District of New York, USA, zwischen den Parteien anhängige Rechtsstreitigkeit zu beenden."

**In Element B.13 in the section "Abschnitt B – Die Emittentin" on page 20 of the Summary Note, the following bullet points shall be inserted:**

"

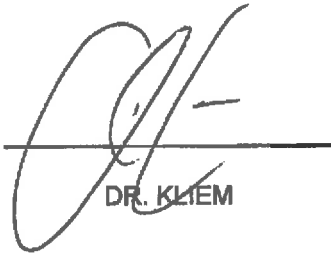
- Die EU Kommission hat mit Schreiben vom 23.10.2012 zum finalen Bericht über die Umsetzung der EU-Auflagen Stellung genommen und den Vollzug des weit überwiegenden Teils der Auflagen bestätigt.
- Das Kaufprogramm für Hybridwertpapiere IKB Funding Trust I and Funding Trust II lief bis zum 30. Oktober 2012 ohne dass die erforderliche Zustimmungsquote von nicht unter 66<sup>2/3</sup> % erreicht wurde."

**SIGNATURES**

**DÜSSELDORF**

**in December 2012**

**IKB DEUTSCHE INDUSTRIEBANK AG**



DR. KLEM



MINTS