

VOLKSWAGEN BANK GMBH

Braunschweig, Federal Republic of Germany

- Issuer -

EUR 10,000,000,000

Debt Issuance Programme

(the "**Programme**")

This first supplement (the "**First Supplement**") to the base prospectus dated 28 June 2017 (the "**Prospectus**") constitutes a supplement for the purposes of Article 13.1 of the *Loi relative aux prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU of the European Parliament and the Council of 24 November 2010, into Luxembourg Law (the "**Luxembourg Law**") and is prepared in connection with the EUR 10,000,000,000 Debt Issuance Programme of Volkswagen Bank GmbH ("**Volkswagen Bank**"). Expressions defined in the Prospectus shall have the same meaning when used in the First Supplement.

The First Supplement is supplemental to, and should only be read in conjunction with, the Prospectus.

The Issuer accepts responsibility for the information contained in the First Supplement and hereby declares, that having taken all reasonable care to ensure that such is the case, the information contained in the First Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The First Supplement has been prepared following the completion of the reorganisation of VWFSAG Group on 1 September 2017 and following the publication of the unaudited consolidated interim financial statements of the Issuer for the period from January to June 2017, prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS), on 3 August 2017.

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OVERALL AMENDMENTS

If reference is made in the base prospectus dated 28 June 2017 to "Prospectus", then the respective reference includes all changes made by this First Supplement.

A. COMPLETION OF REORGANISATION PROJECT AND INTERIM FINANCIAL STATEMENTS

I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "SUMMARY"

1. *On page 9 of the Prospectus the information "Section B – Issuer" under "Element B.5 – Description of the Group and the Issuer's position within the Group" shall be deleted and replaced by the following information:*

"Volkswagen Bank is a wholly-owned subsidiary of Volkswagen Aktiengesellschaft ("VWAG" or "Volkswagen AG") and as such part of the Volkswagen Group ("VW Group" or "Volkswagen Group"). Controlling company of the VW Group is Volkswagen Aktiengesellschaft.

Dated 1 September 2017, Volkswagen Financial Services Aktiengesellschaft ("VWFSAG") completed the reorganisation of its structures under company law. The European lending and deposits business has now been separated from the other financial services activities. Going forward this business is pooled under Volkswagen Bank, now being a direct subsidiary of VW AG. The intention of the restructuring is to increase transparency and clarity for supervisory authorities, optimize the use of equity and reduce complexity."

2. *On page 9 et seq. of the Prospectus the information in "Section B – Issuer" under "Element B.12 – Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer" shall be deleted and replaced by the following information:*

"

B.12	Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer	<p>The following table sets forth selected financial information as at and for the financial years ended 2015 and 2016 which has been extracted from the published audited consolidated financial statements of Volkswagen Bank Group prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS).</p> <p>Balance sheet data</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">31 December 2016</th> <th style="text-align: right; width: 20%;">31 December 2015</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">in € million</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td style="text-align: right;">56,334</td> <td style="text-align: right;">49,206</td> </tr> <tr> <td>Loans to and receivables from customers attributable to</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Retail financing</td> <td style="text-align: right;">24,940</td> <td style="text-align: right;">23,312</td> </tr> <tr> <td style="padding-left: 20px;">Dealer financing</td> <td style="text-align: right;">10,538</td> <td style="text-align: right;">10,302</td> </tr> <tr> <td style="padding-left: 20px;">Leasing business</td> <td style="text-align: right;">3,014</td> <td style="text-align: right;">2,502</td> </tr> <tr> <td>Customer deposits</td> <td style="text-align: right;">35,666</td> <td style="text-align: right;">27,877</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">7,156</td> <td style="text-align: right;">5,030</td> </tr> </tbody> </table> <p>Income statement data</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">1 January - 31 December 2016</th> <th style="text-align: right; width: 20%;">2015</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>		31 December 2016	31 December 2015		in € million		Total assets	56,334	49,206	Loans to and receivables from customers attributable to			Retail financing	24,940	23,312	Dealer financing	10,538	10,302	Leasing business	3,014	2,502	Customer deposits	35,666	27,877	Equity	7,156	5,030		1 January - 31 December 2016	2015			
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	in € million	
Profit before tax	669	575
Income tax expense	-186	-157
Profit after tax	482	418

The following table sets forth selected financial information for the first half of the financial year 2017 which has been extracted from the published unaudited consolidated interim financial statements (condensed version) of Volkswagen Bank prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS).

Balance sheet data

	30 June 2017	31 December 2016
	in € million	
Total assets	57,856	56,334
Loans to and receivables from customers attributable to		
Retail financing	25,841	24,940
Dealer financing	11,193	10,538
Leasing business	3,225	3,014
Customer deposits	33,650	35,666
Equity	8,149	7,156

Income statement data

	1 January – 30 June	
	2017	2016
	in € million	
Profit before tax	412	316
Income tax expense	-121	-92
Profit after tax	291	224

The following table sets forth selected financial information which are extracted from the unaudited consolidated IFRS balance sheet of Volkswagen Bank Group being prepared as of the reporting date September 1, 2017. All effects of the corporate restructuring have been taken into account. The same consolidation methods and accounting policies as those applied in the 2017 interim consolidated financial statements have generally been used in the preparation.

Balance sheet data

	1 September 2017	31 December 2016
	in € million	
Total Assets	77,987	56,334
Loans to and receivables from customers		

		attributable to		
		Retail financing	39,485	24,940
		Dealer financing	11,715	10,538
		Leasing business	4,946	3,014
		Customer Deposits	33,942	35,666
		Equity	11,546	7,156
		<p>There has been no material adverse change in the prospects of Volkswagen Bank Group since the date of its last published audited consolidated financial statements as at 31 December 2016.</p> <p>The diesel issue as well as other expenses or provisions in connection with diesel vehicles may have a negative impact on the future business and financial performance of Volkswagen Bank Group, the effect of which remains uncertain.</p> <p>The reorganisation of the corporate structure, increased litigation and legal risks, which would be reflected in corresponding provisions but also geopolitical tensions and conflicts, protectionist tendencies, turmoil in financial markets, structural deficits in individual countries, as well as uncertainties regarding future developments in the euro area may affect the operating profit of Volkswagen Bank Group.</p> <p>An essential element of the reorganisation project was the spin-off of VW Bank and other entities from VWFSAG. These former VWFSAG entities have been transferred to VW Bank and consequently increased inter alia the asset, liability and equity volume of VW Bank. In addition VW Bank received an equity injection amounting to € 1,186 million.</p>		

"

3. On page 10 of the Prospectus the following information shall be added at the end of "Section B – Issuer" under "Element B.13 – Recent developments":

"The equity of VW Bank has been increased in August 2017 by € 1,186 million.

Dated 1 September 2017, VWFSAG completed the reorganisation of its structures under company law. The European lending and deposits business has now been separated from the other financial services activities. Going forward this business is pooled under Volkswagen Bank, now being a direct subsidiary of VW AG."

4. On page 11 the information in "Section B – Issuer" under "Element B.17 – Ratings", shall be deleted and replaced by the following information:

"

B. 17	Ratings	<p>Volkswagen Bank is rated by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's").</p> <p>As of the date of this First Supplement the ratings were as follows:</p>
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		S&P:	short-term senior unsecured: A-2 long-term senior unsecured: A- long-term senior subordinated: BBB+
		Moody's:	short-term senior unsecured: Prime-1 long-term senior unsecured: A3

5. On page 18 of the Prospectus the risk factor "In the course of the currently implemented reorganisation project, a separation of the credit and deposit taking business from the Non-credit business within the European Economic Area should be carried out. Arising from this separation, Volkswagen Bank Group could be affected by various risks such as operational risks, legal risks or regulatory risks." in "Section D – Risks" under "Element D.2 – Key information on the key risks that are specific to the Issuer" shall be deleted and replaced by the following risk factor:

"In the course of the implemented reorganisation project, a separation of the credit and deposit taking business from the Non-credit business within the European Economic Area has been carried out. Arising from this separation, Volkswagen Bank Group could be affected by various risks such as operational risks, legal risks or regulatory risks."

II. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "GERMAN TRANSLATION OF THE SUMMARY"

6. On page 24 of the Prospectus the information in "Abschnitt B – Emittentin" under "Punkt B.5 – Konzernstruktur", shall be deleted and replaced by the following information:

"Die Volkswagen Bank ist eine 100%ige Tochtergesellschaft der Volkswagen Aktiengesellschaft ("**VW AG**" oder "**Volkswagen AG**") und als solche Teil des Volkswagen-Konzerns ("**VW-Konzern**" oder "**Volkswagen Konzern**"). Die Volkswagen Aktiengesellschaft führt den VW-Konzern.

Zum 1. September 2017 hat die Volkswagen Financial Services Aktiengesellschaft ("**VWFSAG**") die gesellschaftsrechtliche Umstrukturierung vollzogen. Das Europäische Kredit- und Einlagengeschäft wurde nun von übrigen Finanzdienstleistungen getrennt. Künftig ist dieses Geschäft unter der Volkswagen Bank gebündelt, die jetzt eine direkte Tochter der VW AG ist. Mit der Umstrukturierung soll mehr Transparenz und Übersichtlichkeit für die Aufsicht geschaffen, der Eigenmitteleinsatz optimiert und die Komplexität reduziert werden."

7. On page 24 et seq. of the Prospectus the information in "Abschnitt B – Emittent" under "Punkt B.12 – Ausgewählte wesentliche historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des Emittenten" shall be deleted and replaced by the following information:

B.12	Ausgewählte wesentliche historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des Emittenten	<p>Die folgende Tabelle enthält ausgewählte Finanzinformationen über den Volkswagen Bank Konzern, die dem geprüften und veröffentlichten konsolidierten Jahresabschluss des Volkswagen Bank Konzerns für die zum 31. Dezember 2015 und 2016 beendeten Geschäftsjahre entnommen wurden, der gemäß den in der Europäischen Union anzuwendenden <i>International Financial Reporting Standards</i> (IFRS) aufgestellt wurde.</p> <p>Bilanzangaben</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">31. Dezember 2016</th> <th style="width: 20%; text-align: right;">31. Dezember 2015</th> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">in Mio €</td> </tr> </thead> <tbody> <tr> <td>Bilanzsumme</td> <td style="text-align: right;">56.334</td> <td style="text-align: right;">49.206</td> </tr> <tr> <td>Forderungen aus Kundenfinanzierung</td> <td style="text-align: right;">24.940</td> <td style="text-align: right;">23.312</td> </tr> </tbody> </table>		31. Dezember 2016	31. Dezember 2015		in Mio €		Bilanzsumme	56.334	49.206	Forderungen aus Kundenfinanzierung	24.940	23.312
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Bilanzsumme	56.334	49.206												
Forderungen aus Kundenfinanzierung	24.940	23.312												

Händlerfinanzierung	10.538	10.302
Leasinggeschäft	3.014	2.502
Kundeneinlagen	35.666	27.877
Eigenkapital	7.156	5.030

Angaben aus der Gewinn- und Verlustrechnung

	1. Januar - 31. Dezember	
	2016	2015
	in Mio €	
Ergebnis vor Steuern	669	575
Steuern vom Einkommen und vom Ertrag	-186	-157
Ergebnis nach Steuern	482	418

Die folgende Tabelle enthält ausgewählte Finanzinformationen für das erste Halbjahr des Geschäftsjahres 2017, welche aus dem ungeprüften, veröffentlichten konsolidierten Halbjahresfinanzbericht (Kurzfassung) des Volkswagen Bank Konzerns entnommen wurden, der gemäß den in der Europäischen Union anzuwendenden *International Financial Reporting Standards* (IFRS) aufgestellt wurde.

Bilanzangaben

	30. Juni 2017	31. Dezember 2016
	in Mio €	
Bilanzsumme	57.856	56.334
Forderungen aus		
Kundenfinanzierung	25.841	24.940
Händlerfinanzierung	11.193	10.538
Leasinggeschäft	3.225	3.014
Kundeneinlagen	33.650	35.666
Eigenkapital	8.149	7.156

Angaben aus der Gewinn- und Verlustrechnung

	1. Januar - 30. Juni	
	2017	2016
	in Mio €	
Ergebnis vor Steuern	412	316
Steuern vom Einkommen und vom Ertrag	-121	-92
Ergebnis nach Steuern	291	224

Die folgende Tabelle enthält ausgewählte Finanzinformationen, welche der ungeprüften, konsolidierten und zum Stichtag 1. September 2017 aufgestellten IFRS-Bilanz des Volkswagen Bank Konzerns entnommen wurden. Alle Auswirkungen der Umstrukturierung wurden berücksichtigt. Bei der Aufstellung wurden grundsätzlich dieselben Konsolidierungsmethoden sowie die Bilanzierungs- und Bewertungsgrundsätze wie beim konsolidierten Halbjahresfinanzbericht 2017 angewandt.

Bilanzangaben		
1. September 2017 31. Dezember 2016		
in EUR Mio.		
Bilanzsumme	77.987	56.334
Forderungen an Kunden aus		
Kundenfinanzierung	39.485	24.940
Händlerfinanzierung	11.715	10.538
Leasinggeschäft	4.946	3.014
Kundeneinlagen	33.942	35.666
Eigenkapital	11.546	7.156
<p>Seit dem Datum des letzten geprüften und veröffentlichten konsolidierten Jahresabschlusses zum 31. Dezember 2016 ist keine wesentliche negative Veränderung in den Aussichten des Volkswagen Bank Konzerns eingetreten.</p> <p>Die Dieselmotoren und weitere Aufwände bzw. Vorsorge im Zusammenhang mit Dieselfahrzeugen können negative Auswirkungen auf das zukünftige Geschäfts- und das Finanzergebnis des Volkswagen Bank Konzerns haben, deren Auswirkungen ungewiss bleiben.</p> <p>Die Umstrukturierung der Gesellschaftsstruktur, erhöhte Prozess- und Rechtsrisiken, die sich in entsprechenden Rückstellungen reflektieren, aber auch geopolitischer Spannungen und Konflikte, protektionistische Tendenzen, Turbulenzen auf den Finanzmärkten, strukturelle Defizite in einzelnen Ländern sowie Unsicherheiten in Bezug auf die künftigen Entwicklungen im Euroraum können das operative Ergebnis des Volkswagen Bank Konzerns beeinflussen.</p> <p>Ein wesentliches Element des Umstrukturierungsprojektes war die Abspaltung der VW Bank und anderer Gesellschaften von der VWFSAG. Diese früheren Tochtergesellschaften der VWFSAG wurden zur VW Bank überführt und haben entsprechend unter anderem das Forderungs- und Verbindlichkeitsvolumen und das Volumen des Eigenkapital der VW Bank erhöht. Zusätzlich hat die VW Bank eine Eigenkapitalerhöhung über € 1.186 Millionen erhalten.</p>		

"

8. On page 25 of the Prospectus the following information shall be added at the end of "Abschnitt B – Emittent" under "Punkt B.13 – Aktuelle Entwicklungen":

"Das Eigenkapital der VW Bank wurde im August 2017 um EUR 1.186 Millionen erhöht.

Zum 1. September 2017 hat die VWFSAG die gesellschaftsrechtliche Umstrukturierung vollzogen. Das Europäische Kredit- und Einlagengeschäft wurde nun von übrigen Finanzdienstleistungen getrennt. Künftig ist dieses Geschäft unter der Volkswagen Bank gebündelt, die jetzt eine direkte Tochter der VW AG ist."

9. On page 26 et seq. the information in "Abschnitt B – Emittent" under "Element B.17 – Ratings", shall be deleted and replaced by the following information:

"

B.17	Rating	<p>Die Volkswagen Bank wird von Standard & Poor's ("S&P") und Moody's Investors Service ("Moody's") bewertet.</p> <p>Zum Zeitpunkt dieses Ersten Nachtrags lauten die Ratings wie folgt:</p> <p>S&P: Short-Term Senior Unsecured: A-2 Long-Term Senior Unsecured: A- Long-Term Senior Subordinated: BBB+</p> <p>Moody's: Short-Term Senior Unsecured: Prime-1 Long-Term Senior Unsecured: A3</p>
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"

10. On page 34 of the Prospectus the risk factor "Im Zuge des derzeitigen Umstrukturierungsprojektes soll eine Trennung des Kredit- und Einlagengeschäfts vom Nicht-Kreditgeschäft im Europäischen Wirtschaftsraum durchgeführt werden. Aus dieser Trennung heraus könnten sich für den Volkswagen Bank Konzern diverse Risiken wie z.B. operationelle, rechtliche und regulatorische Risiken ergeben." in "Abschnitt D – Risiken" under "Punkt D.2 – Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind" shall be deleted and replaced by the following risk factor:

"Im Zuge des umgesetzten Umstrukturierungsprojektes ist eine Trennung des Kredit- und Einlagengeschäfts vom Nicht-Kreditgeschäft im Europäischen Wirtschaftsraum durchgeführt worden. Aus dieser Trennung heraus könnten sich für den Volkswagen Bank Konzern diverse Risiken wie z.B. operationelle, rechtliche und regulatorische Risiken ergeben."

III. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "RISK FACTORS REGARDING VOLKSWAGEN BANK GMBH"

11. On page 39 et seq. of the Prospectus the information contained in the risk factor "Volkswagen Group is facing investigations and potential impacts out of discrepancies related to the diesel issue that have had and may continue to have a material adverse effect on the business, financial condition and operations of Volkswagen Bank Group." shall be deleted and replaced by the following information:

"Introduction to the diesel issue

On 18 September 2015, the U.S. Environmental Protection Agency (the "**EPA**") publicly announced in a "Notice of Violation" of the U.S. Clean Air Act that irregularities in the level of nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests of certain vehicles with Volkswagen Group 2.0 liter TDI diesel engines. The EPA alleged that Volkswagen had installed undisclosed engine management software in certain four-cylinder diesel engines used in certain model year 2009 to 2015 vehicles to circumvent NOx emissions testing regulations in the United States in order to comply with certification requirements. The environmental regulatory authority of California, the California Air Resources Board ("**CARB**"), announced its own enforcement investigation related to this issue as well. Following these announcements by the EPA and CARB, authorities in various jurisdictions worldwide commenced their own investigations.

On 22 September 2015, Volkswagen announced that discrepancies in the level of NOx emissions figures achieved in testing and in actual road use had been identified in around 11 million Volkswagen Group vehicles worldwide with certain types of 1.2 liter, 1.6 liter and 2.0 liter TDI diesel engines, the latter also including those vehicles with 2.0 liter TDI diesel engines sold in the United States. This predominantly concerns type EA 189 engines and includes vehicles from the VW Passenger Cars, VW Commercial Vehicles, SEAT, ŠKODA and Audi brands. The software being used in these engines enabled a test bench situation to be recognized by the vehicle and enabled the engine control system to optimize NOx emission levels during the test cycle.

On 2 November 2015, the EPA issued an additional "Notice of Violation" of the U.S. Clean Air Act announcing that it had determined that engine management software installed in certain vehicles with Volkswagen Group's six-cylinder 3.0 liter TDI diesel engines contained "auxiliary emission control devices" ("**AECDs**") that had not been disclosed adequately in the U.S. approval process. Also on 2 November 2015, and additionally on 25 November 2015, CARB published allegations that legal requirements for NOx emissions were circumvented through the use of engine management software under test conditions. Approximately 113,000 3.0 liter TDI diesel engines in vehicles from model years 2009 to 2016 of the Audi, VW Passenger Cars and Porsche brands are affected in the United States and Canada. Audi has confirmed that at least three AECDS were inadequately disclosed in the course of the U.S. approval process.

On 4 January 2016, the U.S. Department of Justice (the "**DoJ**"), on behalf of the EPA, initiated a civil lawsuit in connection with the diesel issue related to the 2.0 liter and 3.0 liter TDI vehicles against Volkswagen AG, AUDI AG and certain other Volkswagen Group companies, seeking statutory penalties under the U.S. Clean Air Act, as well as certain equitable relief.

On 12 January 2016, CARB announced that it intended to seek civil fines for alleged violations by Volkswagen of the California Health and Safety Code and various CARB regulations. The State of California, by and through CARB and the California Attorney General, ultimately filed a lawsuit on 27 June 2016.

Following the publication of the EPA's "Notices of Violation" of the U.S. Clean Air Act, Volkswagen AG and other Volkswagen Group companies have been the subject of intense public and governmental scrutiny, ongoing investigations (civil, regulatory and criminal) and civil litigation worldwide, including from consumers, dealers and investors.

In the United States and Canada, Volkswagen AG and other Volkswagen Group companies have received subpoenas and inquiries from state attorneys general and other governmental authorities and are responding to such investigations and inquiries. The DoJ also opened a criminal investigation into whether various U.S. federal criminal offenses were committed. These investigations resulted and may further result in additional assessments of monetary penalties and other consequences. The timing of the release of new information on the investigations and the maximum amount of penalties that may be

imposed cannot be reliably determined at present. New information on these topics may arise at any time.

In the United States, Volkswagen AG, AUDI AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with (i) the DoJ on behalf of the EPA, CARB and the California Attorney General, (ii) the U.S. Federal Trade Commission ("**FTC**"), and (iii) private plaintiffs represented by a Plaintiffs' Steering Committee (the "**PSC**") in a multi-district litigation in California. The settlement agreements resolve certain civil claims in relation to affected diesel vehicles in the United States: approximately 475,000 vehicles with four-cylinder 2.0 liter TDI diesel engines from the Volkswagen Passenger Cars and Audi brands and around 83,000 vehicles with six-cylinder 3.0 liter TDI diesel engines from the Volkswagen Passenger Cars, Audi and Porsche brands.

The settlement agreements with respect to the four-cylinder 2.0 liter TDI diesel engine vehicles and the six-cylinder 3.0 liter TDI diesel engine vehicles provide affected customers with , *inter alia*, a trade-in, a free emissions modification of the vehicles (if the modification is approved by the EPA and CARB) or – for leased vehicles – early lease termination. Pursuant to the settlement agreements, Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees. On 29 September 2017, in an ad hoc release, Volkswagen announced an increase in provisions in relation to the diesel issue. The main reason for this increase is that the buyback/retrofit programs for 2.0 l TDI vehicles in North America, which have to be implemented under the settlement deal, are more complex. Continuous monitoring of the program has shown that the scheme is more comprehensive and technically more challenging than expected; this also entails an extension to the program period..

In addition, under the settlement agreements, Volkswagen will pay U.S.\$2.925 billion over three years to support environmental programs and offset excess NOx emissions and will also invest in total U.S.\$2.0 billion over ten years in zero emissions vehicle infrastructure in the United States. Volkswagen will make additional payments to support the availability of zero emissions vehicles in California.

In January 2017, Volkswagen AG agreed with the United States government to resolve federal criminal liability relating to the diesel issue. The Volkswagen Group also agreed with the United States government to resolve civil penalties and injunctive relief under the Clean Air Act and other civil claims relating to the diesel issue. The coordinated resolutions involve four settlements, including a plea agreement between Volkswagen AG and the DoJ. The plea agreement is accompanied by a published Statement of Facts that lays out relevant facts and has been acknowledged by Volkswagen AG. As part of its plea agreement, Volkswagen AG pleaded guilty on 10 March 2017 to three felony counts under United States law: conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the United States. The court accepted Volkswagen AG's guilty plea to all three charges and sentenced the company to three years' probation on 21 April 2017. The plea agreement provides, *inter alia*, for payment of a criminal fine of U.S.\$2.8 billion following sentencing and the appointment of an independent monitor for a period of three years. The independent monitor, who was appointed in April 2017, will assess and oversee the compliance with the terms of the resolutions. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, including an enhanced ethics program.

Volkswagen AG, AUDI AG and other Volkswagen Group companies have further agreed to pay a combined civil penalty of U.S.\$1.45 billion to resolve U.S. federal environmental and customs-related claims in the United States. Furthermore, Volkswagen AG and Volkswagen Group of America, Inc. have agreed to pay a separate civil penalty of U.S.\$50 million to the Civil Division of the DoJ to settle potential claims asserted under the Financial Institutions Reform, Recovery and Enforcement Act ("**FIRREA**"). By their terms, the aforementioned settlement agreements resolve only certain liability issues under United States law and are not intended to address any liability issues, where such exist, under the laws or regulations of any jurisdiction outside the United States. DoJ investigations into the conduct of various individuals who may be responsible for criminal violations relating to the NOx issue remain ongoing. Volkswagen is required to cooperate with these investigations. In the event of non-compliance with the terms of the plea agreement, Volkswagen could face further penalties and prosecution.

Volkswagen also reached separate settlement agreements with the attorneys general of most U.S. states to resolve their existing or potential consumer protection and unfair trade practices claims. Investigations by various U.S. regulatory and government authorities, including in areas relating to securities, financing and tax, are ongoing.

On 30 September 2016, Volkswagen announced that it had finalized an agreement to resolve the claims of Volkswagen-branded franchise dealers in the United States relating to the affected vehicles and other matters asserted concerning the value of the franchise. The settlement agreement includes a cash payment of up to U.S.\$1.208 billion and additional benefits to resolve alleged past, current, and future claims of losses in franchise value.

In Canada, the NOx emissions limits for vehicles are the same as in the United States. Civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 liter and 3.0 liter diesel engines. In December 2016, Volkswagen AG and other Canadian and U.S. Volkswagen Group companies reached a class action settlement in Canada with consumers relating to 2.0 liter diesel vehicles. The settlement provides for cash payments of up to CAD 564 million to eligible owners and lessees, and many of these affected customers will also have the option of a free emissions modification of their vehicle if approved by regulators, or a buyback or trade-in or – for leased vehicles – early lease termination. The class settlement was approved by the courts on 21 April 2017. Concurrently with the announcement of the class settlement in December 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution of its regulatory inquiry into consumer protection issues as to 2.0 liter diesel vehicles. This resolution was reached on the basis of the class settlement and payment of a CAD 15 million civil administrative monetary penalty. Civil consumer claims and the Commissioner of Competition's investigation with respect to 3.0 liter diesel vehicles remain pending. Also, criminal enforcement related investigations by the federal environmental regulator and quasi-criminal enforcement related investigations by a provincial environmental regulator are ongoing in Canada in relation to 2.0 liter and 3.0 liter diesel vehicles.

In addition to ongoing extensive investigations by governmental authorities in various jurisdictions worldwide (the most significant being in Europe, the United States and South Korea), further investigations could be launched in the future and existing investigations could be expanded. Ongoing and future investigations may result in further legal actions being taken against Volkswagen Group or some of its employees. The diesel issue has also led to the commencement of significant third-party litigation against Volkswagen Group worldwide. This includes lawsuits by affected customers, investors and dealers seeking substantial damages. Further regulatory proceedings, product-related and investor claims could be raised in the future in various jurisdictions worldwide.

Risks resulting from the diesel issue

The results of the ongoing and any future investigations and claims may have a material adverse effect on Volkswagen Group's and Volkswagen Bank Group's business, financial position, results of operations and reputation, the price of Volkswagen Bank Group's securities and its ability to make payments under its securities. If Volkswagen Group's and Volkswagen Bank Group's efforts to address, manage and remediate the issues described above are not successful, their business could suffer irreparable harm. Additionally, the diesel issue could impact or exacerbate other risks related to Volkswagen Bank Group described in this Prospectus.

Various repercussions could result for Volkswagen Bank Group from the diesel issue. The uncertainty resulting from this issue such as how end customers and dealers will behave in the future or how regulatory authorities and courts will ultimately rule, make certain scenarios conceivable that could negatively impact the asset, financial and operations situation of Volkswagen Bank Group.

It is generally the case that Volkswagen Bank Group as sales promoter and provider of purchasing finance for Volkswagen Group, is directly affected by decreased vehicle sales. Fewer deliveries to customers mean fewer opportunities to market a financial product from Volkswagen Bank Group during the sale. Consequently, reduced business levels achieved by Volkswagen Group are likely to lead to less new business at Volkswagen Bank Group, which could be negatively reflected in the results of operations.

The diesel issue could result in negative effects on the reputation of the trademark VW and thus Volkswagen Bank Group. Reputational damage (public opinion) and possible loss of customer confidence might limit Volkswagen Bank Group's current and future business opportunities and activities in financing, leasing, deposit or insurance business and could lead to indirect or direct financial losses.

The diesel issue could have various effects on new business. The financing and leasing business for diesel vehicles could face a general market downturn due to purchasing restraint on the part of the end customer. Such a market downturn could manifest itself, inter alia, in declining sales and falling prices for both new and used vehicles. Decreasing sales or prices would ultimately be reflected in lower income potential for Volkswagen Bank Group.

Falling new and used car prices would affect Volkswagen Bank Group at various stages. So as to be able to successfully place leasing products and products with balloon rate and return option in the market, this could, on the one hand, mean pressure on margins. On the other hand, the residual value risk from returned vehicles could increase since the residual values calculated may not correspond with the current residual value assumptions for the end of the contract. The risk of this residual value difference is partly borne by Volkswagen Bank Group itself (direct residual value risks) and partly by the dealers, who in turn are financed by Volkswagen Bank Group (indirect residual value risks). As a result, Volkswagen Bank Group would have to maintain higher value adjustments or record direct partial write-offs against income on its portfolio.

Another possible outcome could be that dealers run into financial difficulties. Owing to lower sales of new and used vehicles, or sales carried out with low or (in extreme cases) no margin, due to a buying restraint of customers caused by the uncertainties surrounding the diesel issues, dealers may not be able to generate sufficient cash flows to meet their financial liabilities. The off-the-road time and the portfolio of vehicles in stock could increase and the dealers would therefore no longer be able to buy new models to resell to consumers, which would generate further pressure on the financial position of the dealers. As a result, dealer loyalty could decline and they may utilize on financial products from other financial service providers or, at worst, completely refrain from doing business with Volkswagen Bank Group. Any deterioration in the creditworthiness of dealers and any loss of sales partners would have a negative impact on the profitability and financial position of Volkswagen Bank Group.

The enforcement of intensified or time-consuming control procedures for the launch of new vehicles could also have a negative impact on Volkswagen Bank Group. A tightening of control procedures could, for example, require the subsequent installation of additional diesel features in Volkswagen Group vehicles. Both the cost of installation of additional components and delayed regulatory approval for the market launch of any particular vehicle would have a negative impact on sales figures, and therefore on revenues.

Changes in the legislation (inter alia any elimination or reduction of tax relief in the diesel sector) could result in a decline in the volume and market share of the fleet business of Volkswagen Bank Group, which is dominated by diesel vehicles. In addition, there is a risk that, due to the diesel issue, Volkswagen Bank Group might be listed as an untrustworthy supplier and may no longer be able to participate in tenders or could be explicitly excluded from them. Both of these cases would have an impact on business volume and could bring about a significant and lasting loss of reputation in this segment.

The Volkswagen Group may also have to implement austerity programs as a result of the diesel issue, for example by reducing or canceling its sales support for, or promotion of, financial services products. Therefore, Volkswagen Bank Group might be required to implement interest rate and concomitant price increases or, alternatively, may have to bear the costs of the sales incentives. New business and/or profitability may decline as a result.

Refinancing costs also have a significant impact on the business of Volkswagen Bank Group. The risk is that refinancing costs will rise as a result of the diesel issue – for example due to downgrades by the rating agencies, investor caution as a result of Volkswagen Group uncertainty, or through limited access to the money and capital market if funding sources are not available to the full extent. The deposit business of the direct bank could also be negatively impacted by increased cash outflows or lower cash inflows on the part of customers due to the diesel issue. Higher refinancing costs would reduce margins and/or increase prices for customers, which in turn could reduce the turnover of financial service products. Moreover, the diesel issue could lead to an early redemption of asset-backed securities with respect to which Volkswagen Group vehicles with diesel engines serve as collateral.

Volkswagen Bank Group is positioned internationally and active in many different markets. Were Volkswagen Group sales to decline sharply in some markets as a result of the diesel issue, Volkswagen Bank Group might have to position itself more narrowly in these markets over the long term and, where necessary, reduce future investments. If Volkswagen Group brands withdraw from certain markets, Volkswagen Bank Group, as a captive subsidiary, would possibly follow. This would reduce the earnings potential of Volkswagen Bank Group and ultimately reduce the advantage of the risk-minimizing diversification through the spreading of risk by a presence in multiple markets. Any reputational loss as a result of the diesel issue could induce joint venture partners and/or sales or commission-based business partners in some markets to terminate their cooperation with the Volkswagen Group. This could also lead to fewer financial services products being sold by Volkswagen Bank Group.

Volkswagen Bank Group could become involved in legal or regulatory proceedings specifically in relation to the diesel issue either directly through its provision of financial services in relation to the sale of affected vehicles, or indirectly in connection with potential claims against Volkswagen AG, other subsidiaries of the Volkswagen Group or dealers. Governmental authorities in various jurisdictions have also commenced investigations involving certain of Volkswagen Bank Group's subsidiaries, the outcome of which is not yet certain. It cannot be excluded that governmental authorities start investigations against Volkswagen Bank and/or other Volkswagen Bank subsidiaries.

Finally, the regulatory authorities could increase regulatory pressure on Volkswagen Bank Group as a direct consequence of the diesel issue. Such regulations (e.g. higher equity requirements, increased processing and documentation costs, or additional personnel) may result in higher costs for Volkswagen Bank Group."

12. On page 44 of the Prospectus the following paragraph shall be added at the end of the risk factor "Volkswagen Bank Group, as a captive finance company, is by nature dependent on sales by Volkswagen Group, meaning any risk that is negatively influencing the vehicle delivery of Volkswagen Group may have adverse effects on the business of Volkswagen Bank Group."

"Apart from the volatility of vehicle sales, Volkswagen Bank Group is dependent on the sales performance of Volkswagen Financial Services AG and its subsidiaries, which in several European markets conducts sales and marketing activities for Volkswagen Bank Group. This includes an intermediary function between Volkswagen Group brands and dealers in the respective dealer networks, e.g. the negotiation and promotion of vehicle financing campaigns. If the Volkswagen Financial Services AG and its subsidiaries do not conduct the sales of the products in accordance with the agreements or in a lesser extent, this could have a material adverse effect on Volkswagen Bank Group's business activities, net assets, financial position and results of operations."

13. On page 46 of the Prospectus the first paragraph of the risk factor "Counterparty Risk / Issuer Risk" shall be deleted and replaced by the following paragraph:

"Counterparty risk arises primarily from interbank overnight and term deposits, the entering into derivative transactions with financial institutions (e.g. to manage interest rate risk and foreign currency exposure) as well as the acquisition of pension fund shares for employee pensions. Issuer risks arise from the purchase of government bonds and asset-backed securities."

14. On page 47 of the Prospectus the fifth paragraph of the risk factor "A decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the business, financial condition and results of operations of Volkswagen Bank Group." shall be deleted and replaced by the following paragraph:

"Furthermore, changes in economic conditions, government policies, exchange rates, marketing programs, the actual or perceived quality, safety or reliability of vehicles or fuel prices could also influence the residual value risk. For instance, current public discussions on potential political activities in sense of driving bans for Diesel vehicles might influence the residual value risk of the relevant Volkswagen Bank Group portfolio. Due to the fact that customers might change their consumption behavior and refrain from buying Diesel vehicles, these effects could have a negative impact on the corresponding market prices. For this reason the residual value risk might increase and could materially adversely affect Volkswagen Bank Group's net assets, financial position and results of operations."

15. On page 51 of the Prospectus the reference to "VWFSAG" in the last sentence of the second paragraph of the risk factor "Increased regulations and measures, including increased capital requirements, could affect business profitability and results of operations of Volkswagen Bank Group." shall be deleted and replaced by a reference to "Volkswagen".

16. On page 51 of the Prospectus the first paragraph of the risk factor "Volkswagen Bank Group has to comply with comprehensive and constantly changing government regulations which bears the risk that laws are not being adhered to properly or efficiently." shall be deleted and replaced by the following paragraph:

"Compliance with law is a basic precondition for the success of Volkswagen Bank Group. The growing European scale of Volkswagen Bank Group's business operations as well as the increasing number and complexity of legal regulations increase the risk that legal requirements are violated, either because they are not known or because they are not fully understood. Volkswagen Bank Group has established a compliance system to make sure that all representatives, managers and employees act within the legal requirements in each jurisdiction in which Volkswagen Bank Group operates. However, there remains a risk that representatives, managers or employees do not act in compliance with applicable laws. A violation of applicable law could lead to the imposition of penalties, liabilities, additional compliance costs, restrictions on or revocations of Volkswagen Bank Group's permits and licences, restrictions on or prohibitions of business operations and other adverse consequences."

17. On page 52 in the risk factor "Foreign Currency Risk" in the first paragraph the sentence reading "Volkswagen Bank Group also provides funding to various companies of VWFSAG Group in currencies other than Euro." shall be deleted.

18. On page 54 the risk factor "The credit rating of Volkswagen Bank is subject to changes of Volkswagen AG's and VWFSAG's credit rating. Negative changes to Volkswagen AG's or VWFSAG's credit rating could adversely affect the credit rating of Volkswagen Bank as well as the credit rating of securities issued by Volkswagen Bank. This could in turn adversely affect Volkswagen Bank's funding costs, financial condition and results of operation." shall be deleted and replaced by the following risk factor:

"The credit rating of Volkswagen Bank is subject to changes of Volkswagen AG's credit ratings. Negative changes to Volkswagen AG's credit rating could adversely affect the credit rating of Volkswagen Bank as well as the credit rating of securities issued by Volkswagen Bank. This could in turn adversely affect Volkswagen Bank's funding costs, financial condition and results of operation.

Volkswagen Bank is a wholly-owned subsidiary of Volkswagen AG. Due to the strong strategic and economic interlinkage between these companies, the credit rating of Volkswagen Bank and the credit rating of securities issued by Volkswagen Bank remain dependent on the economic development and on the credit rating of Volkswagen AG.

Volkswagen Bank Group's refinancing opportunities may be adversely affected by a rating downgrade or a rating withdrawal of any of Volkswagen Bank's credit ratings, which includes transaction ratings. For example, if Volkswagen Bank's credit ratings worsen, the demand from money and capital market participants for securities issued by Volkswagen Bank and thus the access to these funding sources may be negatively affected. Additionally, a rating downgrade could adversely impact the rates of interest Volkswagen Bank Group has to pay. This could also have a similar impact on other funding sources, such as credit lines and ABS transactions.

Furthermore, a credit rating may not correctly reflect the potential impact of solvency risks of Volkswagen Bank. The rating agencies that currently or in the future, assign a rating to Volkswagen Bank may change their assessment criteria. This could result in a rating action, which is based on such criteria change, but need not necessarily be related to a deterioration or improvement of the solvency of Volkswagen Bank Group as such."

19. On page 54 the risk factor "Volkswagen Bank Group is exposed to the risk of unexpected negative stress test results of VWFSAG Group." shall be deleted and replaced by the following risk factor:

"Volkswagen Bank Group is exposed to the risk of unexpected negative stress test results.

If Volkswagen Bank Group's resilience against simulated stress scenarios is not given to a sufficient level from the perspective of regulatory supervisor tightening regulatory requirements are possible. Remedial action may be required to be taken, including potentially requirements to strengthen the capital situation and/or other supervisory interventions.

Furthermore, the publication of the results of Volkswagen Bank Group's stress test, its evaluation by financial market participants or the market's general impression that a stress test is not strict enough

could have a negative impact on Volkswagen Bank Group's reputation. This may lead to a lower ability to refinance itself as well as increasing costs of funding."

20. *On page 55 et seq. the risk factor "In the course of the currently implemented reorganisation project, a separation of the credit and deposit taking business from the Non-credit business within the European Economic Area should be carried out. Arising from this separation, Volkswagen Bank Group could be affected by various risks such as operational risks, legal risks or regulatory risks." shall be deleted and replaced by the following risk factor:*

"In the course of the implemented reorganisation project, a separation of the credit and deposit taking business from the Non-credit business within the European Economic Area has been carried out. Arising from this separation, Volkswagen Bank Group could be affected by various risks such as operational risks, legal risks or regulatory risks.

The VWFSAG Group has implemented a material reorganisation project. Its main purpose was to reduce organisational and regulatory complexity by separating the credit and deposit taking business within the European Economic Area (EEA) from the Non-credit business. This was done by transferring almost all credit and deposit taking business performed in the EEA to Volkswagen Bank GmbH or its subsidiaries and spinning off Volkswagen Bank Group to VW AG. In this context, several entities and portfolios of VWFSAG including the risks inherent have been transferred to Volkswagen Bank Group. Therefore Volkswagen Bank Group operations are reorganised accordingly.

Reorganisation is accompanied by 'planning risks'. Thus, it is unknown whether the expectations and objectives that are associated with the reorganisation can actually be achieved. Various risks such as the following could arise.

For the reorganisation, new job profiles have been developed, new responsibilities have been clarified, areas of responsibility have been handed over and employees have been trained. In this process, dys synergies could arise from the distribution of personnel, since employees' know-how cannot be transferred quickly and in full. Also, reorganisation could entail a high burden on the affected employees, as they have to adapt to the new organization and possibly new processes under time pressure. The conducted transfers of employees to other entities could also lead to employee insecurity and might affect work quality. In sum, these developments may have a negative impact on net assets, financial positions and results of operations of Volkswagen Bank Group.

Furthermore, reorganisation may entail major challenges for IT. New authorisation concepts have been developed and implemented. In doing so, a strict roll separation of access options were transposed and new persons responsible for approvals and roll construction have been named. An increased test effort, which bound employee capacities, and a weaker performance of the systems to be revised could be the consequence with negative impact on the work ability of Volkswagen Bank Group.

A further risk could be caused by a change in customer behavior arising from the reorganisation. Investors and customers are possibly considering the new company structure critically and might not be willing to maintain the current level of business with Volkswagen Bank Group. There is a risk that the reorganisation might disturb normal business activities at short notice caused by potential difficulties with the operational implementation of new processes during the acclimatization phase. It cannot be ruled out, that the transition will not work without any issues towards customers. This could have a material adverse effect on Volkswagen Bank Group's business results.

In the course of its reorganisation or operating activities afterwards, Volkswagen Bank Group could become subject to legal disputes, governmental investigations or other official proceedings in Germany as well as abroad. In particular, but not limited to the following scenarios, such proceedings may be initiated by relevant authorities, suppliers, employees, or investors and could relate to, inter alia, legal and regulatory requirements and information security policies. Furthermore, the project related transactions of companies may fail or cause financial damages due to but not limited to rejection by regulators or claims from tax authorities.

After the reorganisation, each of Volkswagen Bank Group's operations also faces the risk that the relevant supervisory body may find it has failed to comply with applicable regulations and any such regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, such supervised entity, which could reflect on Volkswagen Bank Group. In addition, any significant regulatory action against a member of Volkswagen Bank Group could have a material adverse effect on its business results."

IV. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "VOLKSWAGEN BANK GMBH"

21. On page 65 et seq. of the Prospectus the information in the section "Organisational Structure / Major Shareholders" shall be deleted and replaced by the following information:

Volkswagen Bank is a wholly-owned subsidiary of Volkswagen Aktiengesellschaft, Wolfsburg, Federal Republic of Germany ("VW AG"). VW AG is the controlling company of the Volkswagen Group ("VW Group") which consists of numerous subsidiaries and affiliates in the Federal Republic of Germany and abroad. VW Group consists of two divisions: the Automotive Division and the Financial Services Division. The Automotive Division, in turn, comprises two business areas: "Passenger Cars" and "Commercial Vehicles, Power Engineering". The Financial Services Division, combines dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility offerings.

The following table shows the structural relationship in the VW Group, its Financial Services and Automotive Division:



VW AG's subscribed capital amounted to € 1,283,315,873.28 as of 31 December 2016. The shareholder structure of VW AG as of 31 December 2016 is shown in the following chart.

SHAREHOLDER STRUCTURE AT DECEMBER 31, 2016

as a percentage of subscribed capital



Porsche Automobil Holding SE	30.8
Foreign institutional investors	22.5
Qatar Holding LLC	14.6
State of Lower Saxony	11.8
Private shareholders/Others	18.1
German institutional investors	2.3

The distribution of voting rights for the 295,089,818 ordinary shares was as follows as of 31 December 2016: Porsche Automobil Holding SE, Stuttgart, held 52.2% of the voting rights. The second-largest shareholder was the State of Lower Saxony, which held 20.0% of the voting rights. Qatar Holding LLC was the third-largest shareholder, with 17.0%. The remaining 10.8% of ordinary shares were attributable to other shareholders.

Notifications of changes in voting rights in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz* – "**WpHG**") are published on Volkswagen AG's website at www.volkswagenag.com/ir.

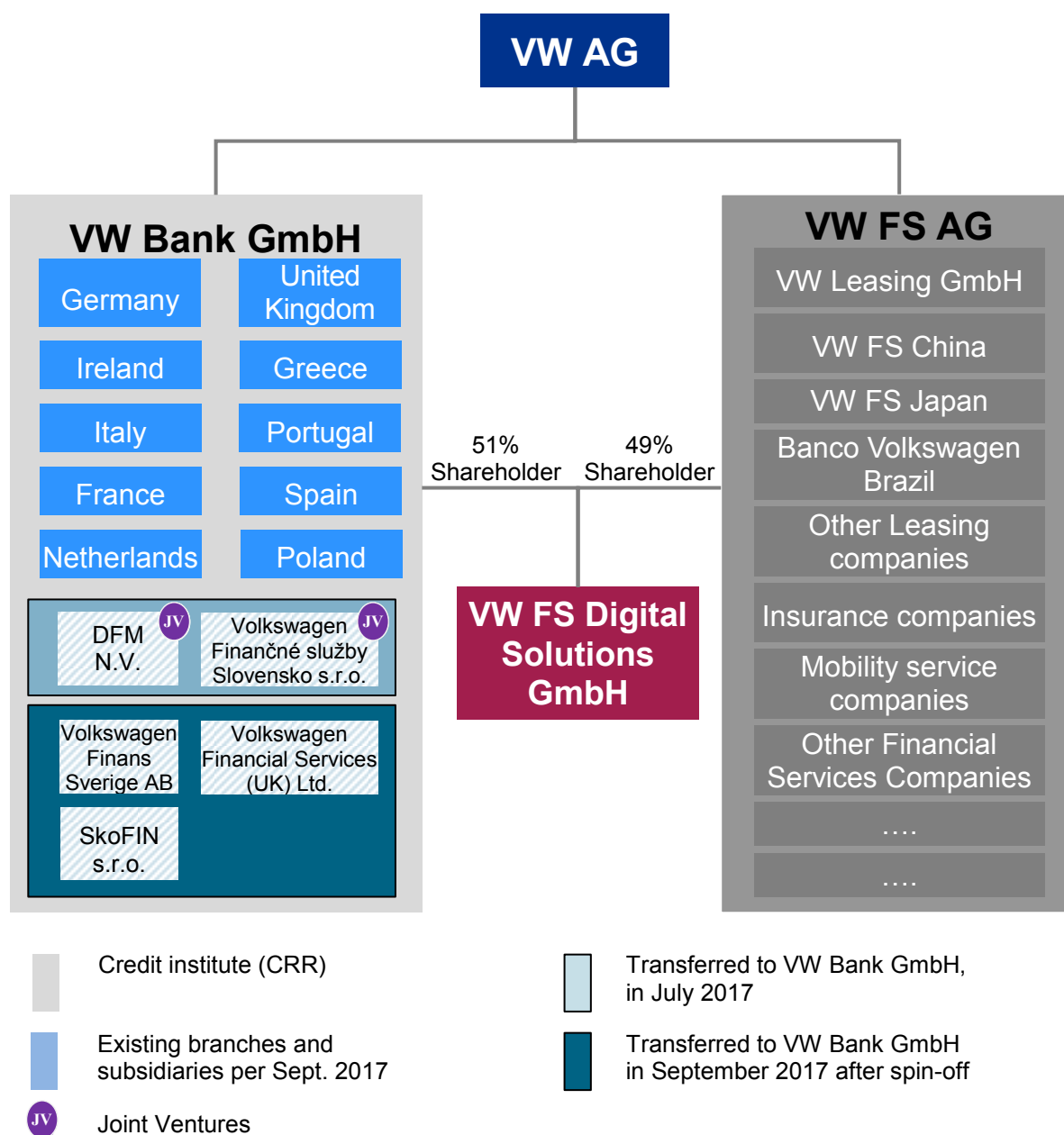
Dated 1 September 2017, Volkswagen Financial Services AG ("VWFSAG"), the previous parent company of Volkswagen Bank, completed a reorganisation of its structures under company law. The aim of the restructuring was to segregate the European lending and deposits business from the other financial services activities and to pool this business in Volkswagen Bank, now being a direct subsidiary of Volkswagen AG. The intention of the restructuring is to increase transparency and clarity for supervisory authorities, optimize the use of equity and reduce complexity.

A profit and loss transfer agreement (*Ergebnisabführungsvertrag*) with VWFSAG came into effect on 4 September 2002. According to this agreement Volkswagen Bank is obliged to transfer its annual profit to VWFSAG after the end of each financial year. VWFSAG is obliged to compensate any occurring annual deficit of Volkswagen Bank insofar as such deficit cannot be compensated by a withdrawal from the so-called other retained earnings of any sums which were allocated thereto during the term of the agreement.

On 3 January 2017 VWAG and VWFSAG notarised the spin-off agreement as regards the spin-off of 100 percent of shares in Volkswagen Bank and the existing profit and loss transfer agreement (*Ergebnisabführungsvertrag*) from VWFSAG to VWAG with effect as of 1st September 2017. VWFSAG and Volkswagen Bank signed on 23 May 2017 a control agreement which was registered in the commercial register and became effective on 2 June 2017. Also on 2 June 2017 the spin-off agreement between VWAG and VWFSAG regards the spin-off of the control agreement from VWFS AG to VWAG was notarised. As of 1st September 2017, the profit and loss transfer agreement between VWFSAG and Volkswagen Bank as well as the control agreement between those companies have been transferred to VW AG by operation of law.

Since 4 November 2014 Volkswagen Bank Group is supervised by the European Central Bank ("**ECB**"). In addition, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") and the German Bundesbank as competent authorities are monitoring the business of Volkswagen Bank Group.

Structure as per September 2017



Volkswagen Bank may in the following years transfer some of its asset portfolios to existing or new established branches. Furthermore, some portfolio allocations back to VWFSAG Group may be initiated in order to finalize and stabilize the new business structures for both Groups. The most relevant portfolio with regard to a potential re-allocation belongs to the United Kingdom. A potential portfolio transfer from Volkswagen Bank to VWFSAG will carry a substantial amount of assets and liabilities. The characteristics and timing of this portfolio transfer is inter alia subject to progress and structure of United Kingdom's exit from the EU.

In a first step in July 2017 VWFSAG sold its shares of the Joint Ventures in Slovakia and The Netherlands to Volkswagen Bank.

A new company, Volkswagen Financial Services Digital Solutions GmbH, will provide services to its shareholders (VWFSAG and Volkswagen Bank) and their subsidiaries. Its scope of services includes internal services, customer services, process management, and IT. The employees working for Volkswagen Financial Services Digital Solutions GmbH kept their employment contracts with VW FS AG and are lent to Volkswagen Financial Services Digital Solutions GmbH.

The structure and the organisation of Volkswagen Bank GmbH satisfy the requirements of the Mindestanforderungen an das Risikomanagement ("**MaRisk**" – *German Minimum Requirements for Risk Management in Banks and Financial Services Institutions*)."

22. On page 68 of the Prospectus the information in the section "Share Capital" shall be deleted and replaced by the following information:

"As at the date of the First Supplement, the subscribed capital of Volkswagen Bank amounted to EUR 318,279,200 and has been fully paid up. Sole shareholder of Volkswagen Bank is VW AG."

23. On page 68 et seq. of the Prospectus the information in the section "The Diesel Issue" shall be deleted and replaced by the following paragraphs:

"Information relating to the diesel issue described herein with regards to Volkswagen Group is based on public information and is subject to change. The Issuer has not independently verified any such information.

On 18 September 2015, the EPA publicly announced in a "Notice of Violation" of the U.S. Clean Air Act that irregularities in the level of NOx emissions had been discovered in emissions tests of certain vehicles with Volkswagen Group 2.0 liter TDI diesel engines. The EPA alleged that Volkswagen had installed undisclosed engine management software in certain four-cylinder diesel engines used in certain model year 2009 to 2015 vehicles to circumvent NOx emissions testing regulations in the United States in order to comply with certification requirements. The environmental authority of California, CARB, announced its own enforcement investigation related to this issue as well. Following these announcements by the EPA and CARB, authorities in various jurisdictions worldwide commenced their own investigations.

On 22 September 2015, Volkswagen announced that discrepancies in the level of NOx emissions figures achieved in testing and in actual road use had been identified in around 11 million Volkswagen Group vehicles worldwide with certain types of 1.2-liter, 1.6-liter and 2.0 liter TDI diesel engines, the latter also including those vehicles with 2.0 liter TDI diesel engines sold in the United States. This predominantly concerns type EA 189 engines and includes vehicles from the VW Passenger Cars, VW Commercial Vehicles, SEAT, ŠKODA and Audi brands. The software being used in these engines enabled a test bench situation to be recognized by the vehicle and enabled the engine control system to optimize NOx emission levels during the test cycle.

On 2 November 2015, the EPA issued an additional "Notice of Violation" of the U.S. Clean Air Act announcing that it had determined that engine management software installed in certain vehicles with Volkswagen Group's six-cylinder 3.0 liter TDI diesel engines contained AECs that had not been disclosed adequately in the U.S. approval process. Also on 2 November 2015, and additionally on 25 November 2015, CARB published allegations that legal requirements for NOx emissions were circumvented through the use of engine management software under test conditions. Approximately 113,000 3.0 liter TDI diesel engines in vehicles from model years 2009 to 2016 of the Audi, VW Passenger Cars and Porsche brands are affected in the United States and Canada. Audi has confirmed that at least three AECs were inadequately disclosed in the course of the U.S. approval process.

On 4 January 2016, the DoJ, on behalf of the EPA, initiated a civil lawsuit in connection with the diesel issue related to the 2.0 liter and 3.0 liter TDI vehicles against Volkswagen AG, AUDI AG and certain other Volkswagen Group companies, seeking statutory penalties under the U.S. Clean Air Act, as well as certain other equitable relief.

On 12 January 2016, CARB announced that it intended to seek civil fines for alleged violations by Volkswagen of the California Health and Safety Code and various CARB regulations. The State of California, by and through CARB and the California Attorney General, ultimately filed a lawsuit on 27 June 2016.

Following the publication of the EPA's "Notices of Violation" of the U.S. Clean Air Act, Volkswagen AG and other Volkswagen Group companies have been the subject of intense public and governmental scrutiny, ongoing investigations (civil, regulatory and criminal) and civil litigation worldwide, including from consumers, dealers and investors

In the United States and Canada, Volkswagen AG and other Volkswagen Group companies have received subpoenas and inquiries from state attorneys general and other governmental authorities and are responding to such investigations and inquiries. The DoJ also opened a criminal investigation into whether various U.S. federal criminal offenses were committed. These investigations resulted and may

further result in additional assessments of monetary penalties and other consequences. The timing of the release of new information on the investigation and the maximum amount of penalties that may be imposed cannot be reliably determined at present. New information on these topics may arise at any time.

In the United States, Volkswagen AG, AUDI AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with (i) the DoJ on behalf of the EPA, CARB and the California Attorney General, (ii) the FTC, and (iii) the PSC in a multi-district litigation in California. The settlement agreements resolve certain civil claims in relation to affected diesel vehicles in the United States: approximately 475,000 vehicles with four-cylinder 2.0 liter TDI diesel engines from the Volkswagen Passenger Cars and Audi brands and around 83,000 vehicles with six-cylinder 3.0 liter TDI diesel engines from the Volkswagen Passenger Cars, Audi and Porsche brands.

The settlement agreements with respect to the four-cylinder 2.0 litre TDI diesel engine vehicles and the six-cylinder 3.0 liter TDI diesel engine vehicles provide affected customers with, *inter alia*, a trade-in, a free emissions modification of the vehicles (if the modification is approved by the EPA and CARB) or – for leased vehicles – early lease termination. Pursuant to the settlement agreements, Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees. On 29 September 2017, in an ad hoc release, Volkswagen announced an increase in provisions in relation to the NOx issue. The main reason for this increase is that the buyback/retrofit programs for 2.0 l TDI vehicles in North America, which have to be implemented under the settlement deal, are more complex. Continuous monitoring of the program has shown that the scheme is more comprehensive and technically more challenging than expected; this also entails an extension to the program period.

In addition, under the settlement agreements, Volkswagen will pay U.S.\$2.925 billion over three years to support environmental programs and offset excess NOx emissions and will also invest in total U.S.\$2.0 billion over ten years in zero emissions vehicle infrastructure in the United States. Volkswagen will make additional payments to support the availability of zero emissions vehicles in California.

In January 2017, Volkswagen AG agreed with the United States government to resolve federal criminal liability relating to the diesel issue. The Volkswagen Group also agreed with the United States government to resolve civil penalties and injunctive relief under the Clean Air Act and other civil claims relating to the diesel issue. The coordinated resolutions involve four settlements, including a plea agreement between Volkswagen AG and the DoJ. The plea agreement is accompanied by a published Statement of Facts that lays out relevant facts and has been acknowledged by Volkswagen AG. As part of its plea agreement, Volkswagen AG pleaded guilty on 10 March 2017 to three felony counts under United States law: conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the United States. The court accepted Volkswagen AG's guilty plea to all three charges and sentenced the company to three years' probation on 21 April 2017. The plea agreement provides, *inter alia*, for payment of a criminal fine of U.S.\$2.8 billion following sentencing and the appointment of an independent monitor for a period of three years. The independent monitor, who was appointed in April 2017, will assess and oversee the compliance with the terms of the resolutions. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, including an enhanced ethics program.

Volkswagen AG, AUDI AG and other Volkswagen Group companies have further agreed to pay a combined civil penalty of U.S.\$1.45 billion to resolve U.S. federal environmental and customs-related claims in the United States. Furthermore, Volkswagen AG and Volkswagen Group of America, Inc. have agreed to pay a separate civil penalty of U.S.\$50 million to the Civil Division of the DoJ to settle potential claims asserted under FIRREA. By their terms, the aforementioned settlements resolve only certain liability issues under United States law and are not intended to address any liability issues, where such exist, under the laws or regulations of any jurisdiction outside the United States. DoJ investigations into the conduct of various individuals who may be responsible for criminal violations relating to the NOx issue remain ongoing. Volkswagen is required to cooperate with these investigations. In the event of non-compliance with the terms of the plea agreement, Volkswagen could face further penalties and prosecution.

Volkswagen also reached separate settlement agreements with the attorneys general of most U.S. states to resolve their existing or potential consumer protection and unfair trade practices claims. Investigations by various U.S. regulatory and government authorities, including in areas relating to securities, financing and tax, are ongoing.

On 30 September 2016, Volkswagen announced that it had finalized an agreement to resolve the claims of Volkswagen-branded franchise dealers in the United States relating to the affected vehicles and other matters asserted concerning the value of the franchise. The settlement agreement includes a cash payment of up to U.S.\$1.208 billion and additional benefits to resolve alleged past, current, and future claims of losses in franchise value.

In Canada, the NOx emissions limits for vehicles are the same as in the United States. Civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 liter and 3.0 liter TDI diesel engines. In December 2016, Volkswagen AG and other Canadian and U.S. Volkswagen Group companies reached a class action settlement in Canada with consumers relating to 2.0 liter TDI diesel vehicles. The settlement provides for cash payments of up to CAD 564 million to eligible owners and lessees, and many of these affected customers will also have the option of a free emissions modification of their vehicle if approved by regulators, or a buyback or trade-in or – for leased vehicles – early lease termination. The class settlement was approved by the courts on 21 April 2017. Concurrently with the announcement of the class settlement in December 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution of its regulatory inquiry into consumer protection issues as to 2.0 liter TDI diesel vehicles. This resolution was reached on the basis of the class settlement and payment of a CAD 15 million civil administrative monetary penalty. Civil consumer claims and the Commissioner of Competition's investigation with respect to 3.0 liter TDI diesel vehicles remain pending. Also, criminal enforcement related investigations by the federal environmental regulator and quasi-criminal enforcement related investigations by a provincial environmental regulator are ongoing in Canada in relation to 2.0 liter and 3.0 liter TDI diesel vehicles.

Volkswagen is cooperating with all responsible authorities to try to resolve the outstanding legal and regulatory matters completely and transparently. Furthermore, Volkswagen is working intensively to eliminate the emissions level deviations through technical improvements and is cooperating with the relevant agencies. In addition to ongoing extensive investigations by governmental authorities in various jurisdictions worldwide (the most significant being in Europe, the United States and South Korea), further investigations could be launched in the future and existing investigations could be expanded. Ongoing and future investigations may result in further legal actions being taken against Volkswagen or some of its employees.

Effects on Volkswagen Bank Group

As a result of the diesel issue, the Board of Management set up a task force in 2015. This task force continued its activities in 2016, i.e. reporting regularly to the Board of Management, interfacing with the Volkswagen Group and its brands, and maintaining close contact with the international subsidiaries, regulatory authorities and investors. Concerns focused on funding, the credit quality of the dealer network and residual value risk. The impact from the diesel issue on these concerns is currently receding. The work of the task force was brought to an end in December 2016 because the effects from the diesel issue on the Volkswagen Bank Group are now dissipating and can be handled within normal management processes. The Volkswagen Group provided support in dealing with the effects."

24. On page 72 of the Prospectus the following information shall be added at the end of the section "Selected Financial Information":

"The following table sets forth selected financial information for the first half of the financial year 2017 which has been extracted from the published unaudited consolidated interim financial statements (short version) of Volkswagen Bank Group prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS):

Balance sheet data

	30 June 2017	31 December 2016
	in € million	
Total assets	57,856	56,334
Loans to and receivables from customers attributable to		
Retail financing	25,841	24,940
Dealer financing	11,193	10,538

Leasing business	3,225	3,014
Customer deposits	33,650	35,666
Equity	8,149	7,156

Income statement data

	1 January – 30 June	
	2017	2016
	in € million	
Profit before tax	412	316
Income tax expense	-121	-92
Profit after tax	291	224

Further financial indicators

	30 June 2017	30 June 2016
Equity ratio (per cent.) ¹	14.1	10.2

The following table sets forth selected financial information which are extracted from the unaudited consolidated IFRS balance sheet of Volkswagen Bank Group being prepared as of the reporting date September 1, 2017. All effects of the corporate restructuring have been taken into account. The same consolidation methods and accounting policies as those applied in the 2017 interim consolidated financial statements have generally been used in the preparation.

Balance sheet data

	1 September 2017	31 December 2016
	in € million	
Total assets	77,987	56,334
Loans to and receivables from customers attributable to		
Retail financing	39,485	24,940
Dealer financing	11,715	10,538
Leasing business	4,946	3,014
Customer deposits	33,942	35,666
Equity	11,546	7,156

"

25. On page 72 of the Prospectus the information in the subsection "Board of Management" shall be deleted and replaced by the following information:

"As at the date of this Supplement, members of the Board of Management of Volkswagen Bank are:

Dr. Michael Reinhart, Chairman

Harald Heßke
Back Office Bank

Christian Löbke
Risk Management

Dr. Volker Stadler
IT

"

¹ Total equity in accordance with IFRS (EUR million 8,149 as per 30 June 2017) divided by total assets (EUR million 57,856 as per 30 June 2017).

26. On page 72 of the Prospectus the following subsection shall be inserted after the subsection "Board of Management":

"Supervisory Board

As at the date of this First Supplement, members of the Supervisory Board are:

Dr. Jörg Boche

Chairman
Executive Vice President of Volkswagen AG
Head of Group Treasury

Dr. Ingrun-Ulla Bartölke

Deputy Chairman
Head of Group Accounting and External Reporting Volkswagen AG

Waldemar Drosdziok

Deputy Chairman
Chairman of the Joint Works Council of Volkswagen Financial Services AG,
Volkswagen Bank GmbH and Euromobil Autovermietung GmbH

Markus Bieber

General Secretary of the General Works Council Volkswagen AG

Birgit Dietze

Member of the Board of IG Metall Berlin
Member of the Supervisory Board of Volkswagen AG

Frank Fiedler

Member of the Management Board of Volkswagen Financial Services AG.
Finance

Prof. Dr. Susanne Homölle

Chair of Banking and Business Finance
University of Rostock

Thomas Kähms

Member of the Joint Works Council of Volkswagen Financial Services AG,
Volkswagen Bank GmbH and Euromobil Autovermietung GmbH

Lutz Meschke

Deputy Chairman of the Board of Dr. Ing. h.c. F. Porsche AG and Member of the Board
Finance and IT

Dr. Hans-Joachim Neumann

Head of Business Back Office Bank

Lars Henner Santelmann

Chairman of the Management Board of Volkswagen Financial Services AG

Silvia Stelzner

Member of the Joint Works Council of Volkswagen Financial Services AG,
Volkswagen Bank GmbH and Euromobil Autovermietung GmbH

The members of the Board of Management and of the Supervisory Board can be contacted at the address of the head office of the Issuer."

27. On page 72 of the Prospectus the information in the section "Board Practices" shall be deleted and replaced by the following information:

"As of 20 September 2017, Volkswagen Bank established committees in accordance with Section 25d KWG.

Volkswagen Bank established a risk committee in accordance with Section 25d para. 8 KWG. Members of the risk committee of Volkswagen Bank are Prof. Dr. Susanne Homölle (Chairman), Dr. Jörg Boche (Vice Chairman), Frank Fiedler and Silvia Stelzner. The risk committee advises the supervisory board on the company's current and future overall risk appetite and strategy and supports the supervisory board in monitoring the implementation of this strategy by senior management. The risk committee further monitors whether conditions in customer business are in line with the company's business model and risk structure.

Volkswagen Bank established an audit committee in accordance with Section 25d para. 9 KWG. Members of the audit committee of Volkswagen Bank are Dr. Ingrun-Ulla Bartölke (Chairman), Prof. Dr. Susanne Homölle (Vice Chairman), Frank Fiedler and Dr. Hans-Joachim Neumann. The audit committee especially monitors the accounting process, the effectiveness of the company's internal control, risk management systems and internal audit as well as the external audit, in particular the external auditor's independence and his additional work. Volkswagen Bank does not comply with every recommendation of the German Corporate Governance Code. The German Corporate Governance Code primarily addresses listed corporations. Therefore many of these recommendations are not applicable to Volkswagen Bank.

Volkswagen Bank established a nomination committee in accordance with Section 25d para. 11 KWG. Members of the nomination committee of Volkswagen Bank are Dr. Ingrun-Ulla Bartölke (Chairman), Waldemar Drosdziok (Vice Chairman), and Lars Henner Santelmann. The nomination committee identifies and recommends to the supervisory board candidates to fill management body vacancies, evaluates the balance of knowledge, skills, diversity and experience of the management body and prepares a description of the roles and capabilities for a particular appointment. In addition, the nomination committee periodically assesses the structure, size, composition and performance of the management body, the knowledge, skills and experience of individual members of the management body and of the management body collectively, as well as reviews the policy of the management body for selection and appointment of senior management and makes recommendations to the management body.

Volkswagen Bank has established a remuneration control committee in accordance with Section 25d para. 12 KWG. Members of the nomination committee of Volkswagen Bank are Dr. Jörg Boche (Chairman), Dr. Ingrun-Ulla Bartölke (Vice Chairman), Waldemar Drosdziok and Lars Henner Santelmann. The remuneration control committee supports the supervisory board as a supervisory body in appropriately structuring the remuneration systems for managers and employees and in particular monitoring the appropriateness of remuneration systems. Changes and adjustments with regard to board practices are expected in context to the envisaged restructuring measures."

28. On page 72 of the Prospectus the following information shall be added at the end of the section "Historical Financial Information":

"The unaudited consolidated IFRS balance sheet of Volkswagen Bank Group was prepared as of the reporting date September 1, 2017. All effects of the corporate restructuring have been taken into account. The same consolidation methods and accounting policies as those applied in the 2017 interim consolidated financial statements have generally been used in the preparation.

	1 September 2017	31 December 2016
	in EUR million	in EUR million
Total Assets	77,987	56,334
Cash reserve	4,406	1,457
Loans to and receivables from banks	1,339	1,944
Loans to and receivables from customers attributable to		

Retail financing	39,485	24,940
Dealer financing	11,715	10,538
Leasing business	4,946	3,014
Other loans and receivables	5,313	7,175
Total loans to and receivables from customers	61,460	45,667
Derivative financial instruments	346	221
Marketable securities	3,086	4,455
Equity-accounted joint ventures	219	-
Miscellaneous financial assets	3	3
Intangible assets	44	39
Property and equipment	24	9
Leased Assets	4,884	877
Investment property	1	1
Deferred tax assets	1,247	1,212
Current tax assets	38	53
Other assets	890	396

	1 September 2017	31 December 2016
	in EUR million	in EUR million
Total Equity and liabilities	77,987	56,334
Liabilities to banks	8,047	4,930
Liabilities to customers	42,932	37,938
Notes, commercial paper issued	11,279	4,311
Derivative financial instruments	87	43

Provisions for pensions and other post-employment benefits	52	52
Other provisions	457	372
Deferred tax liabilities	1,169	1,070
Current tax liabilities	102	89
Other liabilities	604	217
Subordinated capital	1,712	155
Equity	11,546	7,156
Subscribed capital	318	318
Capital reserves	8,531	6,026
Retained earnings	2,911	826
Other reserves	-214	-14
		"

29. On page 72 of the Prospectus the following subsection shall be inserted before the subsection entitled "Auditors":

"Interim Financial Information

The published unaudited consolidated interim financial statements of the Issuer for the first half of the financial year 2017 are incorporated by reference in and form part of this Prospectus."

30. On page 73 of the Prospectus the information in the section "Trend Information" shall be deleted and replaced by the following information:

"There has been no material adverse change in the prospects of Volkswagen Bank Group since the date of its last published audited consolidated financial statements as at 31 December 2016.

The diesel issue as well as other expenses or provisions in connection with diesel vehicles may have a negative impact on the future business and financial performance of Volkswagen Bank Group, the effect of which remains uncertain.

The reorganisation of the corporate structure increased litigation and legal risks, which would be reflected in corresponding provisions, but also geopolitical tensions and conflicts, protectionist tendencies, turmoil in financial markets, structural deficits in individual countries, as well as uncertainties regarding future developments in the euro area may affect the operating profit of Volkswagen Bank Group."

31. On page 73 of the Prospectus the information in the section "Significant Change in the Financial Position" shall be deleted and replaced by the following information:

"An essential element of the reorganisation project was the spin-off of Volkswagen Bank and other entities from VWFSAG. These former VWFSAG entities have been transferred to VW Bank and consequently increased inter alia the asset, liability and equity volume of VW Bank. In addition VW Bank received an equity injection amounting to € 1,186 million."

32. On page 73 of the Prospectus the information in the section "Legal and Arbitration Proceedings" shall be deleted and replaced by the following information:

"Volkswagen Bank is facing litigation in the area of consumer credit law. A number of customers have revoked their lending contracts and have engaged in pre-trial as well as court proceedings, most of which are currently pending. They claim that Volkswagen Bank has not complied with all aspects of German consumer credit law in its German consumer lending contracts leading to the customers' right to revoke (widerrufen) their contracts. In particular, Volkswagen Bank is being accused of having provided insufficient consumer information. Under German law, the requirements for revocation of consumer contracts and the legal consequences are controversial and legally disputed. If German courts were to issue borrower-friendly final rulings and a large number of customers would revoke their contracts, this could materially affect Volkswagen Bank's financial position or profitability. For further information about the risk of potential litigation see the risk factor "Volkswagen Bank Group is exposed to litigation risks that may result from legal disputes, governmental investigations or other official proceedings with various stakeholders."

33. On page 74 the following information shall be added at the end of the section "Recent Developments":

"The equity of VW Bank has been increased in August 2017 by € 1,186 million.

Dated 1 September 2017, VWFSAG completed the reorganisation of its structures under company law. The European lending and deposits business has now been separated from the other financial services activities. Going forward this business is pooled under Volkswagen Bank, now being a direct subsidiary of VW AG."

V. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "GENERAL INFORMATION"

34. On page 290 of the Prospectus the following paragraph shall be added in subsection "5. Documents on Display":

"(v) the unaudited consolidated interim financial statements for the period from January to June 2017 of Volkswagen Bank."

35. On page 290 et seq. of the Prospectus the first three paragraphs in subsection "7. Ratings" shall be deleted and replaced by the following information:

"Volkswagen Bank is rated by Standard & Poor's ("**S&P**") and Moody's Investors Service ("**Moody's**"). As of the date of this First Supplement the ratings were as follows:

S&P: short-term senior unsecured: A-2
 long-term senior unsecured: A-
 long-term senior subordinated: BBB+

Moody's: short-term senior unsecured: Prime-1
 long-term senior unsecured: A3

Standard & Poor's: A-2: An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

A-*: An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB+*: An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances

are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

* Note: Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's: P-1: Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

A3*: Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

*Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

VI. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "DOCUMENTS INCORPORATED BY REFERENCE"

36. On page 292 of the Prospectus the following paragraph shall be added at the end of the subsection "Documents Incorporated by Reference":

"(g) The unaudited consolidated interim financial statements for the period from January to June 2017 of Volkswagen Bank."

37. On page 292 et seq. of the Prospectus the following information shall be added at the end of the first line in the table in the subsection "Comparative Table of Documents incorporated by Reference":

"

Page	Section of Prospectus	Document incorporated by Reference
72	Volkswagen Bank, Interim Financial Information	Consolidated Interim Report of Volkswagen Bank for the period from January to June 2017 (IFRS) Management Report (IFRS), (p. 1 – p. 6) <i>Interim Consolidated Financial Statements of the Volkswagen Bank GmbH Group (IFRS)</i> Income Statement, (p. 8) Statement of Comprehensive Income, (p. 9) Balance Sheet, (p. 10) Statement of Changes in Equity, (p. 11) Cash Flow Statement, (p. 12) Notes, (p. 13 – p. 24)

"

B. AMENDMENTS IN RELATION TO THE SECURITIES

I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "SUMMARY"

1. On page 12 of the Prospectus in "Section C – Securities" under "Element C.8 – Rights attached to the securities including ranking and including limitations to those rights" the first paragraph of the subsection "Ranking" shall be deleted and replaced by the following information:

"[in the case of senior Notes for which the Eligible Liabilities Format does not apply insert: The Notes constitute unsecured and senior obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer.]"

[in the case of senior Notes for which the Eligible Liabilities Format applies insert: The Notes constitute unsecured and senior obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. At issuance, the Notes constitute in the opinion of the Issuer non-preferred debt instruments within the meaning of Section 46f (6) sentence 1 of the German Banking Act (*Kreditwesengesetz*).]"

2. On page 14 of the Prospectus in "Section C – Securities" under "Element C.8 – Rights attached to the securities including ranking and including limitations to those rights" the subsections "Negative Pledge" and "Events of Default" beginning with "[in the case of senior Notes insert:" shall be deleted and replaced by the following information:

"[in the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

Negative Pledge

The Terms and Conditions contain a negative pledge provision of the Issuer.

Events of Default

The Notes will provide for events of default entitling Holders to demand immediate redemption of the Notes.]"

3. On page 19 of the Prospectus the following risk factor shall be added at the end of the subsection "General Risks regarding the Notes" in "Section D – Risks" under "Element D.3 – Key information on the key risks that are specific to the securities":

"Rights of Holders of Senior Notes issued in the Eligible Liabilities Format are restricted compared to rights of Holders of other Senior Notes, i.e. the provisions of Senior Notes issued in the Eligible Liabilities Format in particular include a prohibition on set-off and an unavailability of any security or guarantee and an unavailability of events of default entitling Holders to demand immediate redemption of the Notes. Should the Senior Notes in the Eligible Liabilities Format be redeemed or repurchased otherwise than described above, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary if the Senior Notes in the Eligible Liabilities Format are redeemed or repurchased."

II. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "GERMAN TRANSLATION OF THE SUMMARY"

4. *On page 28 of the Prospectus in "Abschnitt C – Wertpapiere" under "Punkt C.8 – Rechte, die mit den Wertpapieren verbunden sind, einschließlich der Rangordnung und der Beschränkungen dieser Rechte" the first paragraph of the subsection "Rangordnung" shall be deleted and replaced by the following information:*

"[im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für Berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen: Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird.]"

[im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für Berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen: Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird. Zum Tag der Begebung handelt es sich bei den Schuldverschreibungen nach Ansicht der Emittentin um nicht bevorrechtigte Schuldtitel im Sinne des § 46f Abs. 6 Satz 1 des Kreditwesengesetzes.]"

5. *On page 30 of the Prospectus in "Abschnitt C – Wertpapiere" under "Punkt C.8 – Rechte, die mit den Wertpapieren verbunden sind, einschließlich der Rangordnung und der Beschränkungen dieser Rechte" the subsections "Negativverpflichtung" and "Kündigungsrechte" beginning with "[im Fall von nicht nachrangigen Schuldverschreibungen einfügen:" shall be deleted and replaced by the following information:*

"[im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für Berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

Negativverpflichtung

Die Anleihebedingungen enthalten eine Negativverpflichtung der Emittentin.

Kündigungsrechte

Die Schuldverschreibungen sehen Kündigungsrechte vor, die die Gläubiger dazu berechtigen, sofortige Rückzahlung der Schuldverschreibungen zu verlangen.]"

6. *On page 36 of the Prospectus the following risk factor shall be added at the end of the subsection "Allgemeine mit den Schuldverschreibungen verbundene Risiken" in "Abschnitt D – Risiken" under "Punkt D.3 – Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind":*

"Die Rechte von Gläubigern von nicht nachrangigen Schuldverschreibungen, die in dem Format für Berücksichtigungsfähige Verbindlichkeiten begeben werden, sind gegenüber den Rechten von Gläubigern von anderen nicht nachrangigen Schuldverschreibungen eingeschränkt. Die Bedingungen von Schuldverschreibungen, die in dem Format für Berücksichtigungsfähige Verbindlichkeiten begeben werden, enthalten nämlich insbesondere ein Aufrechnungsverbot, einen Ausschluss von Sicherheiten oder Garantien sowie einen Ausschluss von Kündigungsrechten, die den Gläubigern zu einer sofortigen Rückzahlung der Schuldverschreibung berechtigen würden. Sollten die Schuldverschreibungen, die in dem Format für Berücksichtigungsfähige Verbindlichkeiten begeben werden, anderweitig als zuvor beschrieben zurückgezahlt werden oder von der Emittentin

zurückerworben werden, so ist der gezahlte Betrag der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren."

III. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "RISK FACTORS REGARDING THE NOTES"

7. *On page 61 of the Prospectus the fifth and the sixth paragraph of the risk factor "In connection with the Bank Recovery and Resolution Directive which has been implemented in the Federal Republic of Germany by the Restructuring and Resolution Act with effect as of 1 January 2015, there is, subject to the non-availability of alternative measures, in particular measures of the private sector and in the case of the Issuer the transfer of capital or funds by VWFSAG and/or VW AG, the risk that due to the resolution tools contained therein and the related absorption of losses, Holders of Notes, and particularly Holders of subordinated Notes, may face the risk to fully lose their invested capital and related rights. As a result of legislative changes to the ranking of claims, the risk of being subject to the "Bail-in resolution tool" increases for Holders of Senior Notes compared to Holders of other senior obligations" shall be entirely deleted and replaced by the following paragraphs:*

"Further, the SAG provides for a pre-defined hierarchy of bank creditors (*Haftungskaskade*) for absorbing losses according to which own funds must first be written down or be converted, followed by instruments not qualifying as own funds instruments. Therefore, the risk of a write down or conversion increases for the Holders of Subordinated Notes. With regard to Notes other than subordinated Notes, it needs to be considered that the hierarchy of bank creditors in a resolution scenario for instruments other than own funds instruments follows the hierarchy in an insolvency scenario. In this context and in connection with the SRM Regulation, the German Parliament adopted the Resolution Mechanism Act dated 2 November 2015 (*Abwicklungsmechanismengesetz*) on 24 September 2015. With § 46f paras 5 to 7 KWG, the Resolution Mechanism Act introduced amendments to the ranking of certain liabilities in the event of an insolvency or resolution measure. Within the Issuer's unsecured and unsubordinated liabilities, such as Senior Notes issued under this Programme, § 46f paras 5 to 7 KWG determines that certain unsecured and unsubordinated debt instruments (hereinafter referred to as "**Non-Preferred Debt Instruments**") rank below other senior liabilities (hereinafter referred to as "**Preferred Debt Instruments**"). As a consequence, Non-Preferred Debt Instruments would bear losses before Preferred Debt Instruments in the event of insolvency or the application of Resolution Measures, such as the bail-in tool, affecting the Issuer. In this respect, § 46f paras 5 to 7 KWG provide that in case of insolvency or resolution measure on or after 1 January 2017 certain unstructured debt instruments, including the Senior Notes under the Programme, which provide for (i) a redemption and redemption amounts in cash not linked to the occurrence or non-occurrence of an event that is not known at the time of issue and (ii) the payment of interest that is only dependent on a fixed or variable reference rate, will be satisfied only after other senior debt obligations have been satisfied. In this respect, the German Federal Agency for Financial Market Stabilisation (*Deutsche Bundesanstalt für Finanzmarktstabilisierung – "FMSA"*), BaFin and the German Central Bank published further joint interpretive guidance with respect to the ranking of certain types of bank obligations. Pursuant to this guidance, debt instruments with a fixed rate or a zero coupon or with a floating rate linked to a common reference rate (such as EURIBOR or LIBOR) will be affected by this new regulation and will therefore rank junior in case of an insolvency or a resolution measure. As a consequence, Senior Notes issued under this Programme may constitute Non-Preferred Debt Instruments and therefore the risk of a write down or conversion increases for the Holders of such Non-Preferred Debt Instruments compared to Holders of other senior obligations.

In this context, the proposal for a legislative package for a directive amending the BRRD, the SRM Regulation as well as the CRR / CRD IV is also relevant. These risk reduction measures package aims, amongst others, to harmonise the national insolvency laws of European Union banks in insolvency or resolution. The proposal, inter alia, provides for a harmonised approach on bank creditors' insolvency ranking by introducing the statutory category of Non-Preferred Debt Instruments, also at an European level. To ensure that such Non-Preferred Debt will meet the relevant eligibility criteria the proposal inter alia provides that such debt instruments will according to their contractual documentation rank just below the most senior debt and other senior liabilities for the purpose of resolution while still being part of the senior unsecured debt category. The Council of the European Union, and subsequently the European Parliament proposed further amendments to the relevant eligibility criteria as initially proposed by the European Commission. However, this legislation is not yet finalised so that further reaching amendments cannot be excluded. Consequently, there exists a risk that in connection with future amendments of the European or German banking recovery and resolution laws further insolvency priorities for eligible liabilities which are also relevant in a resolution scenario may be introduced by law. In particular, a political agreement has been reached on the creditor hierarchy proposal of the BRRD which might require further amendments to § 46f KWG and which could therefore also have an effect on the ranking of the Senior Notes issued under this Programme.

However, until the proposals are in final form, it remains uncertain how they will affect the Issuer or the holders of Notes issued under this Programme. Creditors of certain types of senior Notes constituting non-preferred debt under the current regime or non-preferred debt under potential future regime might therefore be affected before creditors of other senior liabilities. This may mean that shareholders and holders of bonds (such as holders of the Notes) are at risk to fully lose their invested capital and related rights as a result of application of one or more resolution measures (**risk of total loss**)."

8. On page 62 of the Prospectus the following risk factor shall be added at the end of the subsection "1. General risks regarding the Notes":

"Rights of Holders of Senior Notes issued in the Eligible Liabilities Format are restricted compared to rights of Holders of other Senior Notes, i.e. the provisions of Senior Notes issued in the Eligible Liabilities Format in particular include a prohibition on set-off and an unavailability of any security or guarantee and an unavailability of events of default entitling Holders to demand immediate redemption of the Notes. Should the Senior Notes in the Eligible Liabilities Format be redeemed or repurchased otherwise than described above, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary if the Senior Notes in the Eligible Liabilities Format are redeemed or repurchased.

The obligations under Senior Notes issued in form of the Eligible Liabilities Format constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. At issuance, Senior Notes in the Eligible Liabilities Format constitute in the opinion of the Issuer Non-Preferred Debt Instruments within the meaning of Section 46f (6) sentence 1 of the German Banking Act (*Kreditwesengesetz*).

The Holders of Senior Notes in the Eligible Liabilities Format are not entitled to set off claims arising under such Notes against any claims of the Issuer. No security of whatever kind and no guarantee is, or shall at any time be, provided by the Issuer or any other person securing and guaranteeing rights of the Holders under such Notes, which enhances the seniority of the claims under such Notes and such Notes are not, or shall not at any time be, subject to any arrangement that otherwise enhances the seniority of the claims under the Senior Notes in the Eligible Liabilities Format.

In no event will the Holders of Senior Notes in the Eligible Liabilities Format be able to accelerate the maturity of their Notes. Accordingly, in the event that any payment on Senior Notes in the Eligible Liabilities Format is not made when due, each Holder will have a claim only for amounts then due and payable on their Notes. Any redemption, repurchase or termination of Senior Notes in the Eligible Liabilities Format prior to their Maturity Date may be subject to the prior approval of the competent authority, if legally required. If Senior Notes in the Eligible Liabilities Format are redeemed or repurchased otherwise than in the circumstances described in this section, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary.

In addition, different from Senior Notes for which the Eligible Liabilities Format does not apply Senior Notes issued in the Eligible Liabilities Format do not benefit from a negative pledge."

9. On page 63 of the Prospectus the information in the risk factor "A Holder of Floating Rate Notes is exposed to the risk that changes to the reference rates as a result of the regulation and reform of benchmarks could have a material adverse effect on the market value of and the yield on any Notes linked to such a reference rate." shall be deleted and replaced as by the following information:

"If, on any day on which a valuation or determination in respect of a reference rate is to be made, the relevant reference rate is not available, then the Calculation Agent will determine the floating rate using a methodology as further specified in the provision on the determination of the relevant screen page in the Terms and Conditions for Floating Rate Notes. There is a risk that the determination of the floating rate using any of these methodologies may result in a lower interest rate payable to the Holders of the Notes than the use of other methodologies. Notwithstanding these alternative arrangements, the discontinuance of the relevant reference rate may adversely affect the market value of the Notes.

The London Interbank Offered Rate ("**LIBOR**[®]") and the Euro Interbank Offered Rate ("**EURIBOR**[®]") as "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be

implemented. These reforms may cause such 'benchmarks' to perform differently than in the past, or disappear entirely, or have other consequences which cannot be predicted. Key international proposals for reform of "benchmarks" include IOSCO's Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which will apply as from 1 January 2018 (with the exception of certain provisions such as the regime for so-called "critical benchmarks". While the IOSCO Benchmark Principles are intended to provide a general framework of overarching principles applicable to benchmarks (such as principles in relation to quality, transparency and methodologies), the Benchmark Regulation seeks to introduce a general requirement of regulatory authorisation for benchmark administration and in particular a ban of use of "benchmarks" of unauthorised administrators. In this context it should be noted that the Benchmark Regulation classified EURIBOR[®] as a critical benchmark. EURIBOR[®] is provided as an index by the European Money Market Institute ("**EMMI**"). A reform of EURIBOR[®] is currently being prepared by EMMI so as to implement the requirements of the Benchmark Regulation and the IOSCO Benchmark Principles. This reform in particular aims switching the current quote-based determination method towards a hybrid methodology also supported by transactions whenever available and a revision of the definition of EURIBOR[®].

As a result of these reforms, market participants may be discouraged from continuing to administer or participate in certain "benchmarks", or initiate amendments to the respective rules and methodologies. In July 2017 the U.K Financial Conduct Authority (FCA) regulating the LIBOR[®] announced that it does not intend to continue to encourage, or use its power to compel, panel banks to provide rate submissions for the calculation of the LIBOR benchmark beyond the end of 2021 and that, as a result, there can be no guarantee that LIBOR will be determined after 2021 on the same basis as at present, if at all. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be implemented in the United Kingdom or elsewhere Any such consequence or further consequential changes to LIBOR[®] or the EURIBOR[®] as a result of the regulation and reform of benchmarks, could have a material adverse effect on the market value of and the yield on any Notes linked to such a reference rate."

IV. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "GENERAL DESCRIPTION OF THE PROGRAMME"

10. On page 76 of the Prospectus the subsection "Senior Notes" shall be deleted and replaced by the following subsections:

"Senior Notes

The senior Notes constitute unsecured and senior obligations of Volkswagen Bank and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of Volkswagen Bank, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, Volkswagen Bank. In this context it should be noted that in case of a bank insolvency or resolution measure on or after 1 January 2017 certain unstructured debt instruments, including the Senior Notes under the Programme, which provide for (i) a redemption and redemption amounts in cash not linked to the occurrence or non-occurrence of an event that is not known at the time of issue and (ii) the payment of interest that is only dependent on a fixed or variable reference rate, will be satisfied only after other senior debt obligations have been satisfied.

Senior Notes in the Eligible Liabilities Format

Under the programme, Senior Notes may also be issued in the Eligible Liabilities Format. At issuance, the Senior Notes issued in the Eligible Liabilities Format constitute in the opinion of the Issuer Non-Preferred Debt instruments within the meaning of Section 46f (6) sentence 1 of the German Banking Act (*Kreditwesengesetz*). No Holder may set off his claims arising under the Senior Notes in the Eligible Liabilities Format against any claims of Volkswagen Bank. No security of whatever kind and no guarantee is, or shall at any time be provided by Volkswagen Bank or any other person securing and guaranteeing rights of the Holders under such Notes, which enhances the seniority of the claims under such Notes and such Notes are not, or shall not at any time be, subject to any arrangement that otherwise enhances the seniority of the claims under the Senior Notes in the Eligible Liabilities Format. Any redemption, repurchase or termination of Senior Notes in the Eligible Liabilities Format prior to their Maturity Date may be subject to the prior approval of the competent authority, if legally required. If Senior Notes in the Eligible Liabilities Format are redeemed or repurchased otherwise than in the circumstances described in this subsection, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary.

In addition, different from Senior Notes for which the Eligible Liabilities Format does not apply Senior Notes issued in the Eligible Liabilities Format do not benefit from a negative pledge."

11. On page 77 of the Prospectus the information in the subsection "Statutory Bail-in" shall be deleted and replaced by the following information:

"It should be noted that prior to any insolvency or liquidation of the Issuer, all respective claims, rights and duties under, or arising out of, the Notes will be subject to any Regulatory Bail-in. The Holders of the subordinated Notes will not have any claim against the Issuer in connection with or arising out of any such Regulatory Bail-in. "**Regulatory Bail-in**" means a subjection by the competent resolution authority of the claims for payment of principal, interest or other amounts under the Notes to a delay or a permanent reduction, including to zero, or a conversion of the Notes, in whole or in part, into equity of the Issuer, such as ordinary shares, in each case pursuant to German law, in particular the Restructuring and Resolution Act (*Sanierungs und Abwicklungsgesetz – "SAG"*) (including European Union law as applicable in the Federal Republic of Germany). Pursuant to the hierarchy of bank creditors for absorbing losses provided therein which own funds must first be written down or be converted, followed by instruments not qualifying as own funds instruments. Therefore, the subordinated Notes will be affected by such resolution measures prior to any unsubordinated liabilities of the Issuer and Senior Notes which qualify as Non-Preferred Debt Instruments will be affected by such resolution measures prior to Preferred Debt Instruments.

In this context, the conditions applicable to senior Notes in the Eligible Liabilities Format explicitly provide that the Holders of such Notes shall be bound by any resolution measures and that no Holder

shall have any claim or other right against the Issuer. The exercise of any resolution measure will not constitute an event of default. By its acquisition of the Notes, each Holder will acknowledge and accept the measures and effects according to the Resolution Measures which are exhaustively governed in § 9 of the Terms and Conditions to the exclusion of any other agreements, arrangements oder understandings between the Holder and the Issuer relating to the subject matter of the Terms and Conditions."

12. On page 78 of the Prospectus the information in the subsection "Negative Pledge" shall be deleted and replaced by the following information:

"The senior Notes for which the Eligible Liabilities Format does not apply will have the benefit of a negative pledge of Volkswagen Bank."

13. On page 78 of the Prospectus the information in the subsection "Events of default" shall be deleted and replaced by the following information:

"The senior Notes for which the Eligible Liabilities Format does not apply will provide for events of default entitling Holders to demand immediate redemption of the senior Notes as set out in § 9 of the Terms and Conditions."

**V. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION "ENGLISH LANGUAGE TERMS AND CONDITIONS"**

The amendments in relation to the terms and conditions in this First Supplement shall only apply to final terms, the date of which falls on or after the approval of this First Supplement.

Amendments in relation to Option I. Terms and Conditions for Notes with fixed interest rates

14. On page 83 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" under "§ 2 Status" the first paragraph shall be deleted and replaced by the following paragraphs:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

[The Notes constitute unsecured and senior obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer.]

In the case of senior Notes for which the Eligible Liabilities Format applies insert:

[The Notes constitute unsecured and senior obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. At issuance, the Notes constitute in the opinion of the Issuer non-preferred debt instruments within the meaning of Section 46f (6) sentence 1 of the German Banking Act (*Kreditwesengesetz*).

No Holder may set off his claims arising under the Notes against any claims of the Issuer. No security of whatever kind and no guarantee is, or shall at any time be, provided by the Issuer or any other person securing or guaranteeing rights of the Holders under such Notes, which enhances the seniority of the claims under the Notes and the Notes are not, or shall not at any time be, subject to any arrangement that otherwise enhances the seniority of the claims under the Notes.

Any redemption, repurchase or termination of the Notes prior to their Maturity Date (as defined in § 5 (1)) may be subject to the prior approval of the competent authority, if legally required. If the Notes are redeemed or repurchased otherwise than in the circumstances described in this § 2, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary.]"

15. On page 86 et seq. of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" under "§ 5 Early Redemption" the first paragraph in the provision "Early Redemption for Reasons of Taxation" shall be deleted and replaced by the following paragraph:

"(1) *Early Redemption for Reasons of Taxation*. If as a result of any amendment to, or change in, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any amendment to or change in an official interpretation or application of such laws or regulations, which amendment or change is

effective on or after **[insert Issue Date]**, the Issuer is required to pay Additional Amounts (as defined in § 8) **[in the case of Fixed Rate Notes other than Zero Coupon Notes insert: on the next succeeding Interest Payment Date (as defined in § 3(1))]** **[in the case of Zero Coupon Notes insert: at maturity or upon the sale or exchange of any Note]**, and this obligation cannot be avoided by the use of reasonable measures available to the Issuer **[in the case of subordinated Notes and senior Notes for which the Eligible Liabilities Format applies insert: or if the tax treatment of the Notes changes in any other way and such change is in the assessment of the Issuer materially disadvantageous]**, the Notes may be redeemed, in whole but not in part, at the option of the Issuer **[in the case of subordinated Notes insert: and subject to the prior consent of the competent authority supervising the Issuer]****[in the case of senior Notes for which the Eligible Liabilities Format applies: and subject to the prior consent of the competent authority, if legally required]** upon not more than 60 days' nor less than 30 days' prior notice of redemption given in accordance with § [15] at their Early Redemption Amount (as defined below), together with interest accrued to the date fixed for redemption."

16. On page 87 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" under "§ 5 Early Redemption" the first subparagraph in the provision "Early Redemption at the Option of the Issuer" shall be deleted and replaced by the following subparagraph:

"(a) The Issuer may **[in the case of subordinated Notes insert: and subject to the prior consent of the competent authority supervising the Issuer]****[in the case of senior Notes for which the Eligible Liabilities Format applies: and subject to the prior consent of the competent authority, if legally required]**, upon notice given in accordance with subparagraph (b), redeem all or only some of the Notes on the Call Redemption Date(s) or at any time thereafter until the respective subsequent Call Redemption Date at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the respective Call Redemption Date. **[if Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least [insert Minimum Redemption Amount]] [insert Higher Redemption Amount].]**"

17. On page 93 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" the provision "[§ 9 Events of default" shall be deleted and replaced by the following provision:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

**[§ 9
EVENTS OF DEFAULT**

- (1) *Events of Default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5[(4)], together with accrued interest (if any) to the date of repayment, in the event that:
 - (a) any amount due under the Notes has not been paid within 30 days from the relevant due date; or
 - (b) the Issuer fails duly to perform any other obligation arising from the Notes and such failure continues unremedied for more than 90 days after the Issuing Agent has received notice thereof from a Holder; or
 - (c) the Issuer announces its inability to meet its financial obligations; or

- (d) a court opens bankruptcy or other insolvency proceedings against the Issuer or such proceedings are instituted and have not been discharged or stayed within 60 days, or the Issuer applies for or institutes such proceedings; or
 - (e) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company and such other or new company assumes all obligations contracted by the Issuer, in connection with the issue of the Notes.
- (2) *Termination.* The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.
 - (3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with this § 9 shall be made in text form (e.g. email or fax) or in written form in the German or English language sent to the specified office of the Issuing Agent and shall state the principal amount of the relevant Notes and shall enclose evidence of ownership reasonably satisfactory to the Issuing Agent.]"

18. On page 93 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" after the provision "[§ 9 Events of default" the following provision shall be inserted:

"In the case of senior Notes for which the Eligible Liabilities Format applies insert

**[§ 9
RESOLUTION MEASURES**

- (1) Under the relevant resolution laws and regulations as applicable to the Issuer from time to time, the Notes may be subject to the powers exercised by the competent resolution authority to
 - (a) write down, including write down to zero, the claims for payment of the principal amount **[in the case of Notes other than Zero Coupon Notes insert:**, the interest amount] or any other amount in respect of the Notes; or
 - (b) convert these claims into ordinary shares of (i) the Issuer or (ii) any group entity or (iii) any bridge bank or other instruments of ownership qualifying as common equity tier 1 capital (and the issue to or conferral on the counterparty of such instruments); and/or
 - (c) apply any other resolution measure, including, but not limited to, (i) any transfer of the Notes to another entity, (ii) the amendment, modification or variation of the Terms and Conditions or (iii) the cancellation of the Notes; (each, a **"Resolution Measure"**).
- (2) The Holders shall be bound by any Resolution Measure. No Holder shall have any claim or other right against the Issuer arising out of any Resolution Measure. In particular, the exercise of any Resolution Measure shall not constitute an event of default.
- (3) By its acquisition of the Notes, each Holder acknowledges and accepts the measures and effects according to the preceding paragraphs and that this § 9 is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings between the Holder and the Issuer relating to the subject matter of these Terms and Conditions.]"

19. On page 93 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" the provision "[§ 10 Negative Pledge of the Issuer" shall be deleted and replaced by the following provision:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

**[§ 10
NEGATIVE PLEDGE OF THE ISSUER**

Negative Pledge. So long as any of the Notes remain outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Issuing Agent, the Issuer undertakes not to provide any security upon its assets for other notes or bonds including any guarantee or indemnity in respect thereof without at the same time having the Holders share equally and rateably in such security. For the avoidance of doubt, the undertaking contained in this § 10 shall not apply to security provided in connection with asset backed securities issued by the Issuer, or by a special purpose vehicle where the Issuer is the originator of the underlying assets.]"

20. On page 94 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" under "§ [11] Substitution" the first paragraph of the provision "Substitution" shall be deleted and replaced by the following paragraph:

"(1) *Substitution.* The Issuer shall without the consent of the Holders be entitled at any time to substitute for itself any other company, more than 90 per cent. of the shares or other equity interest carrying the right to vote of which are directly or indirectly owned by it as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Issuer**") provided that the Substitute Issuer is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties to be withheld at source, and to transfer any amounts which are required therefor to the Issuing Agent without any restrictions [**in the case of senior Notes for which the Eligible Liabilities Format applies:** and provided that the applicability of Resolution Measures as described in § 9 is ensured and that the substitution has been approved by the competent authority, if legally required]. Any such substitution shall be notified in accordance with § [15]."

21. On page 94 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" under "§ [11] Substitution" the provision "Negative Pledge" shall be deleted and replaced by the following paragraph:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

"[(3) *Negative Pledge.* If the Issuer will be substituted in its capacity as issuer, its negative pledge given in its capacity as issuer in accordance with § 10 shall continue to be binding on it.]"

22. On page 94 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" under "[§ [12] Resolutions of the Holders; Common Representative" the provision "Amendments to the Terms and Conditions by Resolution of the Holders" shall be deleted and replaced by the following provision:

"[(1) *Amendments to the Terms and Conditions by Resolution of the Holders.* [**In the case of subordinated Notes:** Provided such amendments do not impair the regulatory requirements for qualification of the Notes as Tier 2 capital][**in the case of senior Notes for which the Eligible Liabilities Format applies:** Subject to the prior consent of the competent authority, if legally required,] [These][these] Terms and Conditions may be amended by the

Issuer with consent of the Holders based on majority resolution pursuant to § 5 et seq. of the German Act on Issues of Debt Securities, as amended from time to time (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* - "SchVG"). In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5, Paragraph 3 of the SchVG. A duly passed majority resolution shall be binding upon all Holders."

23. On page 96 of the Prospectus in the subsection "Option I. Terms and Conditions for Notes with fixed interest rates" under "[§ [14] Further Issues, Purchases and Cancellation" the provision "Purchases" shall be deleted and replaced by the following provision:

"(2) *Purchases*. The Issuer may at any time **[in the case of subordinated Notes insert: (with the prior consent of the competent authority supervising the Issuer)]****[in the case of senior Notes for which the Eligible Liabilities Format applies: (with the prior consent of the competent authority, if legally required)]** purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to any Paying Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike."

Amendments in relation to Option II. Terms and Conditions for Notes with floating interest rates

24. On page 100 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" under "§ 2 Status" the first paragraph shall be deleted and replaced by the following paragraphs:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

[The Notes constitute unsecured and senior obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer.]

In the case of senior Notes for which the Eligible Liabilities Format applies insert:

[The Notes constitute unsecured and senior obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. At issuance, the Notes constitute in the opinion of the Issuer non-preferred debt instruments within the meaning of Section 46f (6) sentence 1 of the German Banking Act (*Kreditwesengesetz*).

No Holder may set off his claims arising under the Notes against any claims of the Issuer. No security of whatever kind and no guarantee is, or shall at any time be, provided by the Issuer or any other person securing or guaranteeing rights of the Holders under such Notes, which enhances the seniority of the claims under the Notes and the Notes are not, or shall not at any time be, subject to any arrangement that otherwise enhances the seniority of the claims under the Notes.

Any redemption, repurchase or termination of the Notes prior to their

Maturity Date (as defined in § 5 (1)) may be subject to the prior approval of the competent authority, if legally required. If the Notes are redeemed or repurchased otherwise than in the circumstances described in this § 2, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary.]"

25. On page 105 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" under "§ 5 Early Redemption" the first paragraph in the provision "Early Redemption for Reasons of Taxation" shall be deleted and replaced by the following paragraph:

"(1) *Early Redemption for Reasons of Taxation.* If as a result of any amendment to, or change in, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any amendment to or change in an official interpretation or application of such laws or regulations, which amendment or change is effective on or after **[insert Issue Date]**, the Issuer is required to pay Additional Amounts (as defined in § 8) **[in the case of Fixed Rate Notes other than Zero Coupon Notes insert:** on the next succeeding Interest Payment Date (as defined in § 3(1)) **[in the case of Zero Coupon Notes insert:** at maturity or upon the sale or exchange of any Note], and this obligation cannot be avoided by the use of reasonable measures available to the Issuer **[in the case of subordinated Notes and senior Notes for which the Eligible Liabilities Format applies insert:** or if the tax treatment of the Notes changes in any other way and such change is in the assessment of the Issuer materially disadvantageous], the Notes may be redeemed, in whole but not in part, at the option of the Issuer **[in the case of subordinated Notes insert:** and subject to the prior consent of the competent authority supervising the Issuer]**[in the case of senior Notes for which the Eligible Liabilities Format applies:** and subject to the prior consent of the competent authority, if legally required] upon not more than 60 days' nor less than 30 days' prior notice of redemption given in accordance with § [15] at their Early Redemption Amount (as defined below), together with interest accrued to the date fixed for redemption."

26. On page 106 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" under "§ 5 Early Redemption" the first subparagraph in the provision "Early Redemption at the Option of the Issuer" shall be deleted and replaced by the following subparagraph:

"(a) The Issuer may **[in the case of subordinated Notes insert:** and subject to the prior consent of the competent authority supervising the Issuer]**[in the case of senior Notes for which the Eligible Liabilities Format applies:** and subject to the prior consent of the competent authority, if legally required], upon notice given in accordance with subparagraph (b), redeem all or only some of the Notes on the Call Redemption Date(s) or at any time thereafter until the respective subsequent Call Redemption Date at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the respective Call Redemption Date. **[if Minimum Redemption Amount or Higher Redemption Amount applies insert:** Any such redemption must be of a principal amount equal to [at least **[insert Minimum Redemption Amount]**] **[insert Higher Redemption Amount].]**"

27. On page 111 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" the provision "[§ 9 Events of default" shall be deleted and replaced by the following provision:

"In the case of senior |

[§ 9

Notes for which the Eligible Liabilities Format does not apply insert:

EVENTS OF DEFAULT

- (1) *Events of Default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5[(4)], together with accrued interest (if any) to the date of repayment, in the event that:
 - (a) any amount due under the Notes has not been paid within 30 days from the relevant due date; or
 - (b) the Issuer fails duly to perform any other obligation arising from the Notes and such failure continues unremedied for more than 90 days after the Issuing Agent has received notice thereof from a Holder; or
 - (c) the Issuer announces its inability to meet its financial obligations; or
 - (d) a court opens bankruptcy or other insolvency proceedings against the Issuer or such proceedings are instituted and have not been discharged or stayed within 60 days, or the Issuer applies for or institutes such proceedings; or
 - (e) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company and such other or new company assumes all obligations contracted by the Issuer, in connection with the issue of the Notes.
- (2) *Termination.* The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.
- (3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with this § 9 shall be made in text form (e.g. email or fax) or in written form in the German or English language sent to the specified office of the Issuing Agent and shall state the principal amount of the relevant Notes and shall enclose evidence of ownership reasonably satisfactory to the Issuing Agent.]"

28. On page 111 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" after the provision "[§ 9 Events of default" the following provision shall be inserted:

"In the case of senior Notes for which the Eligible Liabilities Format applies insert

[§ 9 RESOLUTION MEASURES

- (1) Under the relevant resolution laws and regulations as applicable to the Issuer from time to time, the Notes may be subject to the powers exercised by the competent resolution authority to
 - (a) write down, including write down to zero, the claims for payment of the principal amount, the interest amount or any other amount in respect of the Notes; or
 - (b) convert these claims into ordinary shares of (i) the Issuer or (ii) any group entity or (iii) any bridge bank or other instruments of ownership qualifying as common equity tier 1 capital (and the issue to or conferral on the counterparty of such instruments); and/or
 - (c) apply any other resolution measure, including, but not limited to, (i) any transfer of the Notes to another entity, (ii) the amendment, modification or variation of the Terms and

Conditions or (iii) the cancellation of the Notes; (each, a "Resolution Measure").

- (2) The Holders shall be bound by any Resolution Measure. No Holder shall have any claim or other right against the Issuer arising out of any Resolution Measure. In particular, the exercise of any Resolution Measure shall not constitute an event of default.
- (3) By its acquisition of the Notes, each Holder acknowledges and accepts the measures and effects according to the preceding paragraphs and that this § 9 is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings between the Holder and the Issuer relating to the subject matter of these Terms and Conditions.]"

29. On page 111 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" the provision "[§ 10 Negative Pledge of the Issuer" shall be deleted and replaced by the following provision:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

**[§ 10
NEGATIVE PLEDGE OF THE ISSUER**

Negative Pledge. So long as any of the Notes remain outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Issuing Agent, the Issuer undertakes not to provide any security upon its assets for other notes or bonds including any guarantee or indemnity in respect thereof without at the same time having the Holders share equally and rateably in such security. For the avoidance of doubt, the undertaking contained in this § 10 shall not apply to security provided in connection with asset backed securities issued by the Issuer, or by a special purpose vehicle where the Issuer is the originator of the underlying assets.]"

30. On page 112 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" under "§ [11] Substitution" the first paragraph of the provision "Substitution" shall be deleted and replaced by the following paragraph:

"(1) *Substitution.* The Issuer shall without the consent of the Holders be entitled at any time to substitute for itself any other company, more than 90 per cent. of the shares or other equity interest carrying the right to vote of which are directly or indirectly owned by it as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Issuer**") provided that the Substitute Issuer is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties to be withheld at source, and to transfer any amounts which are required therefor to the Issuing Agent without any restrictions [**in the case of senior Notes for which the Eligible Liabilities Format applies:** and provided that the applicability of Resolution Measures as described in § 9 is ensured and that the substitution has been approved by the competent authority, if legally required]. Any such substitution shall be notified in accordance with § [15]."

31. On page 112 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" under "§ [11] Substitution" the provision "Negative Pledge" shall be deleted and replaced by the following paragraph:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

[(3) *Negative Pledge*. If the Issuer will be substituted in its capacity as issuer, its negative pledge given in its capacity as issuer in accordance with § 10 shall continue to be binding on it.]"

32. On page 112 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" under "[§ [12] Resolutions of the Holders; Common Representative" the provision "Amendments to the Terms and Conditions by Resolution of the Holders" shall be deleted and replaced by the following provision:

"[(1) *Amendments to the Terms and Conditions by Resolution of the Holders*. **[In the case of subordinated Notes:** Provided such amendments do not impair the regulatory requirements for qualification of the Notes as Tier 2 capital]**[in the case of senior Notes for which the Eligible Liabilities Format applies:** Subject to the prior consent of the competent authority, if legally required,]**[These][these]** Terms and Conditions may be amended by the Issuer with consent of the Holders based on majority resolution pursuant to § 5 et seq. of the German Act on Issues of Debt Securities, as amended from time to time (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - "SchVG"*). In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5, Paragraph 3 of the SchVG. A duly passed majority resolution shall be binding upon all Holders."

33. On page 114 of the Prospectus in the subsection "Option II. Terms and Conditions for Notes with floating interest rates" under "[§ [14] Further Issues, Purchases and Cancellation" the provision "Purchases" shall be deleted and replaced by the following provision:

"(2) *Purchases*. The Issuer may at any time **[in the case of subordinated Notes insert:** (with the prior consent of the competent authority supervising the Issuer)**[in the case of senior Notes for which the Eligible Liabilities Format applies:** (with the prior consent of the competent authority, if legally required)] purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to any Paying Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike."

Amendments in relation to Option III. Terms and Conditions for Notes with fixed to floating interest rates

34. On page 118 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" under "§ 2 Status" the first paragraph shall be deleted and replaced by the following paragraphs:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

[The Notes constitute unsecured and senior obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer.]

In the case of senior

[The Notes constitute unsecured and senior obligations of the Issuer

Notes for which the Eligible Liabilities Format applies insert:

and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and senior obligations of the Issuer subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer. At issuance, the Notes constitute in the opinion of the Issuer non-preferred debt instruments within the meaning of Section 46f (6) sentence 1 of the German Banking Act (*Kreditwesengesetz*).

No Holder may set off his claims arising under the Notes against any claims of the Issuer. No security of whatever kind and no guarantee is, or shall at any time be, provided by the Issuer or any other person securing or guaranteeing rights of the Holders under such Notes, which enhances the seniority of the claims under the Notes and the Notes are not, or shall not at any time be, subject to any arrangement that otherwise enhances the seniority of the claims under the Notes.

Any redemption, repurchase or termination of the Notes prior to their Maturity Date (as defined in § 5 (1)) may be subject to the prior approval of the competent authority, if legally required. If the Notes are redeemed or repurchased otherwise than in the circumstances described in this § 2, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary.]"

35. On page 125 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" under "§ 5 Early Redemption" the first paragraph in the provision "Early Redemption for Reasons of Taxation" shall be deleted and replaced by the following paragraph:

"(1) *Early Redemption for Reasons of Taxation*. If as a result of any amendment to, or change in, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any amendment to or change in an official interpretation or application of such laws or regulations, which amendment or change is effective on or after **[insert Issue Date]**, the Issuer is required to pay Additional Amounts (as defined in § 8) **[in the case of Fixed Rate Notes other than Zero Coupon Notes insert:** on the next succeeding Interest Payment Date (as defined in § 3(1)) **[in the case of Zero Coupon Notes insert:** at maturity or upon the sale or exchange of any Note], and this obligation cannot be avoided by the use of reasonable measures available to the Issuer **[in the case of subordinated Notes and senior Notes for which the Eligible Liabilities Format applies insert:** or if the tax treatment of the Notes changes in any other way and such change is in the assessment of the Issuer materially disadvantageous], the Notes may be redeemed, in whole but not in part, at the option of the Issuer **[in the case of subordinated Notes insert:** and subject to the prior consent of the competent authority supervising the Issuer]**[in the case of senior Notes for which the Eligible Liabilities Format applies:** and subject to the prior consent of the competent authority, if legally required] upon not more than 60 days' nor less than 30 days' prior notice of redemption given in accordance with § [15] at their Early Redemption Amount (as defined below), together with interest accrued to the date fixed for redemption."

36. On page 126 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" under "§ 5 Early Redemption" the first subparagraph in the provision "Early Redemption at the Option of the Issuer" shall be deleted and replaced by the following subparagraph:

"(a) The Issuer may **[in the case of subordinated Notes insert:** and subject to the prior consent of the competent authority supervising the Issuer]**[in the case of senior Notes for which the Eligible Liabilities Format applies:** and subject to the prior consent of the competent authority, if legally required], upon notice given in accordance with subparagraph (b), redeem all or only some of the Notes on the Call Redemption Date(s) or at any time thereafter until the respective subsequent Call Redemption Date at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the respective Call Redemption Date. **[if Minimum Redemption Amount or Higher Redemption Amount applies insert:** Any such redemption must be of a principal amount equal to [at least **[insert Minimum Redemption Amount]] [insert Higher Redemption Amount].]**"

37. On page 131 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" the provision "[§ 9 Events of default" shall be deleted and replaced by the following provision:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

**[§ 9
EVENTS OF DEFAULT**

- (1) *Events of Default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5[(4)], together with accrued interest (if any) to the date of repayment, in the event that:
 - (a) any amount due under the Notes has not been paid within 30 days from the relevant due date; or
 - (b) the Issuer fails duly to perform any other obligation arising from the Notes and such failure continues unremedied for more than 90 days after the Issuing Agent has received notice thereof from a Holder; or
 - (c) the Issuer announces its inability to meet its financial obligations; or
 - (d) a court opens bankruptcy or other insolvency proceedings against the Issuer or such proceedings are instituted and have not been discharged or stayed within 60 days, or the Issuer applies for or institutes such proceedings; or
 - (e) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company and such other or new company assumes all obligations contracted by the Issuer, in connection with the issue of the Notes.
- (2) *Termination.* The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.
- (3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with this § 9 shall be made in text form (e.g. email or fax) or in written form in the German or English language sent to the specified office of the Issuing Agent and shall state the principal amount of the relevant Notes and shall enclose evidence of ownership reasonably satisfactory to the Issuing Agent.]"

38. On page 131 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" after the provision "[§ 9 Events of default]" the following provision shall be inserted:

"In the case of senior Notes for which the Eligible Liabilities Format applies insert

**[§ 9
RESOLUTION MEASURES**

- (1) Under the relevant resolution laws and regulations as applicable to the Issuer from time to time, the Notes may be subject to the powers exercised by the competent resolution authority to
 - (a) write down, including write down to zero, the claims for payment of the principal amount, the interest amount or any other amount in respect of the Notes; or
 - (b) convert these claims into ordinary shares of (i) the Issuer or (ii) any group entity or (iii) any bridge bank or other instruments of ownership qualifying as common equity tier 1 capital (and the issue to or conferral on the counterparty of such instruments); and/or
 - (c) apply any other resolution measure, including, but not limited to, (i) any transfer of the Notes to another entity, (ii) the amendment, modification or variation of the Terms and Conditions or (iii) the cancellation of the Notes; (each, a "Resolution Measure").
- (2) The Holders shall be bound by any Resolution Measure. No Holder shall have any claim or other right against the Issuer arising out of any Resolution Measure. In particular, the exercise of any Resolution Measure shall not constitute an event of default.
- (3) By its acquisition of the Notes, each Holder acknowledges and accepts the measures and effects according to the preceding paragraphs and that this § 9 is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings between the Holder and the Issuer relating to the subject matter of these Terms and Conditions.]"

39. On page 131 et seq. of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" the provision "[§ 10 Negative Pledge of the Issuer]" shall be deleted and replaced by the following provision:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

**[§ 10
NEGATIVE PLEDGE OF THE ISSUER**

Negative Pledge. So long as any of the Notes remain outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Issuing Agent, the Issuer undertakes not to provide any security upon its assets for other notes or bonds including any guarantee or indemnity in respect thereof without at the same time having the Holders share equally and rateably in such security. For the avoidance of doubt, the undertaking contained in this § 10 shall not apply to security provided in connection with asset backed securities issued by the Issuer, or by a special purpose vehicle where the Issuer is the originator of the underlying assets.]"

40. On page 132 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" under "§ [11] Substitution" the first paragraph of the provision "Substitution" shall be deleted and replaced by the following paragraph:

"(1) *Substitution.* The Issuer shall without the consent of the Holders be entitled at any time to substitute for itself any other company, more than 90 per cent. of the shares or other equity interest carrying the right to vote of which are directly or indirectly owned by it as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Issuer**") provided that the Substitute Issuer is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties to be withheld at source, and to transfer any amounts which are required therefor to the Issuing Agent without any restrictions **[in the case of senior Notes for which the Eligible Liabilities Format applies:** and provided that the applicability of Resolution Measures as described in § 9 is ensured and that the substitution has been approved by the competent authority, if legally required]. Any such substitution shall be notified in accordance with § [15]."

41. On page 132 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" under "§ [11] Substitution" the provision "Negative Pledge" shall be deleted and replaced by the following paragraph:

"In the case of senior Notes for which the Eligible Liabilities Format does not apply insert:

[(3) Negative Pledge. If the Issuer will be substituted in its capacity as issuer, its negative pledge given in its capacity as issuer in accordance with § 10 shall continue to be binding on it.]"

42. On page 133 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" under "[§ [12] Resolutions of the Holders; Common Representative" the provision "Amendments to the Terms and Conditions by Resolution of the Holders" shall be deleted and replaced by the following provision:

"[(1) *Amendments to the Terms and Conditions by Resolution of the Holders.* **[In the case of subordinated Notes:** Provided such amendments do not impair the regulatory requirements for qualification of the Notes as Tier 2 capital]**[in the case of senior Notes for which the Eligible Liabilities Format applies:** Subject to the prior consent of the competent authority, if legally required,]**[These][these] Terms and Conditions may be amended by the Issuer with consent of the Holders based on majority resolution pursuant to § 5 et seq. of the German Act on Issues of Debt Securities, as amended from time to time (Gesetz über Schuldverschreibungen aus Gesamtemissionen - "SchVG").** In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5, Paragraph 3 of the SchVG. A duly passed majority resolution shall be binding upon all Holders."

43. On page 134 of the Prospectus in the subsection "Option III. Terms and Conditions for Notes with fixed to floating interest rates" under "[§ [14] Further Issues, Purchases and Cancellation" the provision "Purchases" shall be deleted and replaced by the following provision:

"(2) *Purchases.* The Issuer may at any time **[in the case of subordinated Notes insert:** (with the prior consent of the competent authority supervising the Issuer)]**[in the case of senior Notes for which the Eligible Liabilities Format applies:** (with the prior consent of the competent authority, if legally required)] purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to any

Paying Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike."

VI. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION "DEUTSCHE FASSUNG DER ANLEIHEBEDINGUNGEN"

The amendments in relation to the terms and conditions in this First Supplement shall only apply to final terms, the date of which falls on or after the approval of this First Supplement.

Amendments in relation to Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung

44. On page 156 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" under "§ 2 Status" the first paragraph shall be deleted and replaced by the following paragraphs:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird.]

Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird. Zum Tag der Begebung handelt es sich bei den Schuldverschreibungen nach Ansicht der Emittentin um nicht bevorrechtigte Schuldtitel im Sinne des § 46f Abs. 6 Satz 1 des Kreditwesengesetzes.

Kein Gläubiger ist berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Für die Rechte der Gläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit irgendwelcher Art oder Garantie durch die Emittentin oder durch Dritte gestellt, die den Ansprüchen aus den Schuldverschreibungen einen höheren Rang verleiht, oder eine sonstige Vereinbarung getroffen, der zufolge die Ansprüche aus den Schuldverschreibungen anderweitig einen höheren Rang erhalten; eine solche Sicherheit oder Garantie oder Vereinbarung wird auch zu keinem Zeitpunkt gestellt oder vereinbart werden.

Eine Rückzahlung, ein Rückkauf oder eine Kündigung der Schuldverschreibungen vor dem Fälligkeitstag (wie in § 5 (1) definiert) ist gegebenenfalls nur mit einer vorherigen Zustimmung der zuständigen Behörde zulässig, sofern gesetzlich erforderlich. Werden die Schuldverschreibungen vorzeitig unter anderen als in diesem § 2 beschriebenen Umständen zurückgezahlt oder von der Emittentin zurückerworben, so ist der gezahlte Betrag der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren.]"

45. On page 159 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" under "§ 5 Vorzeitige Rückzahlung" the first paragraph in the provision "Vorzeitige Rückzahlung aus Steuergründen" shall be deleted and replaced by the following paragraph:

"(1) *Vorzeitige Rückzahlung aus Steuergründen.* Falls die Emittentin als Folge einer Ergänzung oder Änderung der Steuer- und Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Ergänzung oder Änderung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften, und diese Ergänzung oder Änderung am oder nach dem **[Ausgabetag einfügen]** wirksam werden, zur Zahlung von Zusätzlichen Beträgen (wie in § 8 dieser Anleihebedingungen definiert) **[bei festverzinslichen Schuldverschreibungen außer Nullkupon-Schuldverschreibungen einfügen:** an dem nächstfolgenden Zinszahlungstag (wie in § 3(1) definiert)] **[bei Nullkupon-Schuldverschreibungen einfügen:** bei Fälligkeit oder bei Verkauf oder Austausch einer Schuldverschreibung] verpflichtet ist und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann **[Im Falle von nachrangigen Schuldverschreibungen und im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:** oder, falls sich die steuerliche Behandlung der Schuldverschreibungen in anderer Hinsicht ändert und diese Änderung für die Emittentin nach eigener Einschätzung wesentlich nachteilig sind], können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin **[Im Falle von nachrangigen Schuldverschreibungen und im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und vorbehaltlich der vorherigen Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde] in der in § [15] vorgesehenen Form mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gekündigt und zum vorgesehenen Vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden."

46. On page 160 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" under "§ 5 Vorzeitige Rückzahlung" the first subparagraph in the provision "Vorzeitige Rückzahlung nach Wahl der Emittentin" shall be deleted and replaced by the following subparagraph:

"(a) Die Emittentin kann, nachdem sie gemäß Unterabsatz (b) gekündigt hat, alle Schuldverschreibungen oder einen Teil derselben **[Im Falle von nachrangigen Schuldverschreibungen einfügen:** und vorbehaltlich der Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde]**[im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich,] am/an den Wahl- Rückzahlungstag(en) (Call) oder jederzeit danach bis zum jeweils nachfolgenden Wahl-Rückzahlungstag (ausschließlich) zum/zu den Wahl-Rückzahlungsbetrag bzw. -beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum jeweiligen Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen:** Eine solche Rückzahlung muss in

Höhe eines Nennbetrages von [mindestens
[Mindestrückzahlungsbetrag einfügen] **[erhöhten**
Rückzahlungsbetrag einfügen] erfolgen].]"

47. On page 166 et seq. of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" the provision "[§ 9 Kündigungsrecht" shall be deleted and replaced by the following provision:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[§ 9 KÜNDIGUNGSRECHT

- (1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Rückzahlung zum Vorzeitigen Rückzahlungsbetrag (wie in § 5 Absatz [4] beschrieben) zuzüglich etwaiger aufgelaufener Zinsen bis zum Tag der Rückzahlung zu verlangen, falls:
- (a) bezüglich der Schuldverschreibungen zahlbare Beträge nicht innerhalb von 30 Tagen nach dem jeweiligen Fälligkeitstag gezahlt wurden; oder
 - (b) die Emittentin die Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen unterlässt und die Unterlassung, sofern diese nicht geheilt wurde, länger als 90 Tage fort dauert, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
 - (c) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt; oder
 - (d) ein Gericht ein Konkurs- oder sonstiges Insolvenzverfahren gegen die Emittentin eröffnet, ein solches Verfahren eingeleitet und nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin ein solches Verfahren beantragt oder einleitet; oder
 - (e) die Emittentin in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung, Zusammenlegung oder anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere oder neue Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit dieser Anleihe eingegangen ist.
- (2) *Erlöschen.* Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.
- (3) *Mitteilung.* Eine Benachrichtigung einschließlich einer Kündigung hat nach diesem § 9 in Textform (z.B. eMail oder Fax) oder schriftlich in deutscher oder englischer Sprache an die festgelegte Niederlassung der Emissionsstelle zu erfolgen; darin ist der Kapitalbetrag der betreffenden Schuldverschreibungen anzugeben und ein den Anforderungen der Emissionsstelle genügender Nachweis über das Eigentum an den Schuldverschreibungen beizufügen.]"

48. On page 167 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" after the provision "[§ 9 Kündigungsrecht" the following provision shall be inserted:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:

[§ 9 ABWICKLUNGSMASSNAHMEN

- (1) Nach den für die Emittentin geltenden Abwicklungsvorschriften unterliegen die Schuldverschreibungen den Befugnissen der zuständigen Abwicklungsbehörde,
 - (a) Ansprüche auf Zahlungen auf Kapital **[im Fall von Schuldverschreibungen ausgenommen Nullkupon-Schuldverschreibungen einfügen:]**, von Zinsen] oder sonstigen Beträgen ganz oder teilweise herabzuschreiben
 - (b) diese Ansprüche in Anteile oder sonstige Instrumente des harten Kernkapitals (i) der Emittentin, (ii) eines gruppenangehörigen Unternehmens oder (iii) eines Brückeninstituts umzuwandeln und solche Instrumente an die Gläubiger auszugeben oder zu übertragen, und/oder
 - (c) sonstige Abwicklungsmaßnahmen anzuwenden, einschließlich (ohne Beschränkung) (i) einer Übertragung der Schuldverschreibungen auf einen anderen Rechtsträger, (ii) einer Änderung der Emissionsbedingungen der Schuldverschreibungen oder (iii) deren Löschung;
- (2) Abwicklungsmaßnahmen, welche die Schuldverschreibungen betreffen, sind für die Gläubiger der Schuldverschreibungen verbindlich. Aufgrund einer Abwicklungsmaßnahme bestehen keine Ansprüche oder andere Rechte gegen die Emittentin. Insbesondere stellt die Anordnung einer Abwicklungsmaßnahme keinen Kündigungsgrund dar.
- (3) Dieser § 9 regelt ungeachtet anderslautender Vereinbarungen die hier beschriebenen Inhalte abschließend. Mit dem Erwerb der Schuldverschreibungen werden die in diesem § 9 beschriebenen Regelungen und Maßnahmen akzeptiert.]"

49. On page 167 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" the provision "[§ 10 Negativverpflichtung der Emittentin" shall be deleted and replaced by the following provision:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[§ 10 NEGATIVVERPFLICHTUNG DER EMITTENTIN

Negativverpflichtung. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Emissionsstelle zur Verfügung gestellt worden sind, für andere Schuldverschreibungen oder Anleihen, einschließlich einer dafür übernommenen Garantie oder Gewährleistung, keine Sicherheiten an ihrem Vermögen zu bestellen, ohne gleichzeitig und im gleichen Rang die Gläubiger dieser Schuldverschreibungen an solchen Sicherheiten teilnehmen zu lassen. Zur Vermeidung etwaiger Zweifel, die Verpflichtung in diesem § 10 gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit von der Emittentin begebenen *asset-backed-securities* (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden oder für *asset-backed-securities*, die von einer Zweckgesellschaft begeben werden, bei denen die Emittentin die ursprüngliche Inhaberin

der zugrunde liegenden Vermögenswerte ist.]"

50. On page 168 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" under "§ [11] Ersetzung" the first paragraph of the provision "Ersetzung" shall be deleted and replaced by the following paragraph:

"(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger, eine andere Gesellschaft, deren stimmberechtigte Aktien oder andere Anteilsrechte direkt oder indirekt zu mehr als 90% gehalten werden, als Hauptschuldnerin für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen an ihre Stelle zu setzen (die "**Nachfolgeschuldnerin**"), sofern die Nachfolgeschuldnerin in der Lage ist, alle Zahlungsverpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen ohne die Notwendigkeit einer Einbehaltung von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle zu transferieren **[Im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und sofern die Anwendbarkeit der in § 9 beschriebenen Abwicklungsmaßnahmen gewährleistet ist und eine Zustimmung der zuständigen Aufsichtsbehörde zur Ersetzung vorliegt, sofern gesetzlich erforderlich.] Eine solche Ersetzung ist gemäß § [15] zu veröffentlichen."

51. On page 168 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" under "§ [11] Ersetzung" the provision "Negativerklärung" shall be deleted and replaced by the following paragraph:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[(3) *Negativerklärung.* Wird die Emittentin in ihrer Eigenschaft als Emittentin ersetzt, so bleibt ihre in ihrer Eigenschaft als Emittentin gemäß § 10 erteilte Negativerklärung für sie bindend.]"

52. On page 168 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" under "[§ [12] Beschlüsse der Gläubiger; Gemeinsamer Vertreter" the provision "Änderungen der Anleihebedingungen durch Beschluss der Gläubiger" shall be deleted and replaced by the following provision:

"[(1) *Änderungen der Anleihebedingungen durch Beschluss der Gläubiger.* **[Im Fall von nachrangigen Schuldverschreibungen einfügen:** Vorausgesetzt die Änderungen berühren nicht die aufsichtsrechtlichen Voraussetzungen für die Anerkennung der Schuldverschreibungen als Ergänzungskapital können diese Anleihebedingungen]**[Im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** Vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich, können diese Anleihebedingungen] **[Diese Anleihebedingungen können]** durch die Emittentin mit Zustimmung der Gläubiger aufgrund Mehrheitsbeschlusses nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - "SchVG") in seiner jeweiligen gültigen Fassung geändert werden. Die Gläubiger können insbesondere einer Änderung

wesentlicher Inhalte der Anleihebedingungen zustimmen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich."

53. On page 170 of the Prospectus in the subsection "Option I. Anleihebedingungen für Schuldverschreibungen mit fester Verzinsung" under "[§ 14] Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung" the provision "Ankauf" shall be deleted and replaced by the following provision:

"(2) *Ankauf.* Die Emittentin ist jederzeit berechtigt **[im Falle von nachrangigen Schuldverschreibungen einfügen:** (mit vorheriger Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde)]**[im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** (mit vorheriger Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich,)] Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach ihrer Wahl von ihr gehalten, weiterverkauft oder bei einer Zahlstelle zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden."

Amendments in relation to Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung

54. On page 175 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" under "§ 2 Status" the first paragraph shall be deleted and replaced by the following paragraphs:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird.]

Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:

[Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird. Zum Tag der Begebung handelt es sich bei den Schuldverschreibungen nach Ansicht der Emittentin um nicht bevorrechtigte Schuldtitel im Sinne des § 46f Abs. 6 Satz 1 des Kreditwesengesetzes.

Kein Gläubiger ist berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Für die Rechte der Gläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit irgendetwelcher Art

oder Garantie durch die Emittentin oder durch Dritte gestellt, die den Ansprüchen aus den Schuldverschreibungen einen höheren Rang verleiht, oder eine sonstige Vereinbarung getroffen, der zufolge die Ansprüche aus den Schuldverschreibungen anderweitig einen höheren Rang erhalten; eine solche Sicherheit oder Garantie oder Vereinbarung wird auch zu keinem Zeitpunkt gestellt oder vereinbart werden.

Eine Rückzahlung, ein Rückkauf oder eine Kündigung der Schuldverschreibungen vor dem Fälligkeitstag (wie in § 5 (1) definiert)) ist gegebenenfalls nur mit einer vorherigen Zustimmung der zuständigen Behörde zulässig, sofern gesetzlich erforderlich. Werden die Schuldverschreibungen vorzeitig unter anderen als in diesem § 2 beschriebenen Umständen zurückgezahlt oder von der Emittentin zurückerworben, so ist der gezahlte Betrag der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren.]"

55. On page 181 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" under "§ 5 Vorzeitige Rückzahlung" the first paragraph in the provision "Vorzeitige Rückzahlung aus Steuergründen" shall be deleted and replaced by the following paragraph:

"(1) *Vorzeitige Rückzahlung aus Steuergründen.* Falls die Emittentin als Folge einer Ergänzung oder Änderung der Steuer- und Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Ergänzung oder Änderung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften, und diese Ergänzung oder Änderung am oder nach dem **[Ausgabetag einfügen]** wirksam werden, zur Zahlung von Zusätzlichen Beträgen (wie in § 8 dieser Anleihebedingungen definiert) **[bei festverzinslichen Schuldverschreibungen außer Nullkupon-Schuldverschreibungen einfügen:** an dem nächstfolgenden Zinszahlungstag (wie in § 3(1) definiert)] **[bei Nullkupon-Schuldverschreibungen einfügen:** bei Fälligkeit oder bei Verkauf oder Austausch einer Schuldverschreibung] verpflichtet ist und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann **[Im Falle von nachrangigen Schuldverschreibungen und im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:** oder, falls sich die steuerliche Behandlung der Schuldverschreibungen in anderer Hinsicht ändert und diese Änderung für die Emittentin nach eigener Einschätzung wesentlich nachteilig sind], können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin **[Im Falle von nachrangigen Schuldverschreibungen und im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und vorbehaltlich der vorherigen Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde] in der in § [15] vorgesehenen Form mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gekündigt und zum vorgesehenen Vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden."

56. On page 182 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" under "§ 5 Vorzeitige Rückzahlung" the first subparagraph in the provision "Vorzeitige Rückzahlung nach Wahl der Emittentin" shall be deleted and replaced by the following subparagraph:

"(a) Die Emittentin kann, nachdem sie gemäß Unterabsatz (b) gekündigt hat, alle Schuldverschreibungen oder einen Teil derselben **[Im Falle von nachrangigen Schuldverschreibungen einfügen:** und vorbehaltlich der Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde]**[im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich,] am/an den Wahl- Rückzahlungstag(en) (Call) oder jederzeit danach bis zum jeweils nachfolgenden Wahl-Rückzahlungstag (ausschließlich) zum/zu den Wahl-Rückzahlungsbetrag bzw. -beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum jeweiligen Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen:** Eine solche Rückzahlung muss in Höhe eines Nennbetrages von **[mindestens [Mindestrückzahlungsbetrag einfügen]] [erhöhten Rückzahlungsbetrag einfügen]** erfolgen].]"

57. On page 188 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" the provision "[§ 9 Kündigungsrecht" shall be deleted and replaced by the following provision:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[§ 9 KÜNDIGUNGSRECHT

- (1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Rückzahlung zum Vorzeitigen Rückzahlungsbetrag (wie in § 5 Absatz [4] beschrieben) zuzüglich etwaiger aufgelaufener Zinsen bis zum Tag der Rückzahlung zu verlangen, falls:
- (a) bezüglich der Schuldverschreibungen zahlbare Beträge nicht innerhalb von 30 Tagen nach dem jeweiligen Fälligkeitstag gezahlt wurden; oder
 - (b) die Emittentin die Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen unterlässt und die Unterlassung, sofern diese nicht geheilt wurde, länger als 90 Tage fort dauert, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
 - (c) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt; oder
 - (d) ein Gericht ein Konkurs- oder sonstiges Insolvenzverfahren gegen die Emittentin eröffnet, ein solches Verfahren eingeleitet und nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin ein solches Verfahren beantragt oder einleitet; oder
 - (e) die Emittentin in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung, Zusammenlegung oder anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere oder neue Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit dieser Anleihe eingegangen ist.
- (2) *Erlöschen.* Das Kündigungsrecht erlischt, falls der

Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

- (3) *Mitteilung.* Eine Benachrichtigung einschließlich einer Kündigung hat nach diesem § 9 in Textform (z.B. eMail oder Fax) oder schriftlich in deutscher oder englischer Sprache an die festgelegte Niederlassung der Emissionsstelle zu erfolgen; darin ist der Kapitalbetrag der betreffenden Schuldverschreibungen anzugeben und ein den Anforderungen der Emissionsstelle genügender Nachweis über das Eigentum an den Schuldverschreibungen beizufügen.]"

58. On page 188 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" after the provision "[§ 9 Kündigungsrecht" the following provision shall be inserted:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:

[§ 9 ABWICKLUNGSMASSNAHMEN

- (1) Nach den für die Emittentin geltenden Abwicklungsvorschriften unterliegen die Schuldverschreibungen den Befugnissen der zuständigen Abwicklungsbehörde,
- (a) Ansprüche auf Zahlungen auf Kapital von Zinsen oder sonstigen Beträgen ganz oder teilweise herabzuschreiben
- (b) diese Ansprüche in Anteile oder sonstige Instrumente des harten Kernkapitals (i) der Emittentin, (ii) eines gruppenangehörigen Unternehmens oder (iii) eines Brückeninstituts umzuwandeln und solche Instrumente an die Gläubiger auszugeben oder zu übertragen, und/oder
- (c) sonstige Abwicklungsmaßnahmen anzuwenden, einschließlich (ohne Beschränkung) (i) einer Übertragung der Schuldverschreibungen auf einen anderen Rechtsträger, (ii) einer Änderung der Emissionsbedingungen der Schuldverschreibungen oder (iii) deren Löschung;
- (2) Abwicklungsmaßnahmen, welche die Schuldverschreibungen betreffen, sind für die Gläubiger der Schuldverschreibungen verbindlich. Aufgrund einer Abwicklungsmaßnahme bestehen keine Ansprüche oder andere Rechte gegen die Emittentin. Insbesondere stellt die Anordnung einer Abwicklungsmaßnahme keinen Kündigungsgrund dar.
- (3) Dieser § 9 regelt ungeachtet anderslautender Vereinbarungen die hier beschriebenen Inhalte abschließend. Mit dem Erwerb der Schuldverschreibungen werden die in diesem § 9 beschriebenen Regelungen und Maßnahmen akzeptiert.]"

59. On page 188 et seq. of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" the provision "[§ 10 Negativverpflichtung der Emittentin" shall be deleted and replaced by the following provision:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine

[§ 10 NEGATIVVERPFLICHTUNG DER EMITTENTIN

Negativverpflichtung. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Emissionsstelle zur Verfügung gestellt worden sind, für andere Schuldverschreibungen

**Anwendung
einfügen:**

findet,

oder Anleihen, einschließlich einer dafür übernommenen Garantie oder Gewährleistung, keine Sicherheiten an ihrem Vermögen zu bestellen, ohne gleichzeitig und im gleichen Rang die Gläubiger dieser Schuldverschreibungen an solchen Sicherheiten teilnehmen zu lassen. Zur Vermeidung etwaiger Zweifel, die Verpflichtung in diesem § 10 gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit von der Emittentin begebenen *asset-backed-securities* (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden oder für *asset-backed-securities*, die von einer Zweckgesellschaft begeben werden, bei denen die Emittentin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.]"

60. On page 189 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" under "§ [11] Ersetzung" the first paragraph of the provision "Ersetzung" shall be deleted and replaced by the following paragraph:

"(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger, eine andere Gesellschaft, deren stimmberechtigte Aktien oder andere Anteilsrechte direkt oder indirekt zu mehr als 90% gehalten werden, als Hauptschuldnerin für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen an ihre Stelle zu setzen (die "**Nachfolgeschuldnerin**"), sofern die Nachfolgeschuldnerin in der Lage ist, alle Zahlungsverpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen ohne die Notwendigkeit einer Einbehaltung von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle zu transferieren **[Im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und sofern die Anwendbarkeit der in § 9 beschriebenen Abwicklungsmaßnahmen gewährleistet ist und eine Zustimmung der zuständigen Aufsichtsbehörde zur Ersetzung vorliegt, sofern gesetzlich erforderlich.] Eine solche Ersetzung ist gemäß § [15] zu veröffentlichen."

61. On page 189 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung" under "§ [11] Ersetzung" the provision "Negativerklärung" shall be deleted and replaced by the following paragraph:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[(3) *Negativerklärung.* Wird die Emittentin in ihrer Eigenschaft als Emittentin ersetzt, so bleibt ihre in ihrer Eigenschaft als Emittentin gemäß § 10 erteilte Negativerklärung für sie bindend.]"

62. On page 190 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung " under "[§ [12] Beschlüsse der Gläubiger; Gemeinsamer Vertreter" the provision "Änderungen der Anleihebedingungen durch Beschluss der Gläubiger" shall be deleted and replaced by the following provision:

"[(1) *Änderungen der Anleihebedingungen durch Beschluss der Gläubiger.* **[Im Fall von Nachrangigen Schuldverschreibungen einfügen:** Vorausgesetzt die Änderungen berühren nicht die aufsichtsrechtlichen Voraussetzungen für die Anerkennung der Schuldverschreibungen als Ergänzungskapital können diese

Anleihebedingungen][Im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen: Vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich, können diese Anleihebedingungen] [Diese Anleihebedingungen können] durch die Emittentin mit Zustimmung der Gläubiger aufgrund Mehrheitsbeschlusses nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - "SchVG") in seiner jeweiligen gültigen Fassung geändert werden. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen zustimmen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich."

63. On page 191 of the Prospectus in the subsection "Option II. Anleihebedingungen für Schuldverschreibungen mit variabler Verzinsung " under "[§ [14] Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung" the provision "Ankauf" shall be deleted and replaced by the following provision:

"(2) Ankauf. Die Emittentin ist jederzeit berechtigt **[im Falle von nachrangigen Schuldverschreibungen einfügen:** (mit vorheriger Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde)][**im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** (mit vorheriger Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich,)] Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach ihrer Wahl von ihr gehalten, weiterverkauft oder bei einer Zahlstelle zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden."

Amendments in relation to Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung

64. On page 196 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" under "§ 2 Status" the first paragraph shall be deleted and replaced by the following paragraphs:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird.]

Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:

[Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig und ohne Vorzugsrecht und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, vorbehaltlich jedoch eines Vorrangs, der bestimmten nicht besicherten und nicht nachrangigen Verbindlichkeiten im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines

anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin aufgrund gesetzlicher Bestimmungen eingeräumt wird. Zum Tag der Begebung handelt es sich bei den Schuldverschreibungen nach Ansicht der Emittentin um nicht bevorrechtigte Schuldtitel im Sinne des § 46f Abs. 6 Satz 1 des Kreditwesengesetzes.

Kein Gläubiger ist berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin aufzurechnen. Für die Rechte der Gläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit irgendwelcher Art oder Garantie durch die Emittentin oder durch Dritte gestellt, die den Ansprüchen aus den Schuldverschreibungen einen höheren Rang verleiht, oder eine sonstige Vereinbarung getroffen, der zufolge die Ansprüche aus den Schuldverschreibungen anderweitig einen höheren Rang erhalten; eine solche Sicherheit oder Garantie oder Vereinbarung wird auch zu keinem Zeitpunkt gestellt oder vereinbart werden.

Eine Rückzahlung, ein Rückkauf oder eine Kündigung der Schuldverschreibungen vor dem Fälligkeitstag (wie in § 5 (1) definiert)) ist gegebenenfalls nur mit einer vorherigen Zustimmung der zuständigen Behörde zulässig, sofern gesetzlich erforderlich. Werden die Schuldverschreibungen vorzeitig unter anderen als in diesem § 2 beschriebenen Umständen zurückgezahlt oder von der Emittentin zurückerworben, so ist der gezahlte Betrag der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren.]"

65. On page 204 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" under "§ 5 Vorzeitige Rückzahlung" the first paragraph in the provision "Vorzeitige Rückzahlung aus Steuergründen" shall be deleted and replaced by the following paragraph:

"(1) *Vorzeitige Rückzahlung aus Steuergründen.* Falls die Emittentin als Folge einer Ergänzung oder Änderung der Steuer- und Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Ergänzung oder Änderung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften, und diese Ergänzung oder Änderung am oder nach dem **[Ausgabetag einfügen]** wirksam werden, zur Zahlung von Zusätzlichen Beträgen (wie in § 8 dieser Anleihebedingungen definiert) **[bei festverzinslichen Schuldverschreibungen außer Nullkupon-Schuldverschreibungen einfügen:** an dem nächstfolgenden Zinszahlungstag (wie in § 3(1) definiert)] **[bei Nullkupon-Schuldverschreibungen einfügen:** bei Fälligkeit oder bei Verkauf oder Austausch einer Schuldverschreibung] verpflichtet ist und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann **[Im Falle von nachrangigen Schuldverschreibungen und im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:** oder, falls sich die steuerliche Behandlung der Schuldverschreibungen in anderer Hinsicht ändert und diese Änderung für die Emittentin nach eigener Einschätzung wesentlich nachteilig sind], können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin **[Im Falle von nachrangigen Schuldverschreibungen und im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und vorbehaltlich der vorherigen Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde] in der in § [15]

vorgesehenen Form mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gekündigt und zum vorgesehenen Vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden."

66. On page 205 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" under "§ 5 Vorzeitige Rückzahlung" the first subparagraph in the provision "Vorzeitige Rückzahlung nach Wahl der Emittentin" shall be deleted and replaced by the following subparagraph:

"(a) Die Emittentin kann, nachdem sie gemäß Unterabsatz (b) gekündigt hat, alle Schuldverschreibungen oder einen Teil derselben **[Im Falle von nachrangigen Schuldverschreibungen einfügen:** und vorbehaltlich der Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde]**[im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** und vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich,] am/an den Wahl- Rückzahlungstag(en) (Call) oder jederzeit danach bis zum jeweils nachfolgenden Wahl-Rückzahlungstag (ausschließlich) zum/zu den Wahl-Rückzahlungsbetrag bzw. -beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum jeweiligen Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen:** Eine solche Rückzahlung muss in Höhe eines Nennbetrages von **[mindestens [Mindestrückzahlungsbetrag einfügen]] [erhöhten Rückzahlungsbetrag einfügen]** erfolgen.]"

67. On page 211 et seq. of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" the provision "[§ 9 Kündigungsrecht" shall be deleted and replaced by the following provision:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

[§ 9 KÜNDIGUNGSRECHT

- (1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Rückzahlung zum Vorzeitigen Rückzahlungsbetrag (wie in § 5 Absatz [4] beschrieben) zuzüglich etwaiger aufgelaufener Zinsen bis zum Tag der Rückzahlung zu verlangen, falls:
- (a) bezüglich der Schuldverschreibungen zahlbare Beträge nicht innerhalb von 30 Tagen nach dem jeweiligen Fälligkeitstag gezahlt wurden; oder
 - (b) die Emittentin die Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen unterlässt und die Unterlassung, sofern diese nicht geheilt wurde, länger als 90 Tage fort dauert, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
 - (c) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt; oder
 - (d) ein Gericht ein Konkurs- oder sonstiges Insolvenzverfahren gegen die Emittentin eröffnet, ein solches Verfahren eingeleitet und nicht innerhalb von 60 Tagen aufgehoben oder

ausgesetzt worden ist, oder die Emittentin ein solches Verfahren beantragt oder einleitet; oder

(e) die Emittentin in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung, Zusammenlegung oder anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere oder neue Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit dieser Anleihe eingegangen ist.

(2) *Erlöschen*. Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(3) *Mitteilung*. Eine Benachrichtigung einschließlich einer Kündigung hat nach diesem § 9 in Textform (z.B. eMail oder Fax) oder schriftlich in deutscher oder englischer Sprache an die festgelegte Niederlassung der Emissionsstelle zu erfolgen; darin ist der Kapitalbetrag der betreffenden Schuldverschreibungen anzugeben und ein den Anforderungen der Emissionsstelle genügender Nachweis über das Eigentum an den Schuldverschreibungen beizufügen.]"

68. On page 212 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" after the provision "[§ 9 Kündigungsrecht" the following provision shall be inserted:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet, einfügen:

[§ 9 ABWICKLUNGSMASSNAHMEN

(1) Nach den für die Emittentin geltenden Abwicklungsvorschriften unterliegen die Schuldverschreibungen den Befugnissen der zuständigen Abwicklungsbehörde,

(a) Ansprüche auf Zahlungen auf Kapital von Zinsen oder sonstigen Beträgen ganz oder teilweise herabzuschreiben

(b) diese Ansprüche in Anteile oder sonstige Instrumente des harten Kernkapitals (i) der Emittentin, (ii) eines gruppenangehörigen Unternehmens oder (iii) eines Brückeninstituts umzuwandeln und solche Instrumente an die Gläubiger auszugeben oder zu übertragen, und/oder

(c) sonstige Abwicklungsmaßnahmen anzuwenden, einschließlich (ohne Beschränkung) (i) einer Übertragung der Schuldverschreibungen auf einen anderen Rechtsträger, (ii) einer Änderung der Emissionsbedingungen der Schuldverschreibungen oder (iii) deren Löschung;

(2) Abwicklungsmaßnahmen, welche die Schuldverschreibungen betreffen, sind für die Gläubiger der Schuldverschreibungen verbindlich. Aufgrund einer Abwicklungsmaßnahme bestehen keine Ansprüche oder andere Rechte gegen die Emittentin. Insbesondere stellt die Anordnung einer Abwicklungsmaßnahme keinen Kündigungsgrund dar.

(3) Dieser § 9 regelt ungeachtet anderslautender Vereinbarungen die hier beschriebenen Inhalte abschließend. Mit dem Erwerb der Schuldverschreibungen werden die in diesem § 9 beschriebenen Regelungen und Maßnahmen akzeptiert.]"

69. On page 212 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" the provision "[§ 10 Negativverpflichtung der Emittentin]" shall be deleted and replaced by the following provision:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

**[§ 10
NEGATIVVERPFLICHTUNG DER EMITTENTIN**

Negativverpflichtung. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Emissionsstelle zur Verfügung gestellt worden sind, für andere Schuldverschreibungen oder Anleihen, einschließlich einer dafür übernommenen Garantie oder Gewährleistung, keine Sicherheiten an ihrem Vermögen zu bestellen, ohne gleichzeitig und im gleichen Rang die Gläubiger dieser Schuldverschreibungen an solchen Sicherheiten teilnehmen zu lassen. Zur Vermeidung etwaiger Zweifel, die Verpflichtung in diesem § 10 gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit von der Emittentin begebenen *asset-backed-securities* (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden oder für *asset-backed-securities*, die von einer Zweckgesellschaft begeben werden, bei denen die Emittentin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.]"

70. On page 212 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" under "§ [11] Ersetzung" the first paragraph of the provision "Ersetzung" shall be deleted and replaced by the following paragraph:

"(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger, eine andere Gesellschaft, deren stimmberechtigte Aktien oder andere Anteilsrechte direkt oder indirekt zu mehr als 90% gehalten werden, als Hauptschuldnerin für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen an ihre Stelle zu setzen (die "**Nachfolgeschuldnerin**"), sofern die Nachfolgeschuldnerin in der Lage ist, alle Zahlungsverpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen ohne die Notwendigkeit einer Einbehaltung von irgendwelchen Steuern oder Abgaben an der Quelle zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle zu transferieren [**Im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet einfügen:** und sofern die Anwendbarkeit der in § 9 beschriebenen Abwicklungsmaßnahmen gewährleistet ist und eine Zustimmung der zuständigen Aufsichtsbehörde zur Ersetzung vorliegt, sofern gesetzlich erforderlich.] Eine solche Ersetzung ist gemäß § [15] zu veröffentlichen."

71. On page 213 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" under "§ [11] Ersetzung" the provision "Negativklärung" shall be deleted and replaced by the following paragraph:

"Im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten keine Anwendung findet, einfügen:

"[(3) *Negativklärung.* Wird die Emittentin in ihrer Eigenschaft als Emittentin ersetzt, so bleibt ihre in ihrer Eigenschaft als Emittentin gemäß § 10 erteilte Negativklärung für sie bindend.]"

72. On page 213 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" under "[§ 12] Beschlüsse der Gläubiger; Gemeinsamer Vertreter" the provision "Änderungen der Anleihebedingungen durch Beschluss der Gläubiger" shall be deleted and replaced by the following provision:

"(1) *Änderungen der Anleihebedingungen durch Beschluss der Gläubiger.* **[Im Fall von nachrangigen Schuldverschreibungen:** Vorausgesetzt die Änderungen berühren nicht die aufsichtsrechtlichen Voraussetzungen für die Anerkennung der Schuldverschreibungen als Ergänzungskapital können diese Anleihebedingungen]**[Im Fall von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** Vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich, können diese Anleihebedingungen] **[Diese Anleihebedingungen können]** durch die Emittentin mit Zustimmung der Gläubiger aufgrund Mehrheitsbeschlusses nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - "SchVG") in seiner jeweiligen gültigen Fassung geändert werden. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen zustimmen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich."

73. On page 214 of the Prospectus in the subsection "Option III. Anleihebedingungen für Schuldverschreibungen mit fester zu variabler Verzinsung" under "[§ 14] Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung" the provision "Ankauf" shall be deleted and replaced by the following provision:

"(2) *Ankauf.* Die Emittentin ist jederzeit berechtigt **[im Falle von nachrangigen Schuldverschreibungen einfügen:** (mit vorheriger Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde)]**[im Falle von nicht nachrangigen Schuldverschreibungen, bei denen das Format für berücksichtigungsfähige Verbindlichkeiten Anwendung findet einfügen:** (mit vorheriger Zustimmung der zuständigen Aufsichtsbehörde, soweit gesetzlich erforderlich,)] Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach ihrer Wahl von ihr gehalten, weiterverkauft oder bei einer Zahlstelle zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden."

**VII. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION "FORM OF FINAL TERMS"**

74. On page 240 of the Prospectus the information in "§ 2 Status" of "[Option I. Notes with fixed interest rates" shall be deleted and replaced by the following information:

"

- Senior
Nicht-nachrangig

Eligible Liabilities Format	[Yes/No]
Format für Berücksichtigungsfähige Verbindlichkeiten	[Ja/Nein]

- Subordinated
Nachrangig"

75. On page 246 of the Prospectus the information in "§ 2 Status" of "[Option II. Notes with floating interest rates" shall be deleted and replaced by the following information:

"

- Senior
Nicht-nachrangig

Eligible Liabilities Format	[Yes/No]
Format für Berücksichtigungsfähige Verbindlichkeiten	[Ja/Nein]

- Subordinated
Nachrangig"

76. On page 252 of the Prospectus the information in "§ 2 Status" of "[Option III. Notes with fixed to floating interest rates" shall be deleted and replaced by the following information:

"

- Senior
Nicht-nachrangig

Eligible Liabilities Format	[Yes/No]
Format für Berücksichtigungsfähige Verbindlichkeiten	[Ja/Nein]

- Subordinated
Nachrangig"

To the extent that there is any inconsistency between any statement in the First Supplement and any other statement in or incorporated in the Prospectus, the statements in the First Supplement will prevail.

The First Supplement and the document incorporated herein by reference are available for viewing in electronic form at the website of the Luxembourg Stock Exchange (www.bourse.lu) and at the website of Volkswagen Bank (www.vwfs.com) (available under "Investor Relations", "Volkswagen Bank GmbH", "Refinancing", "Debt Issuance and Commercial Paper Programmes") and copies may be obtained free of charge from Volkswagen Bank GmbH, Treasury, Gifhorner Straße 57, 38112 Braunschweig, Federal Republic of Germany.

Save as disclosed in the First Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before the First Supplement is published have the right, exercisable within two working days after the publication of the First Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 7 December 2017.