Supplement No. 3 dated 11 December 2015
to the Base Prospectus dated 28 November 2014

IKB
Deutsche Industriebank

IKB Deutsche Industriebank Aktiengesellschaft ("IKB")

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

Debt Issuance Programme (the "Programme")

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

This supplement no. 3 (the "**Supplement**") constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, (the "**Prospectus Directive**") and Article 13 of the Luxembourg Law on Prospectuses for Securities (*loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005, as amended, (the "**Prospectus Act**") to the Base Prospectus dated 28 November 2014 (the "**Base Prospectus**"), which has been prepared in connection with the Programme established by IKB (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus (as supplemented by supplement no. 1 to the Base Prospectus dated 11 February 2015 (the "**Supplement No. 1**") and supplement no. 2 to the Base Prospectus dated 13 July 2015 (the "**Supplement No. 2**")) and all documents incorporated by reference in the Base Prospectus.

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

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

The Issuer accepts responsibility for the information contained in this Supplement (including any information incorporated by reference in the Base Prospectus by this Supplement). The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement (including any information incorporated by reference in the Base

Prospectus by this Supplement) is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

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A. Introduction

On 30 November 2015, IKB published its 6-Month Report 2015/2016 as of and for the six months period ended 30 September 2015 (the "**6-Month Report 2015/2016**"). Following the publication of the 6-Month Report 2015/2016, the sections entitled "A. SUMMARY", "B. RISK FACTORS", "D. DESCRIPTION OF THE ISSUER" and "I. DOCUMENTS INCORPORATED BY REFERENCE" contained in the Base Prospectus shall be amended as follows to provide updated information with regard to the Issuer and certain risks relating to the Issuer.

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

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

a. The subsection commencing on page 9 of the Base Prospectus which is entitled "Section B - The Issuer - B.12 - Selected Historical Key Financial Information" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

B.12	**Selected Historical Key Financial Information**	**Summary of Selected Financial Information** Unless specified otherwise below, the following table sets out the key financial information of IKB in accordance with the German Commercial Code (*Handelsgesetzbuch;* "**HGB**") extracted from the consolidated financial statements as of and for the financial year ended 31 March 2015 and as of and for the financial year ended 31 March 2014 and from the consolidated interim financial statements as of and for the six months period ended 30 September 2015. The consolidated financial statements of IKB as of and for the financial years ended 31 March 2015 and 31 March 2014 were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("**PwC**") and PwC has issued an unqualified auditors' opinion in each case. **Consolidated Balance Sheet**

in € million	30 Sept. 2015 (unaudited)	31 Mar. 2015	31 Mar. 2014
Assets			
Cash reserve	77	35	22
Receivables from banks	2,211	2,300	2,235
Receivables from customers	10,249	11,090	12,263
Bonds and other fixed-income securities	5,860	6,529	7,507
Equities and other non-fixed-income securities	485	483	568
Assets held for trading	253	271	318
Equity investments	19	23	25
Investments in associates	14	14	45
Lease assets	968	1,030	1,170
Prepaid expenses	74	75	122
Deferred tax assets	254	243	249
Remaining assets	280	318	207
Total assets	**22,745**	**22,410**	**24,732**

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

in € million	30 Sept. 2015 (unaudited)	31 Mar. 2015	31 Mar. 2014
Equity and liabilities			
Liabilities to banks	7,942	8,893	10,169
Liabilities to customers	7,989	8,165	9,630
Securitised liabilities	1,248	1,512	1,072
Liabilities held for trading	205	280	334
Deferred income	116	113	154
Provisions	267	398	261
Subordinated liabilities	967	971	971
Profit participation capital	32	32	32
Fund for general banking risks	580	580	574
Remaining liabilities	375	465	552
Equity	1,025	1.000	983
Total equity and liabilities	**20,745**	**22,410**	**24,732**
Contingent liabilities and Other obligations	**2,279**	**2,236**	**2,424**

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

Consolidated Income Statement

in € million			1 April – 30 Sept. 2015 (un-audited)	31 Mar. 2015	1 April – 30 Sept. 2014 (un-audited)	31 Mar. 2014
Expenses						
Lease expenses			**-99**	**-208**	**-101**	**-205**
Interest expenses			**-342**	**-937**	**-495**	**-1,074**
Commission expenses			**-7**	**-13**	**-5**	**-13**
Net trading results			**-**	**-**	**-**	**-**
General administrative expenses			**-138**	**-303**	**-149**	**-275**
a)	Personnel expenses		**-90**	-183	-88	-161
	aa)	Wages and salaries	**-75**	-153	-74	-139
	ab)	Social security, post-employment and other employee benefit costs	-15	-31	-14	-23
		thereof: for pensions	-5	-13	-5	-6
b)	Other administrative expenses		-48	-119	-61	-113
Depreciation and write-downs of intangible and tangible assets			**-163**	**-359**	**-183**	**-403**
a)	On lease assets		**-159**	-349	-178	-392
b)	On intangible and tangible assets		**-5**	-10	-5	-10
Other operating expenses			**-399**	**-1,098**	**-50**	**-302**
Expenses for the addition to the fund for general banking risks			**-**	**-5**	**-**	**-403**
Depreciation and write-downs of receivables, specific securities and additions to loan loss provisions			**-**	**-65**	**-24**	**-88**

Depreciation and write-downs of equity investments, investments in affiliated companies and long-term investments	**-4**	**-16**	**-15**	**-40**
Expenses of assumption of losses	**-**	**0**	**-**	**-**
Extraordinary expenses	**-2**	**-5**	**-2**	**-5**
Income taxes	**5**	**-119**	**-15**	**135**
Other taxes not reported under "Other operating expenses"	**-1**	**-1**	**-1**	**-2**
Net income for the year	**-23**	**-5**	**-73**	**-32**
Total expenses	**-1,173**	**-3,132**	**-1,113**	**-2,706**

in € million	**1 April – 30 Sept. 2015 (un-audited)**	**31 Mar. 2015**	**1 April – 30 Sept. 2014 (un-audited)**	**31 Mar. 2014**
Income				
Lease income	**292**	**628**	**313**	**680**
Interest income from	**446**	**1,104**	**580**	**1,280**
a) Lending and money market transactions	**380**	945	493	1,104
b) Fixed-income securities and government-inscribed debts	**66**	159	87	175
Current income from	**2**	**52**	**12**	**22**
a) Equities and other non-fixed-income securities	**0**	46	8	18
b) Equity investments	**1**	2	1	2
c) Investments in Associates	**1**	2	1	2
d) Investments in affiliated companies	**-**	2	2	-
Income from profit-pooling, profit transfer and partial profit transfer agreements	**-**	**-**	**-**	**-**
Commission income	**21**	**56**	**22**	**42**
Net trading results	**0**	**8**	**2**	**6**
thereof: addition to trading-related special reserve according to section 340e (4) HGB	**-**	**1**	**-**	**1**
Income from reversals of write-downs on receivables and certain securities and from the reversal of loan loss provisions	**14**	**-**	**-**	**-**
Income from reversals of write-downs of equity investments, investments in affiliated companies and long-term investment securities	**95**	**416**	**115**	**188**
Other operating income	**302**	**866**	**68**	**488**
Income from the reversal of the fund for general banking risks	**-**	**-**	**-**	**-**
Extraordinary income	**1**	**2**	**1**	**2**
Income from assumption of losses	**-**	**-**	**-**	**-**
Net loss for the year	**-**	**-**	**-**	**-**
Total income	**1,173**	**3,132**	**1,113**	**2,706**
Net income for the year	**23**	**5**	**73**	**32**

Loss carryforward from the previous year	**-2,372**	**-2,376**	**-2,376**	**-2,408**
Withdrawals from capital reserves	**-**	**-**	**-**	**-**
Withdrawals from revenue reserves	**-**	**-**	**-**	**-**
Withdrawals from profit participation capital	**-**	**-**	**-**	**-**
Withdrawals from silent partnership contributions	**-**	**-**	**-**	**-**
Allocations to revenue reserves	**-**	**-**	**-**	**-**
Replenishment of profit participation capital	**-**	**-**	**-**	**-**
Net accumulated losses	**-2,348**	**-2,372**	**-2,303**	**-2,376**

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

Consolidated Cash Flow Statement

in € million	2014/15	2013/14
Cash flow from operating activities	-1,327.3	34.5
Cash flow from investing activities	1,349.7	303.1
Cash flow from financing activities	-10.0	-402.3
Cash funds at beginning of period	22.2	86.9
Cash funds at end of period	34.6	22.2

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

Summary of Regulatory Indicators

Regulatory capital situation of IKB Group in accordance with CRR/CRD IV[1)]:

in € million	30 Sep. 2015	31 Mar. 2015[2)]
Total risk-weighted assets (RWA)	12,075	13,340
Own funds	2,194	2,228
CET 1 ratio	11.3%	10.9%
T 1 ratio	13.8%	13.3%
Own funds ratio	16.9%	16.7%

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

1) Figures taking into consideration the phase-in and phase-out provisions of the CRR for 2015 and the previous year. The CET 1 ratios were calculated in accordance with the current legal status of the CRR as at 30 September 2015 and 31 March 2015 respectively, including transitional provisions and the interpretations published by the supervisory authorities. The possibility that future EBA/ECB standards and interpretations or other supervisory actions will lead to a retrospective change in the CET 1 ratio cannot be ruled out.

2) Figures as at 31 March 2015 after approval of the accounts and taking into consideration the addition to the fund for general banking risk in CET 1 at the reporting date.

Material adverse change in the prospects of the Issuer	There has been no material adverse change in the prospects of IKB AG that has occurred since the date of the last audited consolidated financial statements as of and for the financial year ended 31 March 2015.
Significant change in the financial or	There has been no significant change in the financial or trading position since the date of the last unaudited consolidated financial statements as of and for the six months period ended

	trading position	30 September 2015.

b. The subsection commencing on page 13 of the Base Prospectus which is entitled "Section B - The Issuer - B.13 - Recent developments which are to a material extent relevant to the evaluation of the Issuer's solvency" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

B.13	**Recent developments which are to a material extent relevant to the evaluation of the Issuer's solvency**	**Valin Funds** The investment fund by the name of "Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF" founded by IKB on 3 June 2014 was successfully closed in January 2015 with capital commitments from investors in a total amount of € 475 million. The investors are German and foreign institutional investors who have the option of investing either directly into units of the fund or in rated debt securities. IKB itself is invested with € 23.7 million. The fund's investment objective is to acquire senior loans from German Mittelstand clients with total annual sales of at least € 250 million. IKB acts as the fund's investment manager. The fund started investing in April 2015. IKB sold all of its shares in Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF with effect from 8 April 2015. It remains indirectly invested in the fund via bonds with rights in the shares issued by a securitisation vehicle. In October 2015, IKB launched an additional investment fund in the form of the Valin Ruysdael Fund (€ 150 million). The Valin Ruysdael Fund has the same investment strategy as the Mittelstand Senior Debt Fund that was closed in January 2015. IKB is the investment manager of the fund. **Participation of IKB in the comprehensive assessment by the European Central Bank** On 26 October 2014, the European Central Bank ("**ECB**") published the final results of its Europe-wide, multi-stage review of 130 European banks (comprehensive assessment ("**CA**")). The ECB's aim was to identify risks and weaknesses at the banks before the single supervisory mechanism for the euro zone came into force on 4 November 2014. Key elements of the comprehensive assessment included an examination of the quality of bank assets as at 31 December 2013 as part of the asset quality review ("**AQR**") and a future-oriented stress test to examine banks' resilience in the event of a deterioration in economic conditions. The stress test encompassed two different scenarios. The baseline scenario simulated typical economic development over a three-year period, while the adverse scenario assumed a serious economic crisis in the euro zone. For the purpose of the AQR, the ECB set a benchmark for Common Equity Tier 1 ("**CET 1**") capital of 8% as at 31 December 2013. For the stress test, the benchmark for the baseline scenario was also 8% for CET 1, while the benchmark for the adverse scenario was 5.5% for CET 1, albeit with a differing capital definition to the AQR in both scenarios. Both the capital definition and the capital requirements that would result taking into account the pro rata phase-in regulations of the CRR for the three-year analysis horizon were applied in the stress test. The stress test data was adjusted to reflect the results of the AQR in a process known as join-up. IKB successfully completed the comprehensive assessment. IKB

		entered the comprehensive assessment with a CET 1 ratio of 9.36% on 31 December 2013. The AQR results led to an adjustment in the CET 1 ratio of 31 basis points to 9.05% for the purpose of the comprehensive assessment. IKB achieved a CET 1 ratio of 8.69% in the baseline scenario and 6.53% in the adverse scenario of the stress test. The results achieved by IKB in the comprehensive assessment mean that even as of 31 December 2013 no capitalisation measures were required. It should be noted that the methodology applied by the ECB for the purpose of the asset quality review differs from the accounting provisions of the German Commercial Code (HGB), in some cases significantly. The methodology on which the AQR is based serves solely to enable the ECB to assess capital resources. IKB examined the results of the AQR for their impact on accounting and came to the conclusion that no adjustments need to be made. IKB remained under the direct supervision of the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*; "**BaFin**") and Deutsche Bundesbank even after 4 November 2014 as it was not classified as a major institution within the meaning of Art. 6 (4) of Regulation (EU) No. 1024/2013 (*Single Supervisory Mechanism Regulation*). **Compilation of recovery plan according to Sections 12 et seq. of the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "SAG") and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (*Mindestanforderungen an die Ausgestaltung von Sanierungsplänen* – "MaSan")** In 2014**,** BaFin requested IKB AG to compile a recovery plan according to Sections 47 et seq. of the German Banking Act (*Gesetz über das Kreditwesen;* "**KWG**") as applicable until 31 December 2014 and MaSan. On 30 July 2014, IKB AG submitted its initial recovery plan to BaFin. Meanwhile the recovery plan has been revised according to the requirements of the SAG and was re-submitted to BaFin on 30 October 2015. **Rio Debt Holdings** In December 2014, IKB AG – through its Luxembourg-based subsidiary IKB Lux Beteiligungen S.à.r.l. – purchased the Mezzanine Loan that had originally been granted by LSF Aggregated Lendings S.à.r.l., a company of the Lone Star Funds group, to Rio Debt Holdings (Ireland) Limited. The transfer was made at arm's length conditions. The Mezzanine Loan which has been redeemed with one US-Dollar outstanding entitles IKB Lux Beteiligungen S.à.r.l. to receive 20% of all expected interest and principal payments on assets within the Rio Portfolio. The Junior Lender, IKB Invest GmbH, will receive the residual 80% of interest and principal payments. By 18 September 2015, the portfolio manager, Hudson Advisors LLC, resigned. At the same time, the portfolio advisor Hudson Advisors Europe Limited and the asset advisor, IKB AG, resigned. Effective as of 29 September 2015, IKB Lux Beteiligungen S.a.r.l., Luxembourg, has been appointed as new portfolio manager. **Dissenting view of the tax authorities** In August 2015, IKB AG received tax assessment notices in which the dissenting view of the tax authorities on the application of section 8c of the German Corporate Income Tax Act (*Körperschaftssteuergesetz*; "**KStG**") / section 10a of the German Trade Tax Act (*Gewerbesteuergesetz*; "**GewStG**") in connection

		with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009 was implemented. IKB has appealed against the tax assessments. **Potential sale of IKB** A sale of IKB by its current majority shareholder Lone Star remains possible at any time. The Board of Managing Directors remains open to supporting these plans.

c. In the subsection commencing on page 26 of the Base Prospectus which is entitled "D.3 - Key information on the key risks that are specific to the securities" the subsection entitled "Bail-in" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

		Bail-in The holder of Notes is exposed to the risk of a bail-in. Under the Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen)* claims for payment of principal**[**, interest**]** or other amounts under the Notes may be subject to a conversion into one or more instruments that constitute Common Equity Tier 1 capital for the Issuer, such as ordinary shares, or a permanent reduction, including to zero, by intervention of the competent resolution authority. The holder of Notes would have no claim against the Issuer in such a case and there would be no obligation of the Issuer to make payments under the Notes. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and unable to continue its regulated activities without such conversion or write-down or without a public sector injection of capital. The resolution authority will have to exercise its power in a way that results in (i) Common Equity Tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into Common Equity Tier 1 capital instruments in accordance with their order of priority and (iii) thereafter, eligible liabilities - as those under the Notes - being converted into Common Equity Tier 1 capital instruments or written down on a permanent basis in accordance with a set order of priority. The holder should consider the risk that he may lose all of his investment, including the principal amount plus any accrued interest if such bail-in occurs. **[*In the case of Senior Notes:*** The Resolution Mechanism Act (*Abwicklungsmechanismusgesetz*-AbwMechG) provides, *inter alia*, that, in the event of an insolvency proceeding, certain senior unsecured debt instruments (as the Notes) shall by operation of law only be satisfied after any and all other non-subordinated obligations of the Issuer have been fully satisfied. As a consequence, a larger loss share will be allocated to these instruments in an insolvency or bail-in scenario. Such change of the insolvency waterfall and sequence of bail-in shall only become applicable from 1 January 2017 but is intended to have retrospective effect and would thus affect any Notes then outstanding.**]**

2. **Amendments to the subsection commencing on page 30 of the Base Prospectus which is entitled "2. GERMAN TRANSLATION OF THE SUMMARY"**

a. **The subsection commencing on page 32 of the Base Prospectus which is entitled "Abschnitt B - Die Emittentin - B.12 - Ausgewählte wesentliche historische Finanzinformationen" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:**

<table>
<tr>
<td>B.12</td>
<td>Ausgewählte wesentliche historische Finanzinformationen</td>
<td>
Zusammenfassung ausgewählter Finanzinformationen
Sofern nachstehend nicht anders angegeben, enthält die nachstehende Tabelle die wesentlichen Finanzdaten der IKB nach Handelsgesetzbuch ("HGB"), die dem Konzernabschluss zum und für das am 31. März 2015 und zum und für das am 31. März 2014 abgeschlossene Geschäftsjahr sowie dem Halbjahreskonzernabschluss zum und für den am 30. September 2015 abgeschlossenen 6-Monats-Zeitraum entnommen wurden. Die Konzernabschlüsse der IKB zum und für die am 31. März 2015 und 31. März 2014 abgeschlossenen Geschäftsjahre wurden von der PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC") geprüft, und PwC hat jeweils einen uneingeschränkten Bestätigungsvermerk erteilt.
Konzernbilanz
<table>
<tr><th>in Mio. €</th><th>30. Sept. 2015 (ungeprüft)</th><th>31. März 2015</th><th>31. März 2014</th></tr>
<tr><td>Aktiva</td><td></td><td></td><td></td></tr>
<tr><td>Barreserve</td><td>77</td><td>35</td><td>22</td></tr>
<tr><td>Forderungen an Kreditinstitute</td><td>2.211</td><td>2.300</td><td>2.235</td></tr>
<tr><td>Forderungen an Kunden</td><td>10.249</td><td>11.090</td><td>12.263</td></tr>
<tr><td>Schuldverschreibungen und andere festverzinsliche Wertpapiere</td><td>5.860</td><td>6.529</td><td>7.507</td></tr>
<tr><td>Aktien und andere nicht festverzinsliche Wertpapiere</td><td>485</td><td>483</td><td>568</td></tr>
<tr><td>Handelsbestand</td><td>253</td><td>271</td><td>318</td></tr>
<tr><td>Beteiligungen</td><td>19</td><td>23</td><td>25</td></tr>
<tr><td>Anteile an assoziierten Unternehmen</td><td>14</td><td>14</td><td>45</td></tr>
<tr><td>Leasingvermögen</td><td>968</td><td>1.030</td><td>1.170</td></tr>
<tr><td>Rechnungsabgrenzungsposten</td><td>74</td><td>75</td><td>122</td></tr>
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<tr><td>Summe der Aktiva</td><td>20.745</td><td>22.410</td><td>24.732</td></tr>
</table>
Summendifferenzen sind Rundungsdifferenzen.
<table>
<tr><th>in Mio. €</th><th>30. Sept. 2015 (ungeprüft)</th><th>31. März 2015</th><th>31. März 2014</th></tr>
<tr><td>Passiva</td><td></td><td></td><td></td></tr>
<tr><td>Verbindlichkeiten gegenüber Kreditinstituten</td><td>7.942</td><td>8.893</td><td>10.169</td></tr>
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<tr><td>Verbriefte Verbindlichkeiten</td><td>1.248</td><td>1.512</td><td>1.072</td></tr>
<tr><td>Handelsbestand</td><td>205</td><td>280</td><td>334</td></tr>
<tr><td>Rechnungsabgrenzungsposten</td><td>116</td><td>113</td><td>154</td></tr>
<tr><td>Rückstellungen</td><td>267</td><td>398</td><td>261</td></tr>
</table>
</td>
</tr>
</table>

Nachrangige Verbindlichkeiten	967	971	971
Genussrechtskapital	32	32	32
Fonds für allgemeine Bankrisiken	580	580	574
Übrige Verbindlichkeiten	375	465	552
Eigenkapital	1.025	1.000	983
Summe der Passiva	**22.745**	**22.410**	**24.732**
Eventualverbindlichkeiten und Andere Verpflichtungen	**2.279**	**2.336**	**2.424**

Summendifferenzen sind Rundungsdifferenzen.

Konzern-Gewinn- und Verlustrechnung

in Mio. €	1. April-30. Sept. 2015 (ungeprüft)	2014/15	1. April-30. Sept. 2014 (ungeprüft)	2013/14
Aufwendungen				
Leasingaufwendungen	**-99**	**-208**	**-101**	**-205**
Zinsaufwendungen	**-342**	**-937**	**-495**	**-1.074**
Provisionsaufwendungen	**-7**	**-13**	**-5**	**-13**
Nettoaufwand des Handelsbestands	**-**	**-**	**-**	**-**
Allgemeine Verwaltungs-aufwendungen	**-138**	**-303**	**-149**	**-275**
a) Personalaufwand	-90	-183	-88	-161
aa) Löhne und Gehälter	-75	-153	-74	-139
ab) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	-15	-31	-14	-23
darunter: für Altersversorgung	-5	-13	-5	-6
b) andere Verwaltungsaufwendungen	-48	-119	-61	-113
Abschreibungen und Wertberichtigungen auf immaterielle Anlagewerte und Sachanlagen	**-163**	**-359**	**-183**	**-403**
a) auf Leasingvermögen	-159	-349	-178	-392
b) auf immaterielle Anlagewerte und Sachanlagen	-5	-10	-5	-10
Sonstige betriebliche Aufwendungen	**-399**	**-1.098**	**-50**	**-302**
Aufwendungen aus der Zuführung zum Fonds für allgemeine Bankrisiken	**-**	**-5**	**-**	**-403**
Abschreibungen und Wertberichtigungen auf Forderungen und bestimmte Wertpapiere sowie Zuführungen zu Rückstellungen im Kreditgeschäft	**-**	**-65**	**-24**	**-88**
Abschreibungen und Wertberichtigungen auf Beteiligungen, Anteile an	**-4**	**-16**	**-15**	**-40**

verbundenen Unternehmen und wie Anlagevermögen behandelte Wertpapiere					
Aufwendungen aus Verlustübernahme		**-**	**0**	**-**	**-**
Außerordentliche Aufwendungen		**-2**	**-5**	**-2**	**-5**
Steuern vom Einkommen und vom Ertrag		**5**	**-119**	**-15**	**135**
Sonstige Steuern, soweit nicht unter dem Posten "Sonstige betriebliche Aufwendungen" ausgewiesen		**-1**	**-1**	**-1**	**-2**
Jahresüberschuss		**-23**	**-5**	**-73**	**-32**
Summe der Aufwendungen		**-1.173**	**-3.132**	**-1.113**	**-2.706**

in Mio.€		**1. April - 30. Sept. 2015 (ungeprüft)**	**2014/ 15**	**1. April - 30. Sept. 2014 (ungeprüft)**	**2013/ 14**
Erträge					
Leasingerträge		**292**	**628**	**313**	**680**
Zinserträge aus		**446**	**1.104**	**580**	**1.280**
a)	Kredit- und Geldmarktgeschäften	**380**	945	493	1.104
b)	festverzinslichen Wertpapieren und Schuldbuchforderungen	**66**	159	87	175
Laufende Erträge aus		**2**	**52**	**12**	**22**
a)	Aktien und anderen nicht festverzinslichen Wertpapieren	**0**	46	8	18
b)	Beteiligungen	**1**	2	1	2
c)	Anteile an assoziierten Unternehmen	**1**	2	1	2
d)	Anteilen an verbundenen Unternehmen	**-**	2	2	-
Erträge aus Gewinngemeinschaften, Gewinnabführungs- oder Teilgewinnabführungsverträgen		**-**	**-**	**-**	**-**
Provisionserträge		**21**	**56**	**22**	**42**
Nettoertrag des Handelsbestands		**0**	**8**	**2**	**6**
davon: Einstellung in Sonderposten nach § 340e Abs. 4 HGB		**-**	**1**	**-**	**1**
Erträge aus Zuschreibungen zu Forderungen und bestimmten Wertpapieren sowie aus der Auflösung von Rückstellungen im Kreditgeschäft		**14**	**-**	**-**	**-**
Erträge aus Zuschreibungen zu Beteiligungen, Anteilen an verbundenen Unternehmen und wie Anlagevermögen behandelten Wertpapieren		**95**	**416**	**115**	**188**

Sonstige betriebliche Erträge	**302**	**866**	**68**	**488**
Erträge aus der Auflösung des Fonds für allgemeine Bankrisiken	**-**	**-**	**-**	**-**
Außerordentliche Erträge	**1**	**2**	**1**	**2**
Erträge aus Verlustübernahme	**-**	**-**	**-**	**-**
Jahresfehlbetrag	**-**	**-**	**-**	**-**
Summe der Erträge	**1.173**	**3.132**	**1.113**	**2.706**
Jahresüberschuss/-fehlbetrag	**23**	**5**	**73**	**32**
Verlustvortrag aus dem Vorjahr	**-2.372**	**-2.376**	**-2.376**	**-2.408**
Entnahmen aus der Kapitalrücklage	**-**	**-**	**-**	**-**
Entnahmen aus Gewinnrücklagen	**-**	**-**	**-**	**-**
Entnahmen aus Genussrechtskapital	**-**	**-**	**-**	**-**
Entnahmen Stille Einlage	**-**	**-**	**-**	**-**
Einstellungen in Gewinnrücklagen	**-**	**-**	**-**	**-**
Wiederauffüllung des Genussrechtskapitals	**-**	**-**	**-**	**-**
Bilanzverlust	**-2.348**	**-2.372**	**-2.303**	**-2.376**

Summendifferenzen sind Rundungsdifferenzen.

Konzern-Kapitalflussrechnung

in Mio. €	**2014/15**	**2013/14**
Cashflow aus laufender Geschäftstätigkeit	-1.327,3	34,5
Cashflow aus Investitionstätigkeit	1.349,7	303,1
Cashflow aus der Finanzierungstätigkeit	-10,0	-402,3
Finanzmittelfonds am Anfang der Periode	22,2	86,9
Finanzmittelfonds am Ende der Periode	34,6	22,2

Summendifferenzen sind Rundungsdifferenzen.

Regulatorische Kapitalausstattung

Regulatorische Kapitalsituation der IKB-Gruppe unter CRR/CRD IV[1)]:

in Mio. €	**30. Sept. 2015**	**31. März 2015[2)]**
Total Risk Weighted Assets (RWA)	12.075	13.340
Own Funds	2.194	2.228
CET 1 Ratio	11,3%	10,9%
T 1 Ratio	13,8%	13,3%
Own Funds Ratio	16,9%	16,7%

Summendifferenzen sind Rundungsdifferenzen.

1) Angaben unter Berücksichtigung der Ein- und Ausphasungsregelungen der CRR des Jahres 2015 bzw. des Vorjahres. Die CET 1-Quoten wurden nach aktuellem Rechtsstand der CRR zum 30. September 2015 bzw. 31. März 2015 inklusive Übergangsvorschriften sowie der bekannten Interpretationen der Aufsicht und deren Auslegung ermittelt. Es ist nicht auszuschließen, dass zukünftige EBA-/EZB-Standards/Interpretationen bzw. sonstige aufsichtliche Handlungen retrograd zu einer abweichenden CET 1-Quote führen können.

2) Angaben zum 31. März 2015 nach Bilanzfeststellung und unter stichtagsgleicher Zurechnung der Dotierung des Fonds für allgemeine Bankrisiken im CET 1.

	Wesentliche Verschlech- terung der Aus-	Seit dem Datum des letzten geprüften Konzernabschlusses zum und für das am 31. März 2015 abgeschlossene Geschäftsjahr sind keine wesentlichen Veränderungen in den Aussichten der IKB AG

	sichten der Emittentin	eingetreten.
	Wesentliche Veränderung in der Finanzlage bzw. Handelsposition	Seit dem Datum des letzten ungeprüften Konzernabschlusses zum und für das am 30. September 2015 abgeschlossene Halbjahr sind keine wesentlichen Veränderungen in der Finanzlage bzw. Handelsposition der IKB AG eingetreten.

b. The subsection commencing on page 37 of the Base Prospectus which is entitled "Abschnitt B - Die Emittentin - B.13 - Letzte Entwicklungen, die für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant sind" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

B.13	**Letzte Entwicklungen, die für die Bewertung der Zahlungsfähig-keit der Emit-tentin in hohem Maße relevant sind**	**Valin Funds** Der am 3. Juni 2014 durch die IKB gegründete Investmentfonds Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF, wurde im Januar 2015 mit Kapitalzusagen von Investoren in Höhe von € 450 Mio. erfolgreich geschlossen. Investoren sind deutsche und ausländische institutionelle Anleger, die die Wahl haben, direkt in Anteile des Fonds oder in Schuldverschreibungen mit Rating zu investieren. Die IKB ist mit € 23,7 Mio. investiert. Die Anlagestrategie des Fonds sieht vor, Senior Loans deutscher Mittelstandsunternehmen mit einem Jahresumsatz von mindestens € 250 Mio. für das Portfolio zu erwerben. Die IKB fungiert als Investment Manager. Der Fonds hat im April 2015 seine Investitionstätigkeit aufgenommen. Mit Wirkung zum 8. April 2015 hat die IKB die von ihr an dem Fonds Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF gehaltenen Aktien vollständig veräußert. Sie bleibt über Schuldverschreibungen, die von einem Verbriefungsvehikel auf die Aktien emittiert werden, mittelbar in den Fonds investiert. Im Oktober 2015 wurde mit dem Valin Ruysdael Fonds ein weiterer Investmentfonds (€ 150 Mio.) durch die IKB aufgelegt. Die Anlagestrategie des Valin Ruysdael Fonds entspricht der Strategie des im Januar geschlossenen Mittelstand Senior Debt Fonds. Die IKB fungiert als Investment-Manager des Fonds. **Teilnahme der IKB am Comprehensive Assessment der Europäischen Zentralbank** Die Europäische Zentralbank ("**EZB**") hat am 26. Oktober 2014 die finalen Ergebnisse ihrer europaweiten mehrstufigen Überprüfung von 130 europäischen Banken (*Comprehensive Assessment*) veröffentlicht. Ziel der EZB war die Aufdeckung von Risiken und Schwachstellen der Banken, bevor sie ab dem 4. November 2014 die einheitliche Bankenaufsicht im Euro-Raum übernommen hat. Wesentliche Elemente des Comprehensive Assessments waren die Prüfung der Qualität der zum 31. Dezember 2013 vorhandenen Bankaktiva im Rahmen des Asset Quality Reviews ("**AQR**") sowie ein zukunftsgerichteter Stresstest, der die Widerstandsfähigkeit der Banken unter verschärften Rahmenbedingungen untersuchen sollte. Der Stresstest umfasste zwei unterschiedliche Szenarien. Im Basisszenario (*Baseline Scenario*) des Stresstests wurde ein typischer Konjunkturverlauf über einen Zeitraum von drei Jahren simuliert, während das Stressszenario (*Adverse Scenario*) von einer schweren Wirtschaftskrise im Euro-Raum ausging. Die EZB hat eine Benchmark von 8% für die harte Kernkapitalquote ("**CET**

1-Quote") für den AQR, bezogen auf den Stichtag 31. Dezember 2013, festgelegt. Für den Stresstest galt im Baseline Scenario ebenfalls eine Benchmark von 8% Common Equity Tier 1 ("**CET 1**") und im Adverse Scenario eine Benchmark von 5,5% CET 1, in beiden Szenarien allerdings mit einer gegenüber dem AQR abweichenden Kapitaldefinition. Für den Stresstest galten sowohl die Kapitaldefinition als auch die Kapitalanforderungen, die sich unter Berücksichtigung der ratierlichen Phase-in-Regelungen der CRR für den dreijährigen Betrachtungshorizont ergeben. Die Aufsatzwerte des Stresstests wurden durch den sogenannten Join-up-Prozess um die Ergebnisse des AQR angepasst.

Die IKB hat das Comprehensive Assessment erfolgreich abgeschlossen. Die IKB war zum 31. Dezember 2013 mit einer CET 1-Quote von 9,36% in das Comprehensive Assessment gestartet. Durch die AQR-Ergebnisse kam es für Zwecke des Comprehensive Assessments zu einer Adjustierung der CET 1-Quote um 31 Basispunkte auf 9,05%. Im Baseline Scenario des Stresstests erreichte die IKB eine CET 1-Quote von 8,69% und im Adverse Scenario eine CET 1-Quote von 6,53%. Aufgrund der erreichten Comprehensive-Assessment-Ergebnisse waren auch bereits per 31. Dezember 2013 keine Kapitalmaßnahmen notwendig.

Hervorzuheben ist, dass die von der EZB für die Zwecke des Asset Quality Reviews zugrunde gelegte Methodik zum Teil deutlich von handelsrechtlichen Rechnungslegungsgrundsätzen abgewichen ist. Die dem AQR zugrunde liegende Methodik dient ausschließlich der Beurteilung der Kapitalausstattung durch die EZB. Die IKB hat die ihr mitgeteilten Prüfungsergebnisse aus dem AQR auf Auswirkungen auf die Rechnungslegung untersucht und ist zu dem Ergebnis gekommen, dass keine Anpassungen vorzunehmen sind.

Die IKB ist auch nach dem 4. November 2014 unter der direkten Aufsicht der Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") und der Deutschen Bundesbank verblieben, da sie nicht als bedeutendes Institut im Sinne des Art. 6 Abs. 4 der Verordnung (EU) Nr. 1024/2013 (*Single Supervisory Mechanism-/SSM-Verordnung*) eingestuft worden ist.

Erstellung eines Sanierungsplans gemäß §§ 12 ff. Sanierungs- und Abwicklungsgesetz ("SAG") und den Mindestanforderungen an die Ausgestaltung von Sanierungsplänen ("MaSan")

Im Jahr 2014 hat die BaFin die IKB AG aufgefordert, einen Sanierungsplan gemäß §§ 47 ff. KWG (in der bis zum 31. Dezember 2014 anwendbaren Fassung) und MaSan zu erstellen. Die IKB AG hat am 30. Juli 2014 ihren anfänglichen Sanierungsplan der BaFin vorgelegt. Zwischenzeitlich wurde der Sanierungsplan gemäß den Anforderungen des SAG aktualisiert und der BaFin am 30. Oktober 2015 erneut vorgelegt.

Rio Debt Holdings

Die IKB AG hat im Dezember 2014 durch ihr Luxemburger Tochterunternehmen IKB Lux Beteiligungen S.à.r.l. das Mezzanine Loan angekauft, das die LSF Aggregated Lendings S.à.r.l., eine Gesellschaft der Lone Star Funds-Gruppe, an Rio Debt Holdings (Ireland) Limited vergeben hatte. Das Geschäft wurde zu marktüblichen Konditionen abgewickelt. Das Mezzanine Loan, das bis auf einen US-Dollar getilgt ist, berechtigt die IKB Lux Beteiligungen S.à.r.l. zum Erhalt von 20% aller noch zu erwartenden Zins- und Tilgungszahlungen auf Wertpapiere aus dem Rio-Portfolio. Die übrigen 80% aller noch zu erwartenden Zins- und Tilgungszahlungen auf Wertpapiere aus dem Rio-

		Portfolio stehen der IKB Invest GmbH als Junior Lender zu. Am 18. September 2015 hat der bisherige Portfolio Manager, Hudson Advisors LLC, sein Mandat niedergelegt. Zugleich schieden Hudson Advisors Europe Limited als Portfolio Advisor und die IKB AG als Asset Advisor aus der Struktur aus. Zum 29. September 2015 wurde die IKB Lux Beteiligungen S.à.r.l. als neuer Portfolio Manager von Rio Debt Holdings bestellt. **Abweichende Auffassung der Finanzverwaltung** Die IKB AG hat im August 2015 Steuerbescheide erhalten, in denen die abweichende Auffassung der Finanzverwaltung zur Anwendung von §§ 8c Körperschaftssteuergesetz ("**KStG**") und 10a Gewerbesteuergesetz ("**GewStG**") im Zusammenhang mit der unterjährig erfolgten Kapitalerhöhung der IKB AG und dem anschließenden Verkauf der IKB-Anteile der KfW an Lone Star im Geschäftsjahr 2008/2009 umgesetzt wurde. Die IKB hat gegen die Steuerbescheide Rechtsmittel eingelegt. **Potenzieller Verkauf der IKB** Ein Verkauf der IKB durch ihren Hauptanteilseigner Lone Star bleibt jederzeit möglich. Der Vorstand behält es sich vor, diese Pläne zu unterstützen.

c. In the subsection commencing on page 52 of the Base Prospectus which is entitled "D.3 - Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind" the subsection entitled "Bail-in" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

		Bail-In Der Gläubiger ist dem Risiko eines Bail-in ausgesetzt. Nach dem Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen können Ansprüche auf Zahlung von Kapital**[**, Zinsen**]** oder sonstigen Beträgen im Rahmen der Schuldverschreibungen infolge des Eingriffs der zuständigen Abwicklungsbehörde unter Umständen einer Umwandlung in ein oder mehrere Instrumente, die zum harten Kernkapital der Emittentin zählen, wie beispielsweise Stammaktien, oder einer dauerhaften Verringerung, auch bis auf Null, unterworfen sein. Der Inhaber der Schuldverschreibungen hätte in einem solchen Fall keine Ansprüche gegen die Emittentin und es bestünde keine Verpflichtung der Emittentin zur Leistung von Zahlungen auf die Schuldverschreibungen. Dies wäre der Fall, wenn sich die Emittentin als "nicht existenzfähig" (wie in den jeweils anwendbaren Gesetzen definiert) herausstellt oder von der zuständigen Aufsichtsbehörde als "nicht existenzfähig" eingestuft wird und ohne diese Umwandlung bzw. eine Herabschreibung oder eine Kapitalspritze der öffentlichen Hand nicht länger imstande wäre, ihren regulierten Geschäftstätigkeiten nachzugehen. Die Abwicklungsbehörde hat ihre Befugnisse so auszuüben, dass (i) zunächst Instrumente des harten Kernkapitals (wie beispielsweise Stammaktien der Emittentin) im Verhältnis zu den entsprechenden Verlusten herabgeschrieben werden, (ii) daraufhin der Kapitalbetrag der sonstigen (zum zusätzlichen Kernkapital oder Ergänzungskapital zählenden) Kapitalinstrumente dauerhaft herabgeschrieben oder entsprechend ihrer Rangfolge in Instrumente des harten Kernkapitals umgewandelt wird, und (iii) schließlich berücksichtigungsfähige Verbindlichkeiten, wie beispielsweise Verbindlichkeiten aus den Schuldverschreibungen,

		in Instrumente des harten Kernkapitals umgewandelt oder entsprechend einer festgelegten Rangfolge dauerhaft herabgeschrieben werden. Der Gläubiger sollte im Falle eines solchen Bail-in das Risiko eines Totalverlusts seiner Anlage, einschließlich des Nennbetrags zuzüglich aufgelaufener Zinsen, berücksichtigen. [***Im Fall von Nichtnachrangigen Schuldverschreibungen:*** Das Abwicklungsmechanismusgesetzes (AbwMechG) sieht unter anderem vor, dass bestimmte unbesicherte nicht-nachrangige Schuldtitel (wie die Schuldverschreibungen) in der Insolvenz kraft Gesetzes nur erfüllt werden können, nachdem alle anderen nicht nachrangigen Verbindlichkeiten der Emittentin vollumfänglich erfüllt wurden. Dadurch entfällt auf derartige Schuldtitel in der Insolvenz oder bei einer Maßnahme der Gläubigerbeteiligung ein entsprechend größerer Verlustanteil. Diese Änderung des Insolvenzranges und der Reihenfolge der Gläubigerbeteiligung soll rückwirkend erfolgen und würde alle dann noch ausstehenden Schuldverschreibungen betreffen.]

C. Amendments to the section commencing on page 57 of the Base Prospectus which is entitled "B. RISK FACTORS"

1. Amendments to the subsection commencing on page 57 of the Base Prospectus which is entitled "1. RISK FACTORS RELATING TO THE NOTES".

The subsection entitled "Bail-in" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

Bail-in

The Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen*) – which is the transposition into German law of the EU framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") – may result in claims for payment of principal, interest or other amounts under the Notes being subject to a conversion into one or more instruments that constitute Common Equity Tier 1 ("**CET 1**") capital for the Issuer, such as ordinary shares, or a permanent reduction, including to zero, by intervention of the competent resolution authority. Each of these measures are hereinafter referred to as a "**Regulatory Bail in**". The Holders would have no claim against the Issuer in such a case and there would be no obligation of the Issuer to make payments under the Notes. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and unable to continue its regulated activities without such conversion or write-down or without a public sector injection of capital. The resolution authority will have to exercise its power in a way that results in (i) Common Equity Tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into Common Equity Tier 1 capital instruments in accordance with their order of priority and (iii) thereafter, eligible liabilities – as those under the Notes – being converted into Common Equity Tier 1 capital instruments or written down on a permanent basis in accordance with a set order of priority. The extent to which the principal amount of the Notes may be subject to a Regulatory Bail-in will depend on a number of factors that are outside the Issuer's control, and it will be difficult to predict when, if at all, a Regulatory Bail-in will occur. Potential investors should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if a Regulatory Bail-in occurs. The Resolution Mechanism Act (*Abwicklungsmechanismusgesetz*; "**AbwMechG**") provides, *inter alia*, that, in the event of an insolvency proceeding, certain senior unsecured debt instruments (as the Notes) (excluding debt instruments whose payoff (i) is contingent on the occurrence or non-occurrence of a future uncertain event other than the evolution of a reference interest rate, or (ii) is settled other than by way of a money payment) shall by operation of law only be satisfied after any and all other non-subordinated obligations of the Issuer have been fully satisfied. As a consequence, a larger loss share will be allocated to these instruments in an insolvency or bail-in scenario. Such change of the waterfall and sequence of bail-in shall only become applicable from 1 January 2017 but is intended to have retrospective effect and would thus affect any Notes then outstanding.

2. Amendments to the subsection commencing on page 66 of the Base Prospectus which is entitled "2. RISK FACTORS RELATING TO THE ISSUER"

a. The subsection commencing on page 66 of the Base Prospectus which is entitled "2.1 Risk Factors relating to the Economic and Financial Market Situation - *IKB's financial condition may be adversely affected by general economic and business conditions.*" shall be replaced in its entirety as follows:

IKB's financial condition may be adversely affected by general economic and business conditions.

The profitability of IKB's business could be adversely affected by a worsening of general economic conditions and deteriorating individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity and other asset prices could significantly affect the financial strength of IKB's counterparts. For example:

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

b. The subsection commencing on page 66 of the Base Prospectus which is entitled "2.1 Risk Factors relating to the Economic and Financial Market Situation - *IKB has been and may continue to be affected by low growth rates in all major industrialised countries as well as volatile financial markets due to high debt levels among European sovereigns and an on-going crisis management by major central banks.*" (as replaced by Supplement No. 1) shall be replaced in its entirety as follows:

IKB has been and may continue to be affected by low growth rates in all major industrialised countries as well as volatile financial markets due to high debt levels among European sovereigns and an on-going crisis management by major central banks.

A renewed escalation of the Eurozone sovereign debt crisis cannot be excluded and remains a risk, especially as economic growth in countries like Greece has still not shown a robust recovery. In most industrialized countries and especially European countries, national debt levels have increased substantially over recent years. Although fiscal consolidation has reduced the budget deficits in recent times, weak growth has caused debt ratios to continue to drift higher. In most member countries of the European Economic and Monetary Union, the level of sovereign debt exceeds 60% of gross domestic product, which is the limit set by the Treaty of Maastricht. In some countries (e.g. Italy), sovereign debt exceeds well over 100% of the gross domestic product while others such as Spain continue to have elevated debt and deficit levels. Weak economic growth remains a major constraint for a speedy stabilization and an ultimate reduction in sovereign debt levels. For many countries of the Eurozone, weak credit extension continues to be an impediment to growth. While the Eurozone is showing signs of an overall economic stabilization, uncertainty remains over the strength and sustainability of the recovery. Moreover, multiple geopolitical crises could fundamentally increase the downside risks facing the global and European economy. As a result, risk premiums could show renewed signs of volatility. However, the European Central Bank's ("**ECB**") programme of quantitative easing should prevent any major widening in risk premiums. The programme aims at easing monetary policy by way of purchasing government bonds, asset-backed securities and covered bonds (Quantitive Easing). The programme should also secure lower interest rates for the Eurozone states, thereby enhancing debt sustainability over time. However, risks remain high and weaker than expected economic growth will increase the risk of a re-escalation of the Eurozone sovereign debt crisis, thereby undermining the recapitalisation of banks and other financial services providers. Together with increased uncertainty over growth prospects for emerging markets, risks to the global growth outlook in general and Germany's export prospects in particular remain.

Further risk could emanate from a change in monetary policy. The US Fed is generally expected to start increasing its key lending rate before the middle of 2016. An ultimate change in the Fed's policy will likely cause a general repricing of assets across financial markets. Noteworthy changes in Eurozone interest rates could also lead to changes in the portfolio composition of major financial institutions, thereby altering and possibly adversely affecting prices of certain financial assets. In the absence of a sustained recovery, regulatory and political actions by European governments and the European Central Bank in response to escalating debt levels may significantly influence money and capital markets, thereby increasing the spectrum of uncertainty regarding the level of future interest rates, risk premiums and the regulatory framework for financial institutions. Furthermore, a possible departure of any one or more countries from the euro could have unpredictable consequences on the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across IKB's businesses. IKB's ability to protect itself against these risks is limited.

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

c. In the subsection commencing on page 68 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *IKB faces liquidity risks, which it may fail to mitigate if it is unable to raise sufficient funding.*" the second paragraph and the third paragraph (as replaced by Supplement No. 2) shall be replaced in their entirety as follows:

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

Depending on the development of its new business, IKB expects its liquidity requirements to amount to between € 6.5 billion and € 7.5 billion during the course of the next twelve months. As previously, the main options currently available for refinancing these requirements are accepting customer deposits and promissory note loans, secured borrowing on the interbank market (cash and term deposits) and participating in ECB tenders. Further options for IKB are bearer bonds, selling balance sheet assets and collateralised refinancing structures.

d. In the subsection commencing on page 70 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *IKB's business performance could be adversely affected if its capital is not managed effectively*" the second paragraph (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

Where methods and processes have not changed since the start of the financial year 2015/2016, no detailed presentation is provided in the following paragraph and readers should refer to IKB's Annual Report 2014/2015 (see the section entitled "Risk report" set out on pages 30 to 70 of the Annual Report 2014/2015).

e. In the subsection commencing on page 72 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *IKB's business entails operational risks.*" the second paragraph shall be replaced in its entirety as follows:

Legal risk as part of operational risk constitutes the risk of losses incurred by breaching general statutory conditions or new statutory conditions or by not complying with changes to or interpretations of existing statutory regulations (e.g. high court decisions) which are unfavourable for IKB. There is inherent risk of liability due to actual or alleged violations of these conditions and regulations.

f. In the subsection commencing on page 72 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *IKB's business entails compliance risks.*" the first and the second paragraph shall be replaced in their entirety as follows:

As a German bank, IKB AG is subject, among other things, to the legal standards of the German Banking Act (*Kreditwesengesetz*; "**KWG**"), the German Securities Trading Act (*Wertpapierhandelsgesetz*; "**WpHG**"), the German Money Laundering Act (*Geldwäschegesetz*; "**GwG**") and the relevant circulars of the BaFin, which results in numerous obligations concerning the professional provision of investment services, the prevention of conflicts of interest, market manipulation and insider trading as well as anti-money laundering, the combating of financing of terrorism and fraud prevention. IKB's newly developed business activities in recent years give rise to regulatory requirements within the whole corporate finance banking discipline.

In view of the predominance of professional clients, a significant amount of confidential information is received by and exchanged within the lending and consulting business units respectively. Due to the associated high number of insiders in IKB, various compliance measures are undertaken to protect this information against illegitimate use that could cause conflicts of interests or insider trading.

g. In the subsection commencing on page 73 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *IKB is exposed to substantial risk of loss from legal and regulatory proceedings.*" the second paragraph shall be replaced in its entirety as follows:

Legal, regulatory and adversarial proceedings are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation. Currently, IKB is involved in a number of legal proceedings or regulatory actions and has taken necessary measures, *inter alia* made provisions in amounts it deems necessary and appropriate to cover the risk of charges or losses from unfavourable outcomes of such proceedings. However, there can be no assurance that such provisions will adequately cover potential charges or losses. An adverse result in one or more of these proceedings could have a material adverse effect on IKB's reputation or results of operations.

h. The subsection commencing on page 74 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *Risk related to structured credit products*." (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

Risk related to structured credit products

The risks from IKB's remaining structured credit products in terms of the book value amount to € 11 million. This amount can be divided into transactions related to the strategic core business of IKB, i.e. securitisations of IKB’s own loans amounting to € 38 million and € 73 million remaining risk from mortgage investments (including subprime) which were transferred to the special purpose vehicle Rio Debt Holdings in 2008.

i. The subsection commencing on page 74 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *The special audit in respect of IKB AG could have an adverse effect on its reputation and prospects*." (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

The special audit in respect of IKB AG could have an adverse effect on its reputation and prospects.

Upon request of IKB AG's shareholders a special auditor has been appointed to examine whether members of IKB AG's board of managing directors or the supervisory board breached their duties in connection with the causes of the crisis at IKB. The special auditor submitted its final report to IKB AG in late February 2014. In September 2014, the report was submitted to the commercial register and published on IKB's website. The special auditor's report was an item at the Annual General Meeting of IKB AG in August 2015. The possibility that the facts and assessments included in the report will lead to the initiation of legal proceedings against IKB by third parties cannot be ruled out.

j. The subsection commencing on page 74 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *Increased regulation of the financial services industry could have an adverse effect on IKB's operations.*" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

Increased regulation of the financial services industry could have an adverse effect on IKB's operations.

Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United States, in EU member states and elsewhere have provided additional capital and funding requirements and are implementing other measures including increased regulatory control in their respective banking sectors including by imposing enhanced capital requirements.

Regulatory reforms which have been implemented or planned and which tighten the equity and liquidity standards, as well as the general increased regulatory monitoring demand increased capital requirements from IKB and could significantly affect IKB’s business model and the competitive environment in which IKB interacts.

This applies, for example, to the Basel-III regulations which came into force on the European level on 1 January 2014 by the implementation of Regulation (EU) No. 575/2013 (CRR), Directive 2013/36/EU (CRD IV) as well as the corresponding German implementation acts.

It applies in particular with regard to the BRRD. The BRRD contains additional or amended regulatory provisions which may affect the Issuer and the Notes. The BRRD's provisions have already been implemented into German law (*BRRD-Umsetzungsgesetz*), providing as a key element a national law for the recovery and resolution of institutions and financial groups (German Recovery and Resolution Act, *Sanierungs- und Abwicklungsgesetz;* "**SAG**") which is already in force and which enhances the former provisions contained in the KWG. The SAG provides certain resolution tools as, e.g., a permanent write-down of liabilities (as the Notes) or their conversion into equity of the Issuer, a transfer of claims and/or liabilities of the Issuer or even a resolution of the Issuer. These resolution tools may have a substantial effect on the rights of Holders and may have a material adverse effect on the enforcement of claims under the Notes. Besides, the Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15 July 2014 establishing uniform rules and a uniform mechanism for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund ("**SRM Regulation**"), whose provisions will mainly be applicable as of 1 January 2016 without further implementation into national law will cause a major shift in competencies. Instead of the respective national authority (or in case of a cross-border group resolution, the authority responsible for the group resolution), the single resolution board established with respect to a uniform resolution pursuant to Art. 42 SRM Regulation will execute tasks and exercise competences under the SRM Regulation.

In particular, the Issuer may be subject to the following measures which might also affect Holders.

The Issuer may be subject to a restructuring or reorganisation procedure pursuant to the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*; "**KredReorgG**"). While a restructuring procedure generally may not interfere with rights of creditors, the reorganisation plan established under a reorganisation procedure may provide measures that affect the rights of any Holder as the credit institution's creditor against its will, including a reduction of existing claims or a suspension of payments. The rights of Holders may be adversely affected by the reorganisation plan which might be adopted irrespective of their particular voting behaviour by a majority vote.

The SAG and the SRM Regulation provide tools which enable the competent supervisory or resolution authorities to restructure or dissolve credit institutions and investment firms if there is a potential default risk regarding the respective credit institution or investment firm and provided that the default risk may not be prevented by other effective means and the application of the tool serves the public interest. These resolution tools, in accordance with the BRRD, include among others a "bail-in" instrument enabling the competent resolution authority to convert relevant capital instruments or certain eligible liabilities into shares or common capital tier 1 capital instruments or to write them down in whole or in part. By suspension, modification and termination (in whole or in part) of the rights under the Notes, the resolution tools may materially affect the rights of the Holders. The extent to which the claims resulting from the Notes forfeit due to the "bail-in" instrument depends on a number of factors, on which the Issuer potentially has no influence. The Holder would have no claim against the Issuer in such a case and there would be no obligation of the Issuer to make payments under the Notes. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and unable to continue its regulated activities without such conversion or write-down or without a public sector injection of capital. As a result of certain amendments to the KWG made to the Resolution Mechanism Act (*Abwicklungsmechanismusgesetz*; "**AbwMechG**") senior unsecured debt instruments (as the Notes) (other than debt instruments whose payoff (i) is contingent on the occurrence or non-occurrence of a future uncertain event other than the evolution of a reference interest rate, or (ii) is settled other than by way of a money payment) shall by operation of law be subordinated to all other non-subordinated indebtedness. As a consequence, a larger loss share will be allocated to these instruments in an insolvency or bail-in scenario. Such change of the insolvency and bail-in waterfalls shall become effective from 1 January 2017 and is intended to have retrospective effect and would thus affect the Notes.

If the resolution conditions are met, and a bail-in is not sufficient to restore the viability of the credit institution, the competent resolution authority may as an alternative issue a transfer order pursuant to which the Issuer would be forced to transfer its shares or assets and liabilities in whole or in part to a so-called bridge bank or an asset management company. In the context of a transfer order, the Issuer as initial debtor of the Notes may be replaced by another debtor (which may have a fundamentally different risk tolerance or creditworthiness than the Issuer). Alternatively, the claims may remain towards the initial debtor (i.e. the Issuer), but the situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the transfer order; in such a scenario the initial debtor (i.e. the Issuer) will be liquidated and the Holders will suffer substantial losses or even a total loss.

The German Act on the Ring-Fencing of Risks and for the Wind-Down of Credit Institutions and Financial Groups (*Gesetz zur Abschirmung von Risiken und zur Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen;* "**Trennbankengesetz**") incorporates provisions into the KWG providing that, even without the occurrence of a resolution or recovery event, credit institutions may be obliged to transfer positions which are regarded as being "risk entailing" to a legally and financially independent financial trading institution (separation of banking activities). As a result, the competent authority may, from 1 July 2016 on, prohibit the Issuer from carrying out certain types of activities in order to avoid risks, and may order the Issuer to transfer positions which are regarded by the legislator as being "risk entailing" to a legally and financially independent financial trading institution. The claims of the Holders may be negatively affected thereby including, in particular, that the Issuer as initial debtor of the Notes may be replaced by another debtor (who may have a completely different risk tolerance or creditworthiness than the Issuer). Alternatively, the claims may continue to be towards the Issuer, however, the situation with regard to IKB's assets, business activity and/or creditworthiness may not necessarily be the same as prior to the transfer order. It is planned that pursuant to the Regulation of the European Parliament and of the Council on structural measures improving the resilience of EU credit institutions, which are considered to be systemically important, such EU credit institutions shall be restricted by the competent authorities with regard to their business activities, including a prohibition of proprietary trading and the separation of certain trading activities. The draft of this regulation has been published by the European Commission on 28 January 2014, and a relevant Council position has been published on 19 June 2015. This could in the future – in comparison to the *Trennbankengesetz* – have further impairments in relation to the Issuer's ability to meet its obligations under the Notes.

The aforementioned measures may result in a default of all claims under the Notes and thus to a total loss of the investment of the Holder. There may be negative effects in the market value of the Notes even before the execution of such rights. In addition, the Issuer's assets may be withdrawn under these measures, which further adversely affects the ability of the Issuer to meet its payment obligations under the Notes.

It is generally not or only partly possible to predict future market turmoil, regulatory measures and further legislative projects.

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

k. The subsection which is entitled "2.2 Risk Factors relating to IKB and its Business - *There is a risk of additional taxes due to a dissenting view of the tax authorities on the application of the German Corporate Income Tax Act (KStG) and the German Trade Tax Act (GewStG)*" (as added by Supplement No. 2) following the subection commencing on page 75 of the Base Prospectus which is entitled "2.2

Risk Factors relating to IKB and its Business - *Rights of creditors of IKB may be adversely affected by measures pursuant to the German Act on the Reorganisation of Credit Institutions (Kreditinstitute-Reorganisationsgesetz – "KredReorgG") and the German Banking Act (KWG).*" shall be replaced in its entirety as follows:

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

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

The dispute involves a total amount of € 291 million, which was recognised – after the conduct of a comprehensive tax risk assessment – in the income statement as at 31 March 2015 through the recognition of a tax provision in the amount of € 140 million and the write-down of an existing tax receivable in the amount of € 5 million.

The current outcome of the risk assessment does not differ from the outcome as at 31 March 2015. A provision has not yet been recognised for trade tax or the corresponding interest. There is a possibility that this risk will need to be reassessed as proceedings continue. The risk with respect to trade tax becoming finally payable currently amounts to around € 117 million plus interest of 0.5% per month and to € 1.2 million for cost allocations for chamber of commerce and industry membership fees. The potential risk of interest with respect to trade tax amounted to € 29 million as at 30 September 2015 plus around € 0.6 million for each additional month. If this risk were to occur, IKB would be able to release a part of the fund for general banking risks (section 340g HGB) and, as far as this risk is considered, IKB would not show a loss in the financial statements. If this risk were to occur and as far as this risk is considered, IKB would still meet the minimum capital requirements of the banking supervisory authorities.

I. The subsection commencing on page 76 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *IKB could fail to retain or attract senior management or other key employees.*" shall be replaced in its entirety as follows:

IKB could fail to retain or attract senior management or other key employees.

Frictional vacancies were filled by recruiting highly qualified new employees. The failure to attract or retain a sufficient number of appropriately skilled personnel could prevent IKB from successfully achieving a natural staff turnover, which could have a material adverse effect on its financial condition and results of operations. In fact recruitment bottlenecks were only found in a few units and specialised functions. Fluctuation in respect of IKB’s employees is within the sector average.

m. In the subsection commencing on page 76 of the Base Prospectus which is entitled "2.2 Risk Factors relating to IKB and its Business - *If IKB AG does substantially not comply with FATCA reporting requirements, a tax withholding on any payments deriving from U.S. sources could be levied.*" the first and the second paragraph shall be replaced in their entirety as follows:

If IKB AG does substantially not comply with the reporting requirements under the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), a tax withholding on any payments (interest, dividend or in a subsequent step also gross proceeds, as the case may be) deriving from US sources could be levied. Moreover, from January 2019 onwards, IKB AG may further be required to withhold U.S. withholding tax in the case of foreign passthru payments to be made to a financial institution which is not compliant with FATCA or to any other person who does not deliver any necessary information, documentation and/or forms required by FATCA.

The FATCA regime is applicable since 1 July 2014. A tax model agreement (the Intergovernmental Agreement – "**IGA**") has been concluded and signed between Germany and the U.S. dated 31 May 2013. Therefore, IKB AG as well as other German financial institutions will be assumed to be treated for FATCA purposes as an institution resident in a partner country. Thus, U.S. fiscal authorities will treat IKB AG as a fully compliant foreign financial institution within the meaning of the FATCA requirements. As a result, payments to IKB AG should not be subject to any U.S. withholding tax as long as IKB AG complies with FATCA reporting requirements. However, according to the IGA and German national laws, IKB AG has to report data of U.S.-persons, certain U.S.-entities or U.S.-controlled entities (shareholding exceeding 25%) on an annual basis to the German federal tax office (*Bundeszentralamt für Steuern*) from summer 2015 onwards. If IKB AG complies with those national requirements, the compliant status will be kept on an unlimited basis.

D. Amendments to the section commencing on page 88 of the Base Prospectus which is entitled "D. DESCRIPTION OF THE ISSUER"

1. Amendments to the subsection commencing on page 89 of the Base Prospectus which is entitled "2. IKB DEUTSCHE INDUSTRIEBANK AKTIENGESELLSCHAFT"

a. In the subsection commencing on page 91 of the Base Prospectus which is entitled "2.3 Business Overview - 2.3.2 Principal Activities" the subsection entitled "*Credit Products*" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

Credit Products

The Credit Products segment comprises the activities from IKB AG's lending and leasing business. Specifically, this includes regular loans, acquisition finance loans and public programme loans. Furthermore, IKB initiated two new business approaches, Commodity Trade Finance ("**CTF**") loans and Asset Based Lending ("**ABL**"), and relaunced property financing. In addition, the business operations in respect of collateralised loan obligations, which relate to the loans of this segment, are included in this segment.

b. In the subsection commencing on page 91 of the Base Prospectus which is entitled "2.3 Business Overview - 2.3.2 Principal Activities" the subsection entitled "*Significant New Activities*" (as replaced by Supplement No. 2) shall be replaced in its entirety by the following subsection:

Significant New Activities

In 2011, IKB AG launched its online service "IKB direct" for retail customers as a further source of refinancing by offering overnight and fixed term deposits with a term of up to ten years. Since then, IKB is constantly expanding its retail platform on an ongoing basis. By now, IKB offers an income plan to private investors, accounts for underage persons and the combination of overnight and term deposits. In addition to that, IKB AG has repealed its brand "IKB direct" in order to offer retail and corporate solutions under one and the same brand, IKB Deutsche Industriebank AG.

Since July 2012, IKB is engaged in the field of issuing securities such as fixed interest bonds, floating rate bonds, step-up bonds, inflation-linked bonds and zero-coupon bonds, *inter alia* to retail customers. IKB aims to broaden its funding instruments continuously, e.g. by introduction of the product "*Kombigeld*". *Kombigeld* is an investment with fixed maturity and interest. Only up to 50% of the initial investment can be withdrawn before maturity.

IKB has created the legal and organisational framework for a diversified asset management by means of the Valin platform structured as SICAV. Due to IKB's Unique Selling Proposition ("**USP**") in the field of medium-sized companies and the specific asset know-how in various definable asset classes, it is intended to extend the Valin platform systematically by launching several sub funds. A Valin Mezzanine sub fund and a Valin Senior Debt sub fund is already active in the market. A new Valin Ruysdael sub fund with the same investment criteria as the Valin Senior Debt sub fund has started investing in October 2015.

IKB AG has launched its new CTF business approach. In this context, the initial focus is on IKB's role as a participating provider of financing on the side of arranger banks that have been active in this area for a long time. The CTF business is to be established alongside the existing SME credit business.

Moreover, IKB has extended its product range by Asset Based Lending financing. This deals with comprehensive financing of warehouses and trade accounts receivables as well as cash receipts and with loans collateralised by working capital or possibly fixed assets.

In 2015, IKB AG has decided to set up a new "Credit Treasury" team within the Treasury and Investments segment which will focus on IKB AG's credit portfolio to increase the portfolio mobility and to be able to better respond to market developments.

c. The subsection commencing on page 93 of the Base Prosepectus which is entitled "2.3 Business Overview - 2.3.4 Summary of Regulatory Indicators" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

Summary of Regulatory Indicators

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

Table: Regulatory capital situation of IKB Group in accordance with CRR / CRD IV[1]

Figures in € million	**30 Sept. 2015**	**31 Mar. 2015**[2]
Counterparty default risk	12,075	12,736
thereof: CVA charge	143	123
Market risk equivalent	262	153
Operational risk	611	451
Total risk-weighted assets (RWA)	**12,947**	**13,340**
Common Equity Tier 1 (CET 1)	1,457	1,453
Additional Tier 1 (AT 1)	326	326
Total Tier 1 (T 1)	**1,783**	**1,779**
Tier 2 (T 2)	411	448
Own funds	**2,194**	**2,228**
CET 1 ratio	**11.3%**	**10.9%**
T 1 ratio	13.8%	13.3%
Own funds ratio	16.9%	16.7%

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

1) Figures taking into consideration the phase-in and phase-out provisions of the CRR for 2015 and the previous year. The CET 1 ratios were calculated in accordance with the current legal status of the CRR as at 30 September 2015 and 31 March 2015 respectively, including transitional provisions and the interpretations published by the supervisory authorities. The possibility that future EBA/ECB standards and interpretations or other supervisory actions will lead to a retrospective change in the CET 1 ratio cannot be ruled out.

2) Figures as at 31 March 2015 after approval of the accounts and taking into consideration the addition to the fund for general banking risk in CET1 at the reporting date.

The decrease in risk-weighted assets as at 30 September 2015 is primarily attributable to scheduled repayments, unscheduled repayments and sales of non-strategic assets.

At 11.3% at Group level and 15.2% at individual IKB AG level, IKB's Common Equity Tier 1 ("**CET 1**") capital ratios are in excess of the minimum level of 8% required by the ECB as part of its comprehensive assessment (AQR and stress test baseline scenario). This means that IKB significantly exceeds the statutory minimum requirements in terms of the CET 1 ratio.

The Board of Managing Directors expects it to be possible to meet the statutory minimum requirements in the future. Although the CRR has been binding since 1 January 2014, there remains uncertainty with regard to the interpretation of the new regulation. This is also reflected in the large number of interpretation issues raised with the EBA, which are extremely important when it comes to interpreting the regulation. Furthermore, many technical regulatory standards to be announced by the EBA are not yet available in their final version or their publication has been delayed compared with the EBA's original timetable (see the EBA's work programme for 2016 dated 30 September 2015). Further uncertainty is provided by the fact that the results of the international banking regulation process and the development of a unified European bank supervision are not always foreseeable. This relates in particular to the implementation of the regulations arising from the Banking Recovery and Resolution Directive ("**BRRD**") with national implementation in the form of the German Recovery and Resolution Act and preparations for the Supervisory Review and Evaluation Process (SREP) in accordance with the EBA guidelines. In addition, the Basel Committee (BCBS) has issued a number of consultation papers on the revision of the standardised approach for credit risk (BCBS 307), counterparty default risk (BCBS 279), revisions to the securitisation framework (BCBS 303), the trading book framework (BCBS 305), operational risk (BCBS 291), capital floors for advanced measurement approaches (BCBS 306) and interest rate risk in the banking book (BCBS 319), the precise effect of which and the corresponding impact on future capital requirements cannot be quantified at present. The binding date on which harmonised EU-wide banking supervisory legislation will come into force has also still yet to be defined.

d. In the subsection commencing on page 96 of the Base Prospectus which is entitled "2.4 Organisational Structure / Description of the Group" the subsection entitled "*Consolidated Entities*" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

Consolidated Entities

As at 30 September 2015, the consolidated entities were as follows:

A. Consolidated Subsidiaries		**Share of capital in %**
1. German subsidiaries		
Aleanta GmbH, Düsseldorf		100
Equity Fund GmbH, Düsseldorf	1)	100
IKB Beteiligungen GmbH, Düsseldorf		100
IKB Beteiligungsgesellschaft 1 mbH, Düsseldorf		100
IKB Beteiligungsgesellschaft 2 mbH, Düsseldorf		100
IKB Beteiligungsgesellschaft 3 mbH, Düsseldorf		100
IKB Beteiligungsgesellschaft 4 mbH, Düsseldorf		100
IKB Beteiligungsgesellschaft 5 mbH, Düsseldorf		100
IKB Data GmbH, Düsseldorf		100
IKB Equity Capital Fund GmbH, Düsseldorf	1)	100
IKB Grundstücks GmbH & Co. Objekt Holzhausen KG, Düsseldorf		100
IKB Grundstücks GmbH, Düsseldorf		100
IKB Invest GmbH, Düsseldorf	1)	100
IKB Leasing GmbH, Hamburg	1)	100
IKB Leasing Beteiligungsgesellschaft mbH, Düsseldorf	1)	100
IKB Projektentwicklung GmbH & Co. KG i.L., Düsseldorf	3)	100
Istop 1 GmbH, Düsseldorf	1)	100
Istop 2 GmbH, Düsseldorf	1)	100

	Istop 4 GmbH, Düsseldorf	1)	100
	Istop 5 GmbH, Düsseldorf	1)	100
	Istop 6 GmbH, Düsseldorf	1)	100
	IKB Struktur GmbH, Düsseldorf	1)	100
	Projektbeteiligung TH GmbH & Co. KG, Düsseldorf	1)	89.8
	Tempelhofer Hafen GmbH & Co. KG, Düsseldorf	1)	94.9
	MATRONA GmbH, Düsseldorf	1)	100
2.	**Foreign subsidiaries**		
	IKB Finance B.V., Amsterdam, Netherlands		100
	IKB Funding LLC II, Wilmington, United States of America		100
	IKB Funding LLC I, Wilmington, United States of America		100
	IKB International S.A. i.L., Munsbach, Luxembourg	2)	100
	IKB Leasing Austria GmbH, Vienna, Austria	1)	100
	IKB Leasing ČR s.r.o., Prague, Czech Republic	1)	100
	IKB Leasing Finance IFN SA, Bucharest, Romania	1)	100
	IKB Leasing France S.A.R.L., Marne La Vallée, France	1)	100
	IKB Leasing Kft., Budapest, Hungary	1)	100
	IKB Leasing Polska Sp. z.o.o., Poznan (Posen), Poland	1)	100
	IKB Leasing SR. s.r.o., Bratislava, Slovakia	1)	100
	IKB Leasing S.R.L., Bucharest, Romania	1)	100
	IKB Lux Beteiligungen S.à.r.l., Munsbach, Luxembourg		100
	IKB Pénzügyi Lizing Zrt., Budapest, Hungary	1)	100
	STILL LOCATION S.à.r.l., Marne La Vallée, France	1)	100
	IKBL Renting and Service S.r.l, Lainate (MI), Italy	1)	100
	IKB Leasing geschlossene Aktiengesellschaft, Moscow, Russia	1)	100
3.	**Special Purpose Vehicles in accordance with Section 290 paragraph 2 No. 4 German Commercial Code**		
	Bacchus 2008-2 Plc, Dublin, Ireland		
	German Mittelstand Equipment Finance No. 1 S.A., Luxembourg, Luxembourg		
	German Mittelstand Equipment Finance S.A., Luxembourg		
	RIO DEBT HOLDINGS (IRELAND) LIMITED, Dublin, Ireland		
B.	**Associated Companies**		
	Linde Leasing GmbH, Wiesbaden	1)	30.0

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

e. **The subsection on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.2 Trend Information / Uncertainties" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:**

2.5.2 Trend Information / Uncertainties

IKB AG is subject to the trends, uncertainties and influences explained in this Base Prospectus. Such uncertainties and influences may have a material effect on its business prospects for the remainder of the financial year 2015/2016 and for future periods. These include, in particular, the continuing uncertainty concerning developments in the international financial markets, the sovereign debt crisis, the global economy and political uncertainties due to increasing regulations. Geopolitical uncertainties, such as the conflict between Ukraine and Russia or the crisis situation in the Middle East, will remain additional risk factors. For further information, please see "B. RISK FACTORS – 2. RISK FACTORS RELATING TO THE ISSUER – 2.1 Risk Factors relating to the Economic and Financial Market Situation".

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

In line with the business model of IKB AG, IKB AG offers credit financing and financial markets and advisory services supporting corporate clients to optimise their financing structure and gain access to the capital markets.

f. **In the subsection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments" the subsection entitled "*Valin Funds*" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:**

Valin Funds

The investment fund by the name of "Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF" founded by IKB on 3 June 2014 was successfully closed in January 2015 with capital commitments from investors in a total amount of € 475 million. The investors are German and foreign institutional investors who have the option of investing either directly into shares of the fund or in rated debt securities. IKB itself is invested with € 23.7 million. The fund's investment objective is to acquire senior loans from German Mittelstand clients with total annual sales of at least € 250 million. IKB acts as the fund's investment manager. The fund started investing in April 2015.

IKB sold all of its shares in Valin Mittelstand Senior Debt Fund S.A., SICAV-SIF with effect from 8 April 2015. It remains indirectly invested in the fund via bonds with rights in the shares issued by a securitisation vehicle.

In October 2015, IKB launched an additional investment fund in the form of the Valin Ruysdael Fund (€ 150 million). The Valin Ruysdael Fund has the same investment strategy as the Mittelstand Senior Debt Fund that was closed in January 2015. IKB is the investment manager of the fund.

g. **In the subsection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments" the subsection entitled "*Compilation of recovery plan according to Sections 47 et seq. of the German Banking Act (KWG) and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (Mindestanforderungen an die***

***Ausgestaltung von Sanierungsplänen – "MaSan")."* (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:**

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

In 2014, BaFin requested IKB AG to compile a recovery plan according to Sections 47 et seq. of the KWG as applicable until 31 December 2014 and the MaSan. On 30 July 2014, IKB submitted its initial recovery plan to BaFin. Meanwhile, the recovery plan has been revised according to the requirements of the German Recovery and Resolution Act (SAG) and was re-submitted to BaFin on 30 October 2015.

h. The subsection which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments – *Rio Debt Holdings*" (as added by Supplement No. 2) following the subection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments – *Compilation of recovery plan according to Sections 47 et seq. of the German Banking Act (KWG) and the German Circular on Minimum Requirements for the Contents of Recovery Plans for Credit Institutions (Mindestanforderungen an die Ausgestaltung von Sanierungsplänen – "MaSan")*." shall be replaced in its entirety as follows:

Rio Debt Holdings

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

By 18 September 2015, the portfolio manager, Hudson Advisors LLC, resigned. At the same time, the portfolio advisor Hudson Advisors Europe Limited, and the asset advisor, IKB AG, resigned. Effective as of 29 September 2015, IKB Lux Beteiligungen S.a.r.l., Luxembourg, has been appointed as new portfolio manager.

i. The subsection which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments – *Dissenting view of the tax authorities*" (as added by Supplement No. 2) following the subection commencing on page 98 of the Base Prospectus which is entitled "2.5 Information on Business Trends - 2.5.3 Recent Developments – *Rio Debt Holdings.*" shall be replaced in its entirety as follows:

Dissenting view of the tax authorities

In August 2015, IKB AG received tax assessment notices in which the dissenting view of the tax authorities on the application of section 8c of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*; "**KStG**") / section 10a of the German Trade Tax Act (*Gewerbesteuergesetz*; "**GewStG**") in connection with the capital increase implemented by IKB AG during the course of the financial year 2008/2009 and the subsequent sale of KfW's shares in IKB AG to Lone Star in the financial year 2008/2009 was implemented. IKB AG has appealed against the tax assessments.

j. In the subsection commencing on page 100 of the Base Prospectus which is entitled "2.6 Administrative, Management and Supervisory Bodies - 2.6.1 Board of Managing Directors" the table and the first paragraph following the table (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in their entirety as follows:

Name	***Date Appointed***	***Responsibilities***	***Principal Activities outside IKB AG***
Dr. Michael H. Wiedmann (*Chairman*)	5 January 2015: appointed as Chairman of the Board of Managing Directors 1 March 2009: appointed as a regular member of the Board of Managing Directors	Sales Credit and Advisory Products Industry Groups Markets Treasury and Investments Legal Department Communications	n.a.
Dirk Volz	1 December 2015	Credit Risk Controlling Finance Economic Research Group Audit Taxation	IKB Beteiligungen GmbH (Managing Director)
Claus Momburg	12 November 1997	Credit Risk Management Information Technology Credit Treasury Operations Human Resources and Services Governance and Compliance Process and Organisation Management (PRO) Strategic Outsourcingmanagement and Group Procurement Group Project Portfolio Management Data Protection Information Security	n.a.

Dr. Dieter Glüder, member of the Board of Managing Directors since 29 July 2007, has resigned from the office with effect from the end of 30 November 2015. With effect from 1 December 2015, Mr Dirk Volz succeeded Dr. Glüder in his responsibilities.

Hans-Jörg Schüttler, Chairman of the Board of Managing Directors as of 1 November 2008, has resigned from office with effect from the end of 4 January 2015.

k. The subsection commencing on page 101 of the Base Prospectus which is entitled "2.6 Administrative, Management and Supervisory Bodies - 2.6.2 Supervisory Board" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

According to Section 8 of the Articles of Association, the Supervisory Board consists of nine members. The Annual General Meeting of IKB AG on 27 August 2015 approved a resolution to reduce the number of members of the Supervisory Board from 12 to nine members. In principle, the implementation of the reduction in the size of the Supervisory Board will be achieved by the end of the Annual General Meeting of IKB AG in 2016 when the terms of some members of the Supervisory Board will end (see table below), unless members resign from office prematurely. In accordance with the German One-Third Participation Act (*Drittelbeteiligungsgesetz;* "**DrittelbG**"), two thirds of the Supervisory Board consist of representatives elected by IKB AG's shareholders, while the other third consists of representatives elected by the employees. Members are elected for three-year terms and re-election is possible. The members of the Supervisory Board elect the chairman and the deputy chairman of the Supervisory Board. The chairman, who is typically a representative of the shareholders, has the deciding vote in the event of a deadlock.

Currently, the Supervisory Board still consists of eleven members. On 3 December 2015, Bruno Scherrer, who has been the Chairman of IKB's Supervisory Board since October 2008, resigned. The Supervisory Board elected Dr. Karl-Gerhard Eick, who has been the Deputy Chairman of the Supervisory Board since February 2015, as new Chairman; Dr. Claus Nolting, member of IKB's Supervisory Board since January 2009, was elected as new Deputy Chairman.

The following table sets out the members of the Supervisory Board as at the date of this Base Prospectus, the end of the term for which they have been appointed and the principal activities outside IKB AG.

Name	***End of Term***	***Principal Activities outside IKB AG***
Dr. Karl-Gerhard Eick (*Chairman*)	2016	Management Consultant
Dr. Claus Nolting (*Deputy Chairman*)	2018	Lawyer
Stefan A. Baustert	2017	Member of the Board of Managing Directors of QSC AG
Sven Boysen	2018	Chairman of the Works Council Hamburg, Corporate Customer Analyst Branch Northern Germany
Benjamin Dickgießer	2018	Director of Lone Star Europe Acquisitions LLP
Dr. Lutz-Christian Funke	2016	Head of Office of Corporate Management Affairs and Corporate Communications of KfW Group
Arndt G. Kirchhoff	2017	Managing Partner & CEO of KIRCHHOFF Holding GmbH & Co. KG
Bernd Klein	2018	Member of the Works Council Düsseldorf, Specialist Contracts and Collateral
Rainer Lenz	2016	Member of the Works Council Düsseldorf, Team leader Pricing, Portfolio Management and Fundamental Issues of Public Funding
Nicole Riggers	2017	Exempt Chairperson of the Works Council Düsseldorf, Chairperson of the General Works Council
William D. Young	2016	Managing Director & General Counsel Europe of Hudson Advisors UK Ltd.

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

I. **The subsection commencing on page 102 of the Base Prospectus which is entitled "2.6 Administrative, Management and Supervisory Bodies - 2.6.3 Advisory Board" (as amended by Supplement No. 2) shall be replaced in its entirety as follows:**

In accordance with Section 12 of the Articles of Association, the Supervisory Board has formed an advisory board (*Beraterkreis*, the "**Advisory Board**") to provide general business advisory services and enhance contacts with industry and commerce. The members of the Advisory Board assist IKB AG's management by providing advice relating to issues of general economic interest and matters of general principles. The Advisory Board does not have any supervisory functions.

The following table sets out the members of the Advisory Board as at the date of this Base Prospectus.

Name	***Function***
Norbert Basler (*Chairman*)	Chairman of the Supervisory Board of Basler AG, Ahrensburg
Dr. Michael Kaschke (*Deputy Chairman*)	Chairman of the Board of Managing Directors of Carl Zeiss AG, Oberkochen
Dr. Matthias Becker	Managing Director of Hüls AG & Co. KG, Stadtlohn
Dr. h.c. Josef Beutelmann	Chairman of the Supervisory Board of Barmenia Versicherungs-Gesellschaften, Wuppertal
Jan-Frederic Bierbaum	Managing Partner of Bierbaum Unternehmensgruppe GmbH & Co. KG, Borken
Anton Börner	General Partner of Börner + Co. KG, Ingolstadt
Klaus Bräunig	Managing Director of the German Association of the Automotive Industry (Verband der Automobilindustrie – VDA), Berlin
Thilo Brodtmann	Managing Director of German Engineering Federation (Verband Deutscher Maschinen- und Anlagenbau e.V. – VDMA), Frankfurt am Main
Stefan Dräger	Chairman of the Board of Managing Directors of Drägerwerk AG & Co. KGaA, Lübeck
Dr.-Ing. Gerd Eckelmann	Chairman of the Board of Managing Directors of ECKELMANN AG, Wiesbaden
Prof. Klaus Hekking	Chairman of the Board of Managing Directors of Association of Private Higher Education Institutions (Verband der Privaten Hochschulen e.V.), Heidelberg
Dr. Ekkehard Köhler	Managing Partner of Bleistahl Prod. GmbH & Co. KG, Wetter
Christian Lewandowski	Chairman of the Board of Managing Directors of Gegenbauer Holding SE & Co. KG, Birkenwerder
Dr. Harald Marquardt	Chairman of the Board of Management of MARQUARDT GmbH, Rietheim-Weilheim
Hildegard Müller	Chairman of the Board of Management of the Federal Association of the Energy and Water Industries (BDEW Bundesverband der Energie- und Wasserwirtschaft e.V.), Berlin
Gerd Peters	Managing Director of HOYER GmbH, Hamburg
Joachim Rumstadt	Chairman of the Board of Management of Steag GmbH, Essen

Name	*Function*
Dr. Michael Schädlich	Chairman of the Advisory Board of Altenloh, Brinck und Co. GmbH & Co. KG, Ennepetal
Dr. Georg-Maria Scheid	Attorney, Holthoff-Pförtner Rechtsanwälte, Essen
Prof. Dr. Christoph M. Schmidt	President of the Rhineland-Westphalia Institute for Economic Research (Rheinisch-Westfälisches Institut für Wirtschaftsforschung), Essen
Arne Schulle	Managing Director of Baerlocher GmbH, Unterschleißheim
Dr. Eric Schweitzer	Chairman of the Board of Managing Directors of ALBA Group plc & Co. KG, Berlin
Dr. Martin Wansleben	Managing Director of German Chambers of Industry and Commerce (DIHK Deutscher Industrie- und Handelskammertag), Berlin
Christian Weber	Generally Authorised Representative of Karlsberg Brauerei KG Weber, Homburg
Christian Wolf	Managing Director of Hans Turck GmbH & Co. KG, Mülheim an der Ruhr
Kurt Zech	Managing Director of Zech Group GmbH, Bremen
Michael Ziesemer	COO of Endress+Hauser Management AG, Reinach BL, Switzerland

m. The subsection on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.1 Historical Financial Information" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

2.9.1 Historical Financial Information

The Annual Report 2012/2013, the Annual Report 2013/2014, the Annual Report 2014/2015 (together, the "**Annual Reports of IKB**") and the 6-Month Report 2014/2015 as well as the 6-Month Report 2015/2016 of IKB are fully incorporated by reference in, and form an integral part of, this Base Prospectus. The financial information incorporated by reference into this Base Prospectus is based on, in the case of the Annual Reports of IKB, the audited consolidated financial statements of IKB and its consolidated subsidiaries and special-purpose entities and, in the case of the 6-Month Report 2014/2015 and the 6-Month Report 2015/2016, the unaudited consolidated financial statements of IKB and its consolidated subsidiaries and special-purpose entities.

IKB's currency of presentation is the euro, and its financial year ends on 31 March of each year. IKB AG prepares unconsolidated financial statements in accordance with the German Commercial Code (*Handelsgesetzbuch;* "**HGB**"). IKB has prepared its consolidated financial statements as of and for the financial years ended 31 March 2013, 31 March 2014 and 31 March 2015 and as of and for the six months periods ended 30 September 2014 and 30 September 2015 in accordance with HGB.

n. The subsection on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.2 Audit of Financial Information" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

2.9.2 Audit of Financial Information

The consolidated financial statements of IKB as of and for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 and the annual financial statements of IKB AG as of and for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 were audited by PwC and the auditors have issued in each case an unqualified auditors' opinion.

o. In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the fourth paragraph of the subsection entitled "*Legal Proceedings due to alleged incorrect capital market information*" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:

IKB AG still considers the one outstanding claim not yet dismissed (with a remaining provisional value of around € 12.000) and the out-of-court claims for damages to be unfounded. Nonetheless, even after more than eight years since the crisis broke out, the possibility of additional investors claiming damages against IKB AG cannot be completely ruled out. The success of these claims could increase the overall risk to which IKB AG is exposed.

p. In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "*State Aid Proceedings*" shall be replaced in its entirety as follows:

State Aid Proceedings

In connection with the rescue measures taken by KfW with the support of the banking associations for the benefit of IKB, the European Commission qualified the measures as aid and approved them by way of a ruling on state aid proceedings dated 21 October 2008 under strict conditions. IKB implemented the measures set out in the restructuring plan on time to the extent that they were permitted by law and could be carried out.

By way of a letter dated 23 October 2012, the European Commission issued an opinion thereon and stated that IKB had largely met the obligations arising from its ruling dated 21 October 2008. The European Commission therein restricted its monitoring of the conditions arising from its ruling to the full winding-up of IKB International S.A. and IKB's former 50% equity interest in Movesta Lease and Finance GmbH.

By communication dated 12 July 2013, the European Commission informed the Federal Government that it was discontinuing its still ongoing monitoring of compliance with these conditions. Nevertheless, IKB will continue and conclude the winding up of IKB International S.A. and the former 50% equity investment in Movesta Lease and Finance GmbH that is still outstanding owing to legal reasons.

q. In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" in the subsection entitled "*Special Audit under German Stock Corporation Law*" (as added by Supplement No. 2) the seventh paragraph shall be replaced in its entirety as follows:

The special auditor's report was an item at the Annual General Meeting of IKB AG in August 2015.

r. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "*Derivatives business*" (as replaced by Supplement No. 2) shall be replaced in its entirety as follows:**

Derivatives Business

Several customers criticised the consulting services provided by IKB AG in connection with certain swap products. Corresponding suits are pending in four cases. One of these cases has been appealed. One additional case is pending out of court. The provisional total value in dispute is approximately € 9.68 million. IKB AG defends itself against the accusations.

s. **In the subsection commencing on page 105 of the Base Prospectus which is entitled "2.9 Financial Information - 2.9.3 Legal Proceedings" the subsection entitled "*There is a risk of additional taxes due to a dissenting view of the tax authorities on the application of the German Corporate Income Tax Act (KStG) and the German Trade Tax Act (GewStG)*" (as added by Supplement No. 2) shall be replaced in its entirety as follows:**

Tax Procedures

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

The dispute involves a total amount of € 291 million, which was recognised – after the conduct of a comprehensive tax risk assessment – in the income statement as at 31 March 2015 through the recognition of a tax provision in the amount of € 140 million and the write-down of an existing tax receivable in the amount of € 5 million.

The current outcome of the risk assessment does not differ from the outcome as at 31 March 2015. A provision has not yet been recognised for trade tax or the corresponding interest. There is a possibility that this risk will need to be reassessed as proceedings continue. The risk with respect to trade tax becoming finally payable currently amounts to around € 117 million plus interest of 0.5% per month and to € 1.2 million for cost allocations for chamber of commerce and industry membership fees The potential risk of interest with respect to trade tax amounted to € 29 million as at 30 September 2015 plus around € 0.6 million for each additional month. If this risk were to occur, IKB would be able to release a part of the fund for general banking risks (section 340g HGB) and, as far as this risk is considered, IKB would not show a loss in the financial statements. If this risk were to occur and as far as this risk is considered, IKB would still meet the minimum capital requirements of the banking supervisory authorities.

t. On page 108 of the Base Prospectus the following new subsection which is entitled "2.9 Financial Information - 2.9.4 Significant Changes in the Financial Position" shall be added:

2.9 Financial Information – 2.9.4 Significant Changes in the Financial Position

There has been no significant change in the financial or trading position since the date of the last unaudited consolidated financial statements as of and for the six months period ended 30 September 2015.

u. The heading of the subsection on page 108 of the Base Prospectus which was formerly entitled "2.9 Financial Information - 2.9.4 Significant Changes in the Financial Position" (as added by Supplement No. 2) shall be replaced by the new heading "2.9 Financial Information - 2.9.5 Participation of the Bank in the comprehensive assessment by the European Central Bank".

v. The subsection on page 112 of the Base Prospectus which is entitled "2.10 Material Contracts - 2.10.3 Other Agreements" (as amended by Supplement No. 2) shall be replaced in its entirety as follows:

Axa Lease

On 21 March 2006, IKB AG entered into a lease agreement with AXA Immoselect Hauptverwaltungsgebäude GmbH & Co Objekt Düsseldorf Uerdinger Straße KG regarding the property in Düsseldorf on which IKB's headquarters are located ("**IKB HQ**"). The annual rent for the financial year 2015/2016 amounted to approximately € 14.2 million. The term of the agreement was until 31 March 2026, with an option for renewal. In October 2015, IKB AG entered into a contract for the purchase of IKB HQ. By the transfer of ownership of IKB HQ to IKB AG and its registration in the land register, the lease agreement will cease to exist.

Subletting to Helaba

In March 2013, a long-term subletting agreement was entered into with Landesbank Hessen-Thüringen ("**Helaba**") concerning parts of IKB HQ. The agreement will remain unaffected by the transfer of ownership of IKB HQ.

XCOM AG

In 2010, IKB AG entered into a cooperation with XCOM AG, which provides for XCOM AG (and its affiliate Bank für Investments und Wertpapiere AG ("**biw**")) to provide IT- and banking services for IKB's online private banking platform until 30 September 2016. In 2015, IKB AG entered into a new cooperation with Fidelity Information Services KORDOBA GmbH to provide IT- and banking services to IKB's online private banking platform. This cooperation has been entered into on a fixed first term until 31 March 2022.

2. Amendments to the subsection commencing on page 112 of the Base Prospectus which is entitled "4. DOCUMENTS ON DISPLAY"

The following wording shall be added as last bullet point to the list of the bullet points:

- IKB's 6-Month Report 2015/2016 as at and for the period ended 30 September 2015, prepared in accordance with the provisions of the German Commercial Code (HGB).

E. Amendments to the section commencing on page 619 of the Base Prospectus which is entitled "I. DOCUMENTS INCORPORATED BY REFERENCE"

The section entitled "I. DOCUMENTS INCORPORATED BY REFERENCE" shall be replaced in its entirety as follows:

I. DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into this Base Prospectus and are available as set out below and at the registered office of the Issuer:

Information incorporated by reference
Annual Report 2012/2013 (English Translation) of IKB consisting of, *inter alia*: Consolidated balance sheet of IKB Deutsche Industriebank AG as at 31 March 2013 (pages 76-77) Balance sheet of IKB Deutsche Industriebank AG as at 31 March 2013 (pages 78-79) Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2012 to 31 March 2013 (pages 80-81) Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2012 to 31 March 2013 (pages 82-83) Reconciliation of equity (pages 84-85) Consolidated cash flow statement (page 86) Notes on the consolidated cash flow statement (page 87) Notes on the annual and consolidated financial statements (pages 88-129) Auditors' Report (pages 131-134)
Annual Report 2013/2014 (English Translation) of IKB consisting of, *inter alia*: Consolidated balance sheet of IKB Deutsche Industriebank AG as at 31 March 2014 (pages 82-83) Balance sheet of IKB Deutsche Industriebank AG as at 31 March 2014 (pages 84-85) Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2013 to 31 March 2014 (pages 86-87) Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2013 to 31 March 2014 (pages 88-89) Consolidated cash flow statement (page 90) Notes on the consolidated cash flow statement (page 91) Notes to the annual and consolidated financial statements (pages 92-135) Auditors' Reports (pages 137-138)
Annual Report 2014/2015 (English Translation) of IKB consisting of, *inter alia*: Consolidated balance sheet of IKB Deutsche Industriebank AG as at 31 March 2015 (pages 80-81) Balance sheet of IKB Deutsche Industriebank AG as at 31 March 2015 (pages 82-83) Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 31 March 2015 (pages 84-85) Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 31 March 2015 (pages 86-87)

Consolidated cash flow statement (page 88) Notes on the consolidated cash flow statement (page 89) Notes to the annual and consolidated financial statements (pages 90-135) Auditors' Reports (pages 136-137)
6-Month Report 2014/2015 as of 30 September 2014 (English Translation) of IKB consisting of, *inter alia*: Consolidated balance sheet of IKB Deutsche Industriebank AG as at 30 September 2014 (page 36) Balance sheet of IKB Deutsche Industriebank AG as at 30 September 2014 (page 38) Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 30 September 2014 (page 40) Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2014 to 30 September 2014 (page 42) Notes to the single-entity and consolidated financial statements (condensed) (page 44) Notes on the balance sheet (pages 46-51) Notes on the income statement (page 52) Review Report (page 59)
6-Month Report 2015/2016 as of 30 September 2015 (English Translation) of IKB consisting of, *inter alia*: Consolidated balance sheet of IKB Deutsche Industriebank AG as at 30 September 2015 (pages 38-39) Balance sheet of IKB Deutsche Industriebank AG as at 30 September 2015 (pages 40-41) Consolidated income statement of IKB Deutsche Industriebank AG for the period from 1 April 2015 to 30 September 2015 (pages 42-43) Income statement of IKB Deutsche Industriebank AG for the period from 1 April 2015 to 30 September 2015 (pages 44-45) Notes to the combined financial statements of the Group and IKB Deutsche Industriebank AG (condensed) (pages 46-48) Notes on the balance sheet (pages 49-55) Notes on the income statement (pages 56-57)

The Annual Reports 2012/2013, 2013/2014, 2014/2015, the 6-Month Report 2014/2015 and the 6-Month Report 2015/2016 of IKB are available on the Issuer's website www.ikb.de under "Investor Relations", "Financial Reports" ("*Finanzberichte*"). In addition, such documents together with this Base Prospectus and any Final Terms (for notes listed on the Luxembourg Stock Exchange) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

No documents referred to in any of the above documents are themselves incorporated into this Base Prospectus and accordingly other than the documents specifically identified above no other documents (including the contents of any websites referred to in this Base Prospectus) form part of this Base Prospectus for purposes of the Prospectus Directive.

Any information incorporated by reference that is not included in the cross-reference list above is considered additional information and is not required by the relevant schedules of the Regulation (EC) No 809/2004 of 29 April 2004, as amended, implementing the Prospectus Directive.

F. Withdrawal Right

Any investor who may wish to exercise any withdrawal right arising pursuant to Article 16.2 of the Prospectus Directive or Article 13.2 of the Prospectus Act as a result of the publication of this Supplement must exercise that right on or before 15 December 2015. Such withdrawal, if any, is not required to contain any reasons for the withdrawal and is to be addressed in writing to IKB Deutsche Industriebank Aktiengesellschaft, Wilhelm-Bötzkes-Straße 1, 40474 Düsseldorf, Federal Republic of Germany. In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.