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5.1	

markets and possib-b-o-sg6.63128(se6.63128(s6.6309212p)-1.2941(o)a6.63128(sn1.2941(s)-6.63128(ss)-6.636276-h6.631

unable to correctly evaluate the financial conditio

In light of the large number of regulations, provisions and standards of conduct with which IKB must comply (e.g. the legal standards of the German Banking Act (*KWG*) and the German Securities Trading Act (*WpHG*)

4. PRESENTATION OF FINANCIAL AND OTHER INFORMATION, FORWARD-LOOKING STATEMENTS

4.1 Presentation of Financial Information and Other Information

Certain figures and percentages included in this Registration Document have been subject to rounding

According to Section 2 of IKB AG's articles of association (the "**Articles of Association** "), the object of IKB AG is to conduct banking transactions of any nature (with the exception of activity as central contracting party as defined in the German Banking Act) of financial and other services associated therewith, in particular consultancy and agency services. IKB AG is entitled to undertake all actions and actions likely to serve the object of the company. It is not

tsdnee 6

5.4 Organisational Structure / Description of the G

Consolidated Subsidiaries**Share of
capital in %**

ISTOS Dritte Beteiligungsverwaltungs- und

Notes:

Investigation by the Public Prosecutors

In July 2009, public prosecutors in Düsseldorf brought an action against the former chairman of the Board of Managing Directors, Mr. Ortseifen, for market manipulation and breach of trust (*Untreue*). The breach of trust charge relates solely to construction projects in respect of residential properties in which Mr. Ortseifen and another former member of the Board of Managing Directors lived, but which IKB owned. On 1 February

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) OF IKB AG AS OF 31 MARCH 2012

Consolidated statement of changes in equity

Consolidated statement of cash flows for the period from 1 April 2011 to 31 March 2012

in € million	2011/12	2010/11*
Consolidated net profit/loss	-516.9	
Non-cash items included in consolidated net profit/loss for the year and reconciliation of net/		

* Figures adjusted

Notes to the consolidated financial statements

Principles of Group accounting

Owing to the correction of errors, the consolidated net profit fell by a total of € 30.2 million from € 51.5 million to € 21.3 million and total comprehensive income by € 30.2 million from € 30.8 million to € 0.6 million. Retained earnings rose by 4422(0)14422(0)4422(0)1440.721099(-)-4.55617(1)1.4422(,)0.721099(2)1.

IKB AG made an initial investment of € 50 million in the partner fund European Government & Covered Select, Luxembourg, in October 2011. The newly crea

Non-monetary items measured at acquisition cost are translated at the historical rate. Non-monetary items measured at fair value in equity (or through profit and loss) are translated at the closing rate and translation differences are taken to equity (profit and loss).

Financial statements of foreign entities not prepared in the functional currency of the Group (euro) must be translated as at the end of the reporting period in accordance with the functional currency concept. The foreign-currency financial statements of foreign subsidiaries are translated in line with the modified closing rate method. With the exception of the revenue and surplus, equity is translated at historical rates and all other statement of financial position items are translated at the reference rate of the European Central Bank at the end of the reporting period. All expenses and income are translated at the average rate. Currency gains and losses from the translation of the financial statements of subsidiaries in foreign

This voluntary allocation is only permitted if:

accounting mismatches are avoided or substantially reduced as a result,

the financial instrument contains one or more otherwise separable embedded derivatives or

the management and performance measurement of a portfolio of financial instruments is based on its fair value.

directly in net trading income as a component of th

Fair value hedge accounting.

accounted for separately if the financial character

A financial liability is derecognised when it has b

amortisation. If intangible assets constitute quali

Amortisation is recognised on a straight-line basis

Deferred tax assets on an entity's unused tax loss

disability or mortality figures) observable as at the end of the reporting period co.3345(i)86(p)1.4422(a)1.4422(r)-4.55

Notes on the consolidated income statement

(24) Net interest income

(25) Provisions for possible loan losses

* Figures adjusted

(26) Net fee and commission income

in € million

(36) Provisions for possible loan losses

Risk provisions for credit risks by customer group

Of the bonds and other fixed-income securities repo

The carrying amount of securitised liabilities incl

in € million

2011/12

2010/11

The total pension expense consists of the following

In subordinated capital, “at fair value through pro

Year of issue

**Original
nominal
amount
in € million**

Currency

**Interest rate
in %**

Notes on the consolidated statement of cash flows

respective financial year. In addition to the investment income from this economic capital, net interest income also comprises expenditure for hybrid and subordinated capital. The interest rate for equity

Notes on financial instruments

(61) Fair value of financial assets and liabilities

statistical analysis of prices obtained from variou

As of 31 March 2012, the maximum credit risk compar

* Figures adjusted
The loans with renegotiated conditions shown in the

The following table provides an overview of all cash collateral payments except for cash collateral payments related to the acquisition of the company.

(71) Maturity structure

The remaining term is the period between the balanc

IKB defines liquidity risk as the components of insolvency risk, liquidity maturity transformation risk and economic liquidity risk.

Insolvency risk or short-term (investment) liquidity risk is the r

(74) Average number of employees

	2011/12	2010/11
Men	968	957
Women	576	577
Total		

Members

BMG RM Germany GmbH (Chairman)
Druck- und Verlagshaus Gruner + Jahr Aktiengesellschaft

Dortmunder Stadtwerke AG

Klaus Runzer
ae group ag
Oechsler AG

Financial Year	Letter of comfort	Share of capital in %
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Auditor's Report

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) OF IKB AG AS OF 31 MARCH 2011

Cash flow statement for the period from 1 April 201

Overview of accounting standards

Over recent years, the International Accounting Sta

purchase price or the proceeds from the sale and the pro rata carrying amount of the recognised net

Düsseldorf (IKB Beteiligungen). In accordance with the division plan and the approval resolution by the

time between occurrence of the loss event and its identification (loss identification per11-6.96998(d)1.65055
were no changes in the meti5277(h)1.64908(o)-10.4021(l)1.64968(s)-6.7346(b)-6.66145(m)-6.79082(n)-1.75055(j)

(b) Correction of errors

As a result of the incorrect recognition of minority interests for a p9()-47.3806(a)1.65operay comp9()-47.3any intend

Accounting policies

(82)Accounting principles

In accordance with IAS 27, the accounting policies

deferral or loss participation can arise in particular that these liabilities are to be accounted for at present value. The present value is determined by way of a reassessment of the underlying .08111(e)1 interest and principal cash flow discounted using the original return rate. If the return rate is different, the interest and principal cash flows are discounted using the new return rate.

Fair value option. The fair value option applies to financial liabilities under the same conditions as on the assets side of the balance sheet.

The fair value of customer derivatives is determined taking into account the credit valuation adjustment (CVA), which is used to account for counterparty default risks when measuring derivatives. The key input factor for calculating the CVA is the probability of default, which is derived from the internal

Profit participation rights and Tier I issues (silent partnership contributions/preferred shares).
Profit participation rights and Tier I issues in th

value through profit or loss unless the instrument is reported at fair value through profit or loss. Securities

(88)Classification of financial instruments in accordance with IFRS 7

IKB implements the classification of financial instruments required by IFRS 7.6 as follows:

Reporting classes are grouped together in accordance with the IAS 39 holding categories for the

standard useful life. In the case of self-construct

Subordinated liabilities include liabilities that can only be repaid after all non-subordinated creditors in the event of insolvency or liquidation. Subordinated liabilities are own funds as defined by the *Kreditwesengesetz*

In the previous year, the derivatives result includ

(109) Net income from financial assets

in € million

	2010/11	2009/10
Net income/loss from securities	43.3	161.7
Net loss from investments and shares in affiliated companies	-1.0	

Notes on the consolidated balance sheet (assets)

(114) Cash reserve

(117) Provision for possible loan losses

in €

(119) Financial assets

Impairment testing on investments accounted for using the equity method did not identify any need for

Deferred tax assets recognised on the basis of planning amount to € 142.0 million in Germany (previous year: € 107.7 million) and € 19.2 million outside G

Notes on the consolidated balance sheet (equity and liabilities)

The total pension expense consists of the following components:

(132) Other provisions

(134) Deferred tax liabilities

in € million

31 Mar 2011 31 Mar 2010 *

Issued capital

1,621.3

F-175

Notes on segment reporting

(140) Segment reporting

as a net amount rather than as separate items for i

1 Apr 2010 -

Notes on financial instruments

(141) Income according to holding category and reconciliation to the income statement

31 Mar 2011 31 Mar 2010

Assets

Fair value through profit or loss

Held for trading

Assets held for trading

787.7 1,311.7

Derivative financial instruments recognised at fair

630.2 1,074.2

(143) Fair value of financial assets and liabilities

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in € million

		31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
34.3	Liabilities	653.0	946.6	18.0	

There is a proportionate obligation to make additional contributions with respect to Liquiditäts-Konsortialbank GmbH, Frankfurt am Main, in accordance with section 26 of the *Gesetz betreffend die Gesellschaften mit beschränkter Haftung* (

Operating leases

Future minimum lease payments from non-cancellable

(152) Statement of changes in non-current assets

Non-current assets developed as follows in the previous financial year:

Property, plant and equipment		
Land and buildings and buildings under construction not including investment property	Operating and office equipment including	from operating

(153) Maturity structure

31 March 2010
in € million

up to 1 month	be9(t)14.3twe9(t)14.3en 1 and 3 months
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class is addressed by limiting the minimum daily debt balance taking into account various scenarios over a horizon of 180 days.

(157) Related party disclosures

Letter of comfort

IKB undertakes to ensure that its subsidiaries indi

Ulrich Grillo, Mülheim an der Ruhr

(163) List of shareholdings as of 31 March 2011

1 German companies

Aleanta GmbH, Düsseldorf	1 Apr. - 31 Mar.	100.0	51,099	6,721
Equity Fund GmbH, Düsseldorf	1 Apr. - 31 Mar.	100.0	13,521	0

3 Other German companies (not included due to immateriality) ¹⁾

position
and results of operations of the IKB Group.
2) Subordinated letter of comfort

Düsseldorf, 1 June 2011

Annex:

Accounting provisions applied

In accordance with section 315a (1) HGB in conjunction with EU Regulation 1606/2002, a new standard must be endorsed in EU law before it can be applied by the Bank. The date shown below ("applicable from") is the date of first-time adoption. New standards can often be applied earlier than required by the issuer of the standard.

Accounting policies

in line with the *Rückstellungsabzinsungsverordnung*

the first level whether a specific risk should be hedged by creating an economic hedge relationship wi

Notes on the balance sheet

(

in € million

31 Mar. 201556]342.38(3)3.43819(1)3.43819()9.18795(M)-18.2

The significant items under other liabilities are:

shareholders' subscription right. A subsidiary of t

(35) Significant shares in voting rights

The Bank had received the following notifications in accordance with section 21 of the German Securities Trading Act as at 31 March 2012:

employment agreements, provisions for rent and for

Other disclosures

(44) List of shareholdings of IKB Deutsche Industriebank AG

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(45) Disclosure of auditor's fees in line with section 285 no. 17 HGB

The total fee for audits of financial statements calculated by the auditor for the 2010/11 financial year is stated in the consolidated financial statements of Kfz Deutsche Industriebank AG and is 4707 () J 228n 4707

(47) Off-balance sheet transactions

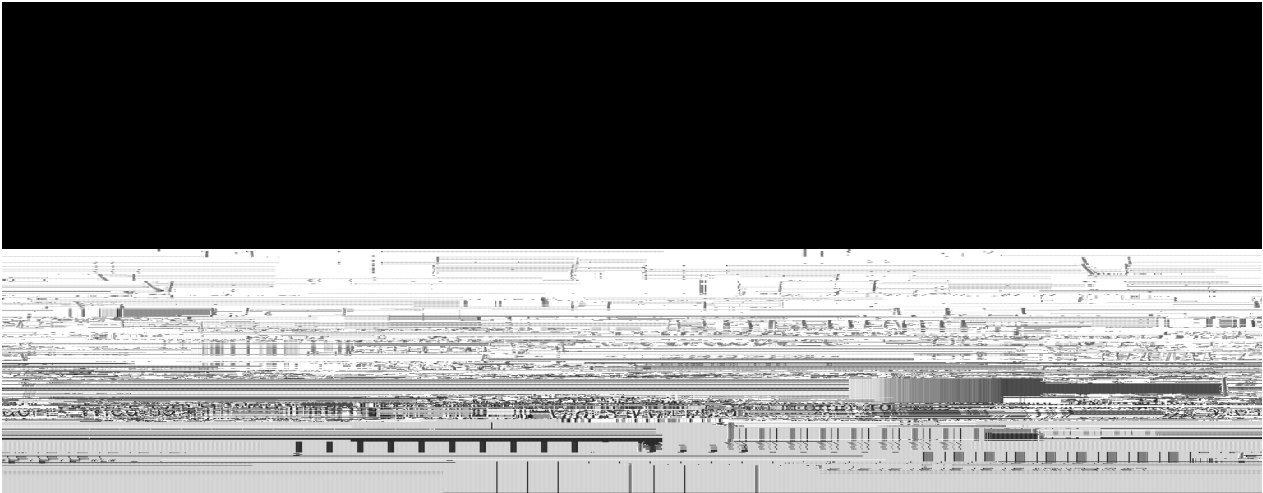
Derivatives were measured for exchange-traded transactions at the listed price as of the balance sheet date. Fair values were determined for derivatives n

The enterprises liable to pay contributions are all banks within the meaning of section 1 (1) KWG with a banking licence that must comply with RechKredV regulations and that were authorised under the KWG to conduct banking business as at 1 January of the year of contribution. As at 30 September of each

Ulrich GrillR, Mülheim an der Ruhr

Düsseldorf, 22 May 2012

IKB Deutsche Industriebank AG
The Board of Managing Directors



Auditor's Report

DÜSSELDORF
in August 2013

