

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 26 June 2018 (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 publication of the unaudited consolidated interim financial statements of the Issuer for the period from January to June 2018, prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS), on 7 August 2018.

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OVERALL AMENDMENTS

1. If reference is made in the base prospectus dated 26 June 2018 to "Prospectus", then the respective reference includes all changes made by this First Supplement.

I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "SUMMARY"

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 2016 and 2017 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 2017</th> <th style="text-align: right; width: 20%;">31 December 2016¹</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: right;">in € million</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td style="text-align: right;">78,747</td> <td style="text-align: right;">56,334</td> </tr> <tr> <td>Receivables arising from</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Retail financing</td> <td style="text-align: right;">28,032</td> <td style="text-align: right;">24,259</td> </tr> <tr> <td style="padding-left: 20px;">Dealer financing</td> <td style="text-align: right;">12,430</td> <td style="text-align: right;">10,538</td> </tr> <tr> <td style="padding-left: 20px;">Leasing business</td> <td style="text-align: right;">18,858</td> <td style="text-align: right;">3,695</td> </tr> <tr> <td>Liabilities to customers</td> <td style="text-align: right;">41,066</td> <td style="text-align: right;">37,938</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">11,301</td> <td style="text-align: right;">7,156</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 2017</th> <th style="text-align: right; width: 20%;">2016²</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: right;">in € million</th> </tr> </thead> <tbody> <tr> <td>Profit before tax</td> <td style="text-align: right;">992</td> <td style="text-align: right;">669</td> </tr> <tr> <td>Taxes on income and earnings</td> <td style="text-align: right;">-336</td> <td style="text-align: right;">-186</td> </tr> <tr> <td>Profit after tax</td> <td style="text-align: right;">656</td> <td style="text-align: right;">482</td> </tr> </tbody> </table> <p>The following table sets forth selected financial information for the first half of the financial year 2018 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).</p>		31 December 2017	31 December 2016 ¹		in € million		Total assets	78,747	56,334	Receivables arising from			Retail financing	28,032	24,259	Dealer financing	12,430	10,538	Leasing business	18,858	3,695	Liabilities to customers	41,066	37,938	Equity	11,301	7,156		1 January - 31 December 2017	2016 ²		in € million		Profit before tax	992	669	Taxes on income and earnings	-336	-186	Profit after tax	656	482
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1 Restatement of previous year's figures. For further information see Annual Report 2017 under p.53 et seq.

2 Restatement of previous year's figures. For further information see Annual Report 2017 under p.53 et seq.

Balance sheet data		
	30 June 2018	31 December 2017
	in € million	
Total assets	84,281	78,747
Loans to and receivables from customers attributable to		
Retail financing	30,020	28,032
Dealer financing	13,103	12,430
Leasing business	19,923	18,858
Liabilities to customers	42,791	41,066
Equity	11,434	11,301
Income statement data		
	1 January – 30 June 2018	2017
	in € million	
Profit before tax	575	412
Taxes on income and earnings	-168	-121
Profit after tax	407	291
<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 2017.</p> <p>The diesel issue as well as other expenses or provisions in connection with diesel vehicles, including but not limited to residual values of cars or a potential deterioration of the credit standing of dealers in context to the challenging market situation arising from the current debate in Germany surrounding the use of Diesel engines may have a negative impact on the future business and financial performance of Volkswagen Bank Group, the effect of which remains uncertain.</p> <p>A future transfer of assets and/or subsidiaries in context of the reorganisation of the corporate structure increased litigation and legal risks, including but not limited to the area of consumer credit law, which would be reflected in corresponding provisions as well as 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 have a negative impact on the future business and the financial performance of Volkswagen Bank Group.</p> <p>Volkswagen Bank Group anticipates stable funding costs, greater levels of cooperation with the individual Group brands, increased cost optimization under the efficiency program as well as a high degree of uncertainty regarding macroeconomic conditions in the real economy and its impact on factors such as risk costs.</p> <p>Not applicable; there has been no significant change in the financial or trading position of Volkswagen Bank Group since the date of its last published unaudited non-consolidated half year financial statements as at 30 June 2018.</p>		

3. 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	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: A1 long-term junior senior unsecured: A3
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4. On page 17 of the Prospectus the risk factor "Volkswagen Bank Group is exposed to the risk of higher regulatory costs and reduced levels of activities resulting from the supervision of banks." 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 two new risk factors:

"Volkswagen Bank Group is exposed to the risk of higher regulatory costs, higher contributions and reduced levels of activities resulting from the supervision of banks.

Volkswagen Bank Group could be adversely affected by the Minimum Requirement For Own Funds and Eligible Liabilities (MREL)."

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

5. 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 2016 und 2017 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="text-align: right; width: 20%;">31. Dezember 2017</th> <th style="text-align: right; width: 20%;">31. Dezember 2016³</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: right;">in Mio €</td> </tr> <tr> <td>Bilanzsumme</td> <td style="text-align: right;">78.747</td> <td style="text-align: right;">56.334</td> </tr> <tr> <td>Forderungen aus</td> <td></td> <td></td> </tr> <tr> <td> Kundenfinanzierung</td> <td style="text-align: right;">28.032</td> <td style="text-align: right;">24.259</td> </tr> <tr> <td> Händlerfinanzierung</td> <td style="text-align: right;">12.430</td> <td style="text-align: right;">10.538</td> </tr> <tr> <td> Leasinggeschäft</td> <td style="text-align: right;">18.858</td> <td style="text-align: right;">3.695</td> </tr> <tr> <td>Verbindlichkeiten gegenüber Kunden</td> <td style="text-align: right;">41.066</td> <td style="text-align: right;">37.938</td> </tr> <tr> <td>Eigenkapital</td> <td style="text-align: right;">11.301</td> <td style="text-align: right;">7.156</td> </tr> </tbody> </table> <p>Angaben aus der Gewinn- und Verlustrechnung</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">1. Januar - 31. Dezember 2017</th> <th style="text-align: right; width: 20%;">2016⁴</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: right;">in Mio €</td> </tr> <tr> <td>Ergebnis vor Steuern</td> <td style="text-align: right;">992</td> <td style="text-align: right;">669</td> </tr> <tr> <td>Steuern vom Einkommen und vom Ertrag</td> <td style="text-align: right;">-336</td> <td style="text-align: right;">-186</td> </tr> <tr> <td>Ergebnis nach Steuern</td> <td style="text-align: right;">656</td> <td style="text-align: right;">482</td> </tr> </tbody> </table> <p>Die folgende Tabelle enthält ausgewählte Finanzinformationen für das erste Halbjahr des Geschäftsjahres 2018, welche aus dem ungeprüften, veröffentlichten konsolidierten Halbjahresfinanzbericht (Kurzfassung) des Volkswagen Bank Konzerns 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="text-align: right; width: 20%;">30. Juni 2018</th> <th style="text-align: right; width: 20%;">31. Dezember 2017</th> </tr> </thead> <tbody> </tbody> </table>		31. Dezember 2017	31. Dezember 2016³			in Mio €	Bilanzsumme	78.747	56.334	Forderungen aus			Kundenfinanzierung	28.032	24.259	Händlerfinanzierung	12.430	10.538	Leasinggeschäft	18.858	3.695	Verbindlichkeiten gegenüber Kunden	41.066	37.938	Eigenkapital	11.301	7.156		1. Januar - 31. Dezember 2017	2016⁴			in Mio €	Ergebnis vor Steuern	992	669	Steuern vom Einkommen und vom Ertrag	-336	-186	Ergebnis nach Steuern	656	482		30. Juni 2018	31. Dezember 2017
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³ Anpassung der Vorjahreszahlen. Für weitere Informationen siehe Geschäftsbericht 2017 S. 53 ff.

⁴ Anpassung der Vorjahreszahlen. Für weitere Informationen siehe Geschäftsbericht 2017 S. 53 ff.

		in Mio €	
	Bilanzsumme	84.281	78.747
	Forderungen aus		
	Kundenfinanzierung	30.020	28.032
	Händlerfinanzierung	13.103	12.430
	Leasinggeschäft	19.923	18.858
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Angaben aus der Gewinn- und Verlustrechnung			
1. Januar - 30. Juni			
		2018	2017
		in Mio €	
	Ergebnis vor Steuern	575	412
	Steuern vom Einkommen und vom Ertrag	-168	-121
	Ergebnis nach Steuern	407	291
<p>Seit dem Datum des letzten geprüften und veröffentlichten konsolidierten Jahresabschlusses zum 31. Dezember 2017 ist keine wesentliche negative Veränderung in den Aussichten des Volkswagen Bank Konzerns eingetreten.</p>			
<p>Die Dieseldematik und weitere Aufwände bzw. Vorsorge im Zusammenhang mit Dieselfahrzeugen, inklusive jedoch nicht abschließend in Bezug auf Restwerte der Fahrzeuge oder eine potenzielle Verschlechterung der Kreditwürdigkeit der Händlerbetriebe im Zusammenhang mit der angespannten Marktlage im Kontext der aktuellen Dieseldiskussionen in Deutschland, können negative Auswirkungen auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage des Volkswagen Bank Konzerns haben, deren finale Ausprägung ungewiss bleibt.</p>			
<p>Die zukünftige Übertragung von Vermögenswerten und/oder Gesellschaften im Zusammenhang mit der Umstrukturierung der Gesellschaftsstruktur, erhöhte Rechts- und Prozessrisiken, inklusive jedoch nicht abschließend, auf dem Gebiet des Verbraucherkreditgesetzes, welche sich in entsprechenden Rückstellungen reflektieren würde, geopolitische 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 ebenfalls auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage des Volkswagen Bank Konzerns belastend wirken.</p>			
<p>Der Volkswagen Bank Konzern erwartet stabile Refinanzierungskosten, eine Intensivierung der Kooperation mit den einzelnen Konzernmarken, intensivierte Kostenoptimierung im Rahmen des Effizienzprogramms und weiterhin erhebliche Unsicherheiten hinsichtlich der makroökonomischen Rahmenbedingungen in der Realwirtschaft und deren Auswirkungen unter anderem auf die Risikokosten.</p>			
<p>Nicht anwendbar; seit dem Datum des letzten geprüften und veröffentlichten konsolidierten Halbjahresabschlusses zum 30. Juni</p>			

		2018 ist keine wesentliche Veränderung in der Finanzlage des Volkswagen Bank Konzerns eingetreten.
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6. On page 27 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: A1 Long-Term Junior Senior Unsecured: A3</p>
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7. On page 34 of the Prospectus the risk factor "Der Volkswagen Bank Konzern ist, resultierend aus der Beaufsichtigung der Banken, dem Risiko erhöhter regulatorischer Kosten und Einschränkungen bei der Geschäftstätigkeit ausgesetzt." in "Abschnitt D – Risiken" under "Element D.2 – Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind" shall be deleted and replaced by the following two new risk factors:

"Der Volkswagen Bank Konzern ist, resultierend aus der Beaufsichtigung der Banken, dem Risiko erhöhter regulatorischer Kosten, erhöhter Beitragszahlungen und Einschränkungen bei der Geschäftstätigkeit ausgesetzt.

Der Volkswagen Bank Konzern könnte von Mindestanforderungen an Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (MREL) nachteilig beeinflusst werden."

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

8. *On page 40 et seq. of the Prospectus the information in the subsection "Introduction to the diesel issue" 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:*

"On September 18, 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 2.0 I diesel engines in the United States. It was alleged that Volkswagen had installed undisclosed engine management software installed in 2009 to 2015 model year 2.0 I diesel engines to circumvent NOx emissions testing regulations in the United States in order to comply with certification requirements. The California Air Resources Board ("**CARB**"), a unit of the U.S. environmental authority of California, announced its own enforcement investigation into this matter.

In this context, Volkswagen AG announced that noticeable discrepancies between the figures achieved in testing and in actual road use had been identified in around eleven million vehicles worldwide with type EA 189 diesel engines. The vast majority of these engines were type EA 189 Euro 5 engines.

On November 2, 2015, the EPA issued a "Notice of Violation" alleging that irregularities had also been discovered in the software installed in U.S. vehicles with type V6 3.0 I diesel engines. CARB also issued a letter announcing its own enforcement investigation into this matter. AUDI AG has confirmed that at least three auxiliary emission control devices were inadequately disclosed in the course of the U.S. approval documentation. Around 113 thousand vehicles from the 2009 to 2016 model years with certain six-cylinder diesel engines were affected in the United States and Canada, where regulations governing NOx emissions limits for vehicles are stricter than those in other parts of the world.

In November 2015, Volkswagen also reported that internal indicators had caused concerns that there might have been irregularities in determining carbon dioxide ("**CO2**") figures for type approval of around 800,000 vehicles and, as a result, the CO2 values and therefore the fuel consumption data published for some vehicle models might have been stated incorrectly. Subsequent measurements performed in coordination with the relevant authorities showed that those concerns of possible irregularities in the CO2 figures for type approval proved to be not correct. Hence, the negative impact on Volkswagen's earnings of EUR 2 billion that had originally been expected in relation to this aspect of the CO2 issue was not confirmed. However, the public prosecutor's office in Braunschweig is investigating into these circumstances which might require a reassessment of the financial impact.

Following the publication of the "Notices of Violation", numerous court and governmental proceedings were initiated in the United States and the rest of the world. Volkswagen was able to end most significant court and governmental proceedings in the United States by concluding settlement agreements. This includes, in particular, settlements with the U.S. Department of Justice ("**DOJ**"). Outside the United States, Volkswagen also reached agreements with regard to the implementation of technical measures with numerous authorities.

In the United States and Canada, following the publication of the EPA's "Notices of Violation", Volkswagen AG and other Volkswagen Group companies have been the subject of intense scrutiny, ongoing investigations (civil and criminal) and civil litigation. 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. In addition, Volkswagen AG and other Volkswagen Group companies in the United States/Canada are facing litigation on a number of different fronts relating to the matters described in the EPA's "Notices of Violation".

On January 4, 2016, the DOJ, Civil Division, on behalf of the EPA, initiated a civil complaint against Volkswagen AG, AUDI AG and certain other Volkswagen Group companies. The action sought statutory penalties under the US Clean Air Act, as well as certain injunctive relief. On January 12, 2016, CARB announced that it intended to seek civil fines for alleged violations of the California Health & Safety Code and various CARB regulations.

In June 2016, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with the DOJ on behalf of the EPA, CARB and the California Attorney General, private plaintiffs represented by a Plaintiffs' Steering Committee ("**PSC**") in the multidistrict litigation pending in California, and the U.S. Federal Trade Commission ("**FTC**"). These settlement agreements resolved certain civil claims made in relation to affected diesel vehicles with 2.0 I TDI engines from the Volkswagen Passenger Cars and Audi brands in the United States. Volkswagen AG and certain affiliates also entered into a First Partial Consent Decree with the DOJ, EPA, CARB and the California Attorney General. A number of class members have filed appeals to an U.S. appellate court from the order approving the settlements. The settlements include buyback or, for leased vehicles, early lease

termination, or a free emissions modification of the vehicles, provided that the EPA and CARB approve the modification. Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees.

Volkswagen also agreed to support environmental programs. The company will pay USD 2.7 billion over three years into an environmental trust. Volkswagen will also invest a total of USD 2.0 billion over ten years in zero emissions vehicle infrastructure as well as corresponding access and awareness initiatives.

Volkswagen AG and certain affiliates also entered into a separate Partial Consent Decree with CARB and the California Attorney General resolving certain claims under California unfair competition, false advertising, and consumer protection laws related to both the 2.0 I and 3.0 I TDI vehicles, which was lodged with the court on July 7, 2016. Under the terms of the agreement, Volkswagen agreed to pay California USD 86 million.

On December 20, 2016, Volkswagen entered into a Second Partial Consent Decree, subject to court approval, with the DOJ, EPA, CARB and the California Attorney General that resolved claims for injunctive relief under the Clean Air Act and California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to implement a buyback and lease termination program for Generation 1 3.0 I TDI vehicles and a free emissions recall and modification program for Generation 2 3.0 I TDI vehicles, and to pay USD 225 million into the environmental mitigation trust that has been established pursuant to the First Partial Consent Decree.

In addition, on December 20, 2016, Volkswagen entered into an additional, concurrent California Second Partial Consent Decree, subject to court approval, with CARB and the California Attorney General that resolved claims for injunctive relief under California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to provide additional injunctive relief to California, including the implementation of a "Green City" initiative and the introduction of three new Battery Electric Vehicle ("**BEV**") models in California by 2020, as well as a USD 25 million payment to CARB to support the availability of BEVs in California.

On January 11, 2017, Volkswagen entered into a Third Partial Consent Decree with the DOJ and EPA that resolved claims for civil penalties and injunctive relief under the Clean Air Act related to the 2.0 I and 3.0 I TDI vehicles. Volkswagen agreed to pay USD 1.45 billion (plus any accrued interest) to resolve the civil penalty and injunctive relief claims under the Clean Air Act, as well as the customs claims of the US Customs and Border Protection. Under the Third Partial Consent Decree, the injunctive relief includes monitoring, auditing and compliance obligations. Also on January 11, 2017, Volkswagen entered into a settlement agreement with the DOJ to resolve any claims under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and agreed to pay USD 50 million (plus any accrued interest), specifically denying any liability and expressly disputing any claims.

On July 21, 2017, the federal court in the multidistrict litigation in California approved the Third California Partial Consent Decree, in which Volkswagen AG and certain affiliates agreed with the California Attorney General and CARB to pay USD 153.8 million in civil penalties and cost reimbursements. These penalties covered California environmental penalties for both the 2.0 I and 3.0 I TDI vehicles.

The DOJ also opened a criminal investigation focusing on allegations that various federal law criminal offenses were committed. On January 11, 2017, Volkswagen AG agreed to plead guilty to three federal criminal felony counts, and to pay a USD 2.8 billion criminal penalty. Pursuant to the terms of this agreement, Volkswagen will be on probation for three years and will work with an independent monitor for three years. The independent monitor will assess and oversee the company's compliance with the terms of the resolution. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, and an enhanced ethics program. Volkswagen will also continue to cooperate with the DOJ's ongoing investigation of individual employees or former employees who may be responsible for criminal violations.

On June 11, 2018, Rupert Stadler, the head of Volkswagen AG's Audi brand was named as a suspect in the Munich II public prosecutor's investigation together with Bernd Martens, Audi's head of purchasing. Both are being investigated for, inter alia, fraud relating to sales of diesel cars. Rupert Stadler was arrested on June 18, 2018. In addition, in May 2018, federal prosecutors unsealed charges in Detroit against, among others, former Volkswagen CEO Martin Winterkorn, which had been filed under seal in March 2018. Mr. Winterkorn is charged with a conspiracy to defraud the United States, to commit wire fraud, and to violate the Clean Air Act from at least May 2006 through at least November 2015, as well as three counts of wire fraud. Should these investigations result in adverse findings against the individuals involved, this could have a negative impact on the outcome of other proceedings against Volkswagen or could have other material adverse financial consequences.

On January 31, 2017, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates entered into a settlement agreement with private plaintiffs represented by the PSC in the multidistrict litigation pending in California, and a consent order with the FTC. These agreements resolved certain

civil claims made in relation to affected diesel vehicles with 3.0 I TDI engines from the Volkswagen, Audi and Porsche brands in the United States. On February 14, 2017, the court preliminarily approved the settlement agreement with private plaintiffs. On May 11, 2017, the court held a fairness hearing on whether approval should be granted and on May 17, 2017, the court granted final approval of the settlement agreement and the partial stipulated consent order.

Under the settlements, consumers' options and compensation will depend on whether their vehicles are classified as Generation 1 or Generation 2. Generation 1 (model years 2009-2012) consumers will have the option of a buyback, early lease termination, trade-in, or a free emissions modification, provided that EPA and CARB approve the modification. Additionally, Generation 1 owners and lessees, as well as certain former owners and lessees, will be eligible to receive cash payments. Generation 2 (model years 2013-2016) consumers will receive a free emissions-compliant repair to bring the vehicles into compliance with the emissions standards to which they were originally certified, as well as cash payments. Volkswagen has received approval from the EPA and CARB for emissions-compliant repairs within the time limits set out in the settlement agreement. Volkswagen will also make cash payments to certain former Generation 2 owners or lessees.

Volkswagen has also resolved the claims of most 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 million and additional benefits.

Volkswagen has also reached separate settlement agreements with the attorneys general of most U.S. states to resolve existing or potential consumer protection, unfair trade practices claims, and/or state environmental law claims. Certain states still have pending consumer protection, unfair trade practices and state environmental law claims against Volkswagen. Investigations by various US regulatory and government authorities are ongoing, including in areas relating to securities, financing and tax.

Additionally, in the United States, some putative class actions, some individual customers' lawsuits and some state or municipal claims have been filed in state courts. In addition a putative class action has been filed on behalf of purchasers of Volkswagen AG American Depositary Receipts, alleging a drop in price purportedly resulting from the matters described in the EPA's "Notices of Violation". A putative class action has also been filed on behalf of purchasers of certain USD-denominated Volkswagen bonds, alleging that these bonds were trading at artificially inflated prices due to Volkswagen's alleged misstatements and that the value of these bonds declined after the EPA issued its "Notices of Violation".

In Canada, civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 I and 3.0 I TDI engines. On December 19, 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 I diesel vehicles. Also on December 19, 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution regarding its regulatory inquiry into consumer protection issues as to those vehicles. On January 12, 2018, and subject to court approval that was granted by April 25, 2018, Volkswagen reached a consumer settlement in Canada involving 3.0 liter diesel vehicles. Also on January 12, 2018, Volkswagen and the Canadian Commissioner of Competition reached a resolution related to civil consumer protection issues relating to 3.0 I diesel vehicles. 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 related to 2.0 I and 3.0 I diesel vehicles. On September 15, 2017, a provincial regulator in Canada, the Ontario Ministry of the Environment and Climate Change, charged Volkswagen AG under the province's environmental statute with one count alleging that it caused or permitted the operation of model year 2010-2014 Volkswagen and Audi brand 2.0 I diesel vehicles that did not comply with prescribed emission standards. The matter was put over to June 7, 2018 pending ongoing evidence disclosure. No trial date has been set.

Moreover, in Canada, two securities class actions by investors in Volkswagen AG American Depositary Receipts and shares are pending against Volkswagen AG in the Quebec and Ontario provincial courts. In addition, putative class action and joinder lawsuits by customers, and a certified environmental class action on behalf of residents, remain pending in certain provincial courts in Canada.

In other countries criminal investigations/misdemeanor proceedings (for example, by the public prosecutor's office in Braunschweig and Munich, Germany) and/or administrative proceedings (for example, by the *Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin – the German Federal Financial Supervisory Authority) have also been opened. The public prosecutor's offices in Braunschweig and Munich are investigating the core issue of the criminal investigations. On June 13, 2018, the Braunschweig public prosecutor issued an administrative order against Volkswagen AG in the context of the diesel issue. The administrative order provides for a fine of €1 billion in total, consisting of the maximum penalty as legally provided for of €5 million and the disgorgement of economic benefits in the amount of €995 million. Following thorough examination, the fine has been accepted and paid in full by Volkswagen.

The investigations resulted and may further result in additional assessments of monetary penalties and other adverse 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, including after the offer, sale and delivery of the Notes. 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.

In the context of the diesel issue, various and significant regulatory, criminal and civil proceedings are currently pending against Volkswagen AG and other Volkswagen Group companies in several jurisdictions worldwide. These proceedings include product and investor-related lawsuits and comprise individual and collective actions. Further claims can be expected. Should these actions be resolved in favor of the claimants, they could result in significant civil damages, fines, the imposition of penalties, sanctions, injunctions and other consequences.

Volkswagen is working intensively to eliminate the emissions level deviations through technical improvements and is cooperating with the relevant agencies. A final decision has not been made regarding all necessary technical remedies for the affected vehicles.

Based on decisions dated October 15, 2015, the KBA ordered the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles and SEAT brands to recall all diesel vehicles that had been issued with vehicle type approval by the KBA from among the eleven million vehicles affected with type EA 189 engines. The recall concerns the member states of the European Union (EU 28). On December 10, 2015, a similar decision was issued regarding Audi vehicles with type EA 189 engines. The timetable and action plan forming the basis for the recall order correspond to the proposals presented in advance by Volkswagen. Depending on the technical complexity of the concerned remedial actions, this means that the Volkswagen Group has been recalling the affected vehicles, of which there are around 8.5 million in total in the EU 28, to the service workshops since January 2016. The remedial actions differ in scope depending on the engine variant. The technical measures cover software and in some cases hardware modifications, depending on the series and model year.

The technical measures for all vehicles in the European Union have since been approved without exception. The KBA ascertained for all clusters (groups of vehicles) that implementation of the technical measures would not bring about any adverse changes in fuel consumption figures, CO₂ emissions figures, engine power, maximum torque and noise emissions. Once the modifications have been made, the vehicles will thus also continue to comply with the legal requirements and the emission standards applicable in each case. The technical measures for all affected vehicles with type EA 189 engines in the European Union were approved without exception, and implemented in most cases.

In some countries outside the EU – among others South Korea, Taiwan and Turkey – national type approval is based on prior recognition of the EC/EEC type approval; the technical measure must therefore be approved by the national authorities. With the exception of South Korea and Chile, this approval process has been concluded in all countries. There, the majority of approvals were likewise granted; in relation to the pending approvals Volkswagen is in close contact with the authorities.

In addition, there is an intensive exchange of information with the authorities in the United States and Canada, where Volkswagen's proposed modifications in relation to the four-cylinder and the six-cylinder diesel engines also have to be approved. Due to NO_x limits that are considerably stricter than in the EU and the rest of the world, it is a greater technical challenge here to refit the vehicles so that the emission standards defined in the settlement agreements for these vehicles can be achieved. A final decision has not been made regarding all necessary technical remedies for the affected vehicles.

For many months, AUDI AG has been checking all diesel concepts for possible discrepancies and retrofit potentials. A systematic review process for all engine and gear variants has been underway since 2016. On July 21, 2017, AUDI AG offered a software-based retrofit program for up to 850,000 vehicles with V6 and V8 TDI engines meeting the Euro 5 and Euro 6 emission standards in Europe and other markets except the United States and Canada. This will be done in close cooperation with the authorities, especially the German Federal Ministry of Transport and the KBA. The retrofit package comprises voluntary measures and, to a small extent, measures directed by the authorities; these are measures which were proposed by AUDI AG itself, reported to and taken up by the KBA and formally ordered by the latter. The tests for the voluntary measures and those which have been formally ordered have already reached an advanced stage, but have not yet been completed. The measures formally ordered by the KBA involved different models of the AUDI, Volkswagen and Porsche brand with a V6 or V8 TDI engine meeting the Euro 6 emission standard, for which the KBA categorized certain emission strategies as an unlawful defeat device. Should additional measures become necessary as a result of the investigations by AUDI AG and the consultations with the KBA, AUDI AG will implement these as part of the retrofit program. In addition, AUDI is responding to requests from the U.S. authorities for information regarding automatic gearboxes in certain vehicles. Further field measures with financial consequences can therefore not be ruled out completely at this time.

In May 2018, Audi reported engine management irregularities with V6 TDI engines of Generation 2 evo. Deliveries of the affected vehicles, of which there are approximately 60,000 worldwide according to Audi reports, have been stopped. Audi is in discussions with the relevant vehicle registration authorities about software updates.

Any of the above-described negative developments could result in substantial additional costs and have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation."

9. *On page 54 of the Prospectus the information in 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 the following information:*

"Volkswagen Bank Group is subject to regulation and supervision in the countries in which it operates. The supervisory bodies have broad jurisdiction over many aspects of Volkswagen Bank Group's operations, including capital adequacy requirements, marketing and selling practices, licensing and terms of business. Any changes in the regulatory framework and its applications, or any further implementation of new requirements for financial institutions and banks, may have a material effect on the business and operations of Volkswagen Bank Group. 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 Group could have a material adverse effect on Volkswagen Bank Group's business results.

As a response to the global financial crisis most jurisdictions have imposed increased regulations and implemented measures designed to prevent future financial crises or diminish their effects. More regulatory changes can also be expected in future. To prevent a future financial crisis, International bodies such as the Financial Stability Board ("**FSB**") and the Basel Committee on Banking Supervision ("**BCBS**") as well as the lawmakers and regulatory authorities in Europe are continuously working on additional recommendations, regulations, standards, etc. It is likely that in the future further regulations need to be considered which may lead to additional costs which could have a material adverse effect on Volkswagen Bank Group's business, net assets, financial condition and results of operations.

Regulatory risks may be related to, but are not limited to, the following risk factors: Legislators may decide on additional charges and taxes, for example the introduction of taxes on financial market transactions, or on additional or higher contribution payments (for more details see the risk factor "*Volkswagen Bank Group is exposed to the risk of higher regulatory costs, higher contributions and reduced levels of activities resulting from the supervision of banks.*" below). Pursuant to the Capital Requirements Directive (EU Directive 2013/36/EU as amended and replaced from time to time the "**CRD IV**") and the related German implementation law, the "**CRD IV-Umsetzungsgesetz**" and the Capital Requirements Regulation (EU Regulation 575/2013 as amended, supplemented or replaced from time to time, the "**CRR**", together with the related regulatory and technical standards, the CRD IV and the CRD IV-Umsetzungsgesetz, the "**CRD IV/CRR Package**") credit institutions have to fulfill additionally capital buffer requirements which have to be held in the form of Common Equity Tier 1. The capital buffer requirements may increase especially due to higher countercyclical buffer ratios or due to the introduction of a systemic risk buffer by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"*). In addition to these statutory requirements and as part of the Supervisory Review and Evaluation Process ("**SREP**") the European Central Bank ("**ECB**") determines a common score resulting in individual capital and liquidity requirements for credit institutions. The revision of the SREP decision might result in additional and/or changing capital requirements for Volkswagen Bank Group.

Further, on 23 November 2016, the European Commission published, among other proposals, a proposal to amend the CRD IV/CRR-package. These proposals aim to complete the reform agenda by tackling remaining weaknesses and implementing some outstanding elements of the reform that are essential to ensure the institutions' resilience but have only recently been finalised by global standard setters (i.e. the BCBS and the FSB), in particular the Liquidity Coverage Ratio ("**LCR**"), the Net Stable Funding Ratio ("**NSFR**"), the leverage ratio and more risk sensitive own funds (i.e. capital) requirements for institutions that trade to an important extent in securities and derivatives. The proposal might make it more difficult for the Issuer to fulfil the capital requirements, if adopted. In addition, new guidances on non-performing loans ("**NPLs**") which are currently in consultation address the main aspects of the management of non-performing loans, including the definition of the NPL strategy and of the operational plan to the NPL governance and operations, and provides several recommendations. It can be expected that not only the ECB, but also other institutions (in particular the European Commission)

will focus on NPLs and their regulatory treatment. The fulfilment of new NPL-requirements can be accompanied by higher implementation costs for Volkswagen Bank Group and could result in a decrease of Common Equity Tier 1 capital. As a consequence, any such new rules may have a negative impact on the net assets, financial position, results of operations and capital ratios of Volkswagen Bank Group and may affect its ability to enter into new business.

Furthermore, Volkswagen Bank Group must comply with consumer credit regulations adopted in European countries pursuant to the European Union Consumer Credit Directive and other directives. The Consumer Credit Directive and other consumer protection legislations regulate matters such as advertising to consumers, information to borrowers regarding interest rates and loan conditions, pre-financing credit checks and the ability to cancel financing contracts and prepay loans. The costs of complying with these laws and regulations, as well as with any additional regulation, could affect the conduct of Volkswagen Bank Group's business and negatively affect its financial condition. Any violation of compliance with these laws could have a materially adverse effect to Volkswagen Bank Group's business operations and financial condition."

10. On page 54 of the Prospectus the risk factor "Volkswagen Bank Group is exposed to the risk of higher regulatory costs and reduced levels of activities resulting from the supervision of banks." shall be deleted and replaced by the following two new risk factors:

"Volkswagen Bank Group is exposed to the risk of higher regulatory costs, higher contributions and reduced levels of activities resulting from the supervision of banks.

EU institutions have created a single supervisory mechanism for the supervision of banks and other credit institutions ("**SSM**") for a number of EU member states including Germany. Under the SSM, the ECB has been given specific tasks related to financial stability and banking supervision. Within the SSM, the ECB directly supervises significant banking groups in the Euro area, including Volkswagen Bank Group.

With a view to fulfill the supervisory tasks assumed by it, the ECB is empowered, in particular as part of the Supervisory Review and Evaluation Process ("**SREP**"), to inter alia, analyse the business model, internal control arrangements, risk governance as well as capital and liquidity adequacy of individual groups of significant credit institutions. The key result of the application of the SREP will be a common score resulting in individual additional capital and liquidity requirements for the credit institutions under the SSM. As a result, each affected credit institution will receive and the Issuer has already received a SREP decision by the ECB. It is to be noted that the SREP-requirement is subject to an annual review and amendment so that the required Common Equity Tier 1 capital ratio could be adjusted.

These decisions may increase the capital and liquidity requirements applicable to the Issuer and the ECB may also require the Issuer to maintain higher capital buffers than those required by BaFin. Further, early correction measures to address potential problems may be required.

Furthermore, EU institutions have established a single resolution mechanism (the "**SRM**") forming part of the EU's strategy to establish a European banking union. Under the SRM, a single resolution process applies to all banks established in EU member states that are participating in the SSM (that is, all member states in the Eurozone on a mandatory basis and other member states participating in the SSM on a voluntary basis). Within the SRM, Volkswagen Bank Group is obliged to contribute to a joint bank resolution fund for all members of the Banking Union.

The SRM Regulation is closely connected to the Bank Recovery and Resolution Directive ("**BRRD**") which has been implemented into German law by the Restructuring and Resolution Act (Sanierungs- und Abwicklungsgesetz – "**SAG**"). As a result of the BRRD (as transposed into national laws) and the SRM Regulation credit institutions have to fulfil different requirements and are exposed to further risks, that can be triggered by interventions from competent authorities. Among other things, Volkswagen Bank Group is obliged to draw up a recovery plan and has to contribute to the resolution plan which is set up by the resolution authority on how to deal with situations of financial stress. Competent authorities are entitled to take early intervention measures and resolution authorities can apply resolution tools (like a bail-in tool) to preserve critical functions without the need to bail out a credit institution. Resolution measures can be the sale of the relevant entity or its shares, or the separation of valuable assets from the impaired assets of a failing credit institution. Moreover, with the bail-in tool competent authorities are authorized to reduce payments of principal, interest or other amounts, to change the maturity of a debt instrument or to convert it. For investors, any write down or conversion by virtue of a bail-in tool may result in losing all or part of its invested capital or having its securities converted into highly diluted equity which might have a value close to zero.

Besides these regulations and directives, the Volkswagen Bank Group is subject to the Kreditinstitute-Reorganisationsgesetz ("**KredReorgG**"). Procedures under the KredReorG are additional measures next to potential measures, steps and proceedings under the SRM. Whereas a restructuring procedure pursuant to the KredReorG may generally not directly interfere with rights of creditors of a credit institution, there is the risk that the reorganisation plan established under a reorganization procedure pursuant to the KredReorG may provide for measures that negatively affect the rights of Volkswagen Bank Group creditors including a reduction of existing claims or a suspension of payments.

Furthermore, Volkswagen Bank Group could be exposed to the risk of higher costs due to additional or higher contribution payments. Such Contribution payments are payments required from credit institutions for the financing of prospective sovereign measures in case of economic disruptions. One example could be the European Commission's Proposal for a Council Regulation on the establishment of the European Monetary Fund ("**EMF**") within the EU's legal framework and based on the European Stability Mechanism ("**ESM**") to provide for contribution payments. Also the aim of the European Commission to create a European deposit insurance scheme ("**EDIS**") is linked to contribution payments by the banking industry. Moreover contributions to the Single Resolution Fund ("**SRF**"), which may be used to ensure the effective application of resolution tools, have to be rendered. With the commencement of any such considerations or rules into valid regulations for banks, Volkswagen Bank Group could be faced with further payment obligations.

In addition, there are further regulatory requirements such as the LCR and the NSFR. According to the current legislation, the liquidity requirements relating to the LCR (which requires credit institutions to maintain certain liquid assets for a 30-day period against the background of a stress scenario) have been implemented since October 2015 with a minimum LCR ratio of 100% to be met since 1st of January 2018. NSFR is calculated as the ratio of available funding resources across all maturities to the funding required. The NSFR is expected to be binding from 2020. If the Volkswagen Bank Group does not meet, or expects not to meet the required LCR, it has to immediately notify the competent authorities and has also to submit a plan without undue delay for the timely restoration of compliance with the LCR. Until compliance has been restored, Volkswagen Bank Group has to report the LCR on a daily basis. In this context Volkswagen Bank Group may be forced to perform adjustments to its liquidity position which in turn could have a material adverse effect on Volkswagen Bank Group's net assets and business results.

In the event of non-compliance with the LCR, it is foreseen that Volkswagen Bank Group has to prepare a plan for a rapid re-compliance and has to report its LCR-figures on a daily basis until the minimum level of the quota is reached. In this context Volkswagen Bank Group may be forced to reduce its business volumes which in turn could have a material adverse effect on Volkswagen Bank Group's business results.

In general, the implementation of such regulatory changes has already resulted in higher costs and future implementation of further changes may continue to increase the cost of compliance as well as other costs for Volkswagen Bank Group. Moreover, depending on the type of regulatory changes, the regulatory aspects could also lead to reduced levels of activity. Both, increasing costs of compliance and reduced levels of activities might have an adverse effect on Volkswagen Bank Group's business, financial condition and results of operations.

Volkswagen Bank Group could be adversely affected by the Minimum Requirement For Own Funds and Eligible Liabilities (MREL).

Volkswagen Bank Group has to comply with Minimum Requirement For Own Funds and Eligible Liabilities ("**MREL**"). That means Volkswagen Bank Group has to maintain a certain threshold of eligible bail-in able debt, i.e. such obligations that, in case of a resolution of the respective bank, can be written down or converted into equity instruments. The level of capital and eligible liabilities required under MREL is set by the resolution authority for each bank (and/or group) individually based on certain criteria including systemic importance and taking into account the relevant bank's resolution strategy.

Although at the date of this Prospectus the requirements of MREL has not yet been defined for Volkswagen Bank Group, Volkswagen Bank Group is exposed to the risk arising from the implementation and fulfilment of MREL. For the purpose of satisfying the requirements of MREL, the Issuer may issue Senior Notes in the so-called Eligible Liabilities Format which due to their features are particularly suitable for being used for loss absorption or recapitalisation purposes by application (for more details see the risk factor "*Senior Notes issued in the Eligible Liabilities Format shall qualify as eligible liabilities pursuant to the minimum requirement for own funds and eligible liabilities. As a*

consequence, rights of Holders of Senior Notes in the Eligible Liabilities Format are restricted compared to rights of Holders of other Senior Notes for which the Eligible Liabilities Format does not apply, i.e. the provisions of Senior Notes 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." below).

Monitoring and reporting as well as compliance with MREL, as currently implemented and as provided for in the European Commission's first draft legislative proposal, may cause changes that affect the profitability of business activities and require changes to certain business practices, which could expose Volkswagen Bank Group to additional costs (including increased compliance and refinancing costs) or have other material adverse effects Volkswagen Bank Group's business, financial condition and results of operations.

Non-compliance or imminent non-compliance with MREL is not only limited to a negative effect on the financial position and result of operations of Volkswagen Bank Group, but could form the basis for intervention by the relevant authorities. To restore compliance with MREL the relevant authorities may require measures that adversely affect Volkswagen Bank Group's business operations."

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

11. On page 73 et seq. of the Prospectus the information in the section "The Diesel Issue" shall be deleted and replaced by the following information:

"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 September 18, 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 2.0 I diesel engines in the United States. It was alleged that Volkswagen had installed undisclosed engine management software installed in 2009 to 2015 model year 2.0 I diesel engines to circumvent NOx emissions testing regulations in the United States in order to comply with certification requirements. The California Air Resources Board ("**CARB**"), a unit of the U.S. environmental authority of California, announced its own enforcement investigation into this matter.

In this context, Volkswagen AG announced that noticeable discrepancies between the figures achieved in testing and in actual road use had been identified in around eleven million vehicles worldwide with type EA 189 diesel engines. The vast majority of these engines were type EA 189 Euro 5 engines.

On November 2, 2015, the EPA issued a "Notice of Violation" alleging that irregularities had also been discovered in the software installed in U.S. vehicles with type V6 3.0 I diesel engines. CARB also issued a letter announcing its own enforcement investigation into this matter. AUDI AG has confirmed that at least three auxiliary emission control devices were inadequately disclosed in the course of the U.S. approval documentation. Around 113 thousand vehicles from the 2009 to 2016 model years with certain six-cylinder diesel engines were affected in the United States and Canada, where regulations governing NOx emissions limits for vehicles are stricter than those in other parts of the world.

In November 2015, Volkswagen also reported that internal indicators had caused concerns that there might have been irregularities in determining carbon dioxide ("**CO2**") figures for type approval of around 800,000 vehicles and, as a result, the CO2 values and therefore the fuel consumption data published for some vehicle models might have been stated incorrectly. Subsequent measurements performed in coordination with the relevant authorities showed that those concerns of possible irregularities in the CO2 figures for type approval proved to be not correct. Hence, the negative impact on Volkswagen's earnings of EUR 2 billion that had originally been expected in relation to this aspect of the CO2 issue was not confirmed. However, the public prosecutor's office in Braunschweig is investigating into these circumstances which might require a reassessment of the financial impact.

Following the publication of the "Notices of Violation", numerous court and governmental proceedings were initiated in the United States and the rest of the world. Volkswagen was able to end most significant court and governmental proceedings in the United States by concluding settlement agreements. This includes, in particular, settlements with the U.S. Department of Justice ("**DOJ**"). Outside the United States, Volkswagen also reached agreements with regard to the implementation of technical measures with numerous authorities.

In the United States and Canada, following the publication of the EPA's "Notices of Violation", Volkswagen AG and other Volkswagen Group companies have been the subject of intense scrutiny, ongoing investigations (civil and criminal) and civil litigation. 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. In addition, Volkswagen AG and other Volkswagen Group companies in the United States/Canada are facing litigation on a number of different fronts relating to the matters described in the EPA's "Notices of Violation".

On January 4, 2016, the DOJ, Civil Division, on behalf of the EPA, initiated a civil complaint against Volkswagen AG, AUDI AG and certain other Volkswagen Group companies. The action sought statutory penalties under the US Clean Air Act, as well as certain injunctive relief. On January 12, 2016, CARB announced that it intended to seek civil fines for alleged violations of the California Health & Safety Code and various CARB regulations.

In June 2016, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with the DOJ on behalf of the EPA, CARB and the California Attorney General, private plaintiffs represented by a Plaintiffs' Steering Committee ("**PSC**") in the multidistrict litigation pending in California, and the U.S. Federal Trade Commission ("**FTC**"). These settlement agreements resolved certain civil claims made in relation to affected diesel vehicles with 2.0 I TDI engines from the Volkswagen Passenger Cars and Audi brands in the United States. Volkswagen AG and certain affiliates also entered into a First Partial Consent Decree with the DOJ, EPA, CARB and the California Attorney General. A number of class members have filed appeals to an U.S. appellate court from the

order approving the settlements. The settlements include buyback or, for leased vehicles, early lease termination, or a free emissions modification of the vehicles, provided that the EPA and CARB approve the modification. Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees.

Volkswagen also agreed to support environmental programs. The company will pay USD 2.7 billion over three years into an environmental trust. Volkswagen will also invest a total of USD 2.0 billion over ten years in zero emissions vehicle infrastructure as well as corresponding access and awareness initiatives.

Volkswagen AG and certain affiliates also entered into a separate Partial Consent Decree with CARB and the California Attorney General resolving certain claims under California unfair competition, false advertising, and consumer protection laws related to both the 2.0 I and 3.0 I TDI vehicles, which was lodged with the court on July 7, 2016. Under the terms of the agreement, Volkswagen agreed to pay California USD 86 million.

On December 20, 2016, Volkswagen entered into a Second Partial Consent Decree, subject to court approval, with the DOJ, EPA, CARB and the California Attorney General that resolved claims for injunctive relief under the Clean Air Act and California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to implement a buyback and lease termination program for Generation 1 3.0 I TDI vehicles and a free emissions recall and modification program for Generation 2 3.0 I TDI vehicles, and to pay USD 225 million into the environmental mitigation trust that has been established pursuant to the First Partial Consent Decree.

In addition, on December 20, 2016, Volkswagen entered into an additional, concurrent California Second Partial Consent Decree, subject to court approval, with CARB and the California Attorney General that resolved claims for injunctive relief under California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to provide additional injunctive relief to California, including the implementation of a "Green City" initiative and the introduction of three new Battery Electric Vehicle ("**BEV**") models in California by 2020, as well as a USD 25 million payment to CARB to support the availability of BEVs in California.

On January 11, 2017, Volkswagen entered into a Third Partial Consent Decree with the DOJ and EPA that resolved claims for civil penalties and injunctive relief under the Clean Air Act related to the 2.0 I and 3.0 I TDI vehicles. Volkswagen agreed to pay USD 1.45 billion (plus any accrued interest) to resolve the civil penalty and injunctive relief claims under the Clean Air Act, as well as the customs claims of the US Customs and Border Protection. Under the Third Partial Consent Decree, the injunctive relief includes monitoring, auditing and compliance obligations. Also on January 11, 2017, Volkswagen entered into a settlement agreement with the DOJ to resolve any claims under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and agreed to pay USD 50 million (plus any accrued interest), specifically denying any liability and expressly disputing any claims.

On July 21, 2017, the federal court in the multidistrict litigation in California approved the Third California Partial Consent Decree, in which Volkswagen AG and certain affiliates agreed with the California Attorney General and CARB to pay USD 153.8 million in civil penalties and cost reimbursements. These penalties covered California environmental penalties for both the 2.0 I and 3.0 I TDI vehicles.

The DOJ also opened a criminal investigation focusing on allegations that various federal law criminal offenses were committed. On January 11, 2017, Volkswagen AG agreed to plead guilty to three federal criminal felony counts, and to pay a USD 2.8 billion criminal penalty. Pursuant to the terms of this agreement, Volkswagen will be on probation for three years and will work with an independent monitor for three years. The independent monitor will assess and oversee the company's compliance with the terms of the resolution. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, and an enhanced ethics program. Volkswagen will also continue to cooperate with the DOJ's ongoing investigation of individual employees or former employees who may be responsible for criminal violations.

On June 11, 2018, Rupert Stadler, the head of Volkswagen AG's Audi brand was named as a suspect in the Munich II public prosecutor's investigation together with Bernd Martens, Audi's head of purchasing. Both are being investigated for, inter alia, fraud relating to sales of diesel cars. Rupert Stadler was arrested on June 18, 2018. In addition, in May 2018, federal prosecutors unsealed charges in Detroit against, among others, former Volkswagen CEO Martin Winterkorn, which had been filed under seal in March 2018. Mr. Winterkorn is charged with a conspiracy to defraud the United States, to commit wire fraud, and to violate the Clean Air Act from at least May 2006 through at least November 2015, as well as three counts of wire fraud. Should these investigations result in adverse findings against the individuals involved, this could have a negative impact on the outcome of other proceedings against Volkswagen or could have other material adverse financial consequences.

On January 31, 2017, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates entered into a settlement agreement with private plaintiffs represented by the PSC in the multidistrict

litigation pending in California, and a consent order with the FTC. These agreements resolved certain civil claims made in relation to affected diesel vehicles with 3.0 l TDI engines from the Volkswagen, Audi and Porsche brands in the United States. On February 14, 2017, the court preliminarily approved the settlement agreement with private plaintiffs. On May 11, 2017, the court held a fairness hearing on whether approval should be granted and on May 17, 2017, the court granted final approval of the settlement agreement and the partial stipulated consent order.

Under the settlements, consumers' options and compensation will depend on whether their vehicles are classified as Generation 1 or Generation 2. Generation 1 (model years 2009-2012) consumers will have the option of a buyback, early lease termination, trade-in, or a free emissions modification, provided that EPA and CARB approve the modification. Additionally, Generation 1 owners and lessees, as well as certain former owners and lessees, will be eligible to receive cash payments. Generation 2 (model years 2013-2016) consumers will receive a free emissions-compliant repair to bring the vehicles into compliance with the emissions standards to which they were originally certified, as well as cash payments. Volkswagen has received approval from the EPA and CARB for emissions-compliant repairs within the time limits set out in the settlement agreement. Volkswagen will also make cash payments to certain former Generation 2 owners or lessees.

Volkswagen has also resolved the claims of most 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 million and additional benefits.

Volkswagen has also reached separate settlement agreements with the attorneys general of most U.S. states to resolve existing or potential consumer protection, unfair trade practices claims, and/or state environmental law claims. Certain states still have pending consumer protection, unfair trade practices and state environmental law claims against Volkswagen. Investigations by various US regulatory and government authorities are ongoing, including in areas relating to securities, financing and tax.

Additionally, in the United States, some putative class actions, some individual customers' lawsuits and some state or municipal claims have been filed in state courts. In addition a putative class action has been filed on behalf of purchasers of Volkswagen AG American Depositary Receipts, alleging a drop in price purportedly resulting from the matters described in the EPA's "Notices of Violation". A putative class action has also been filed on behalf of purchasers of certain USD-denominated Volkswagen bonds, alleging that these bonds were trading at artificially inflated prices due to Volkswagen's alleged misstatements and that the value of these bonds declined after the EPA issued its "Notices of Violation".

In Canada, civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 l and 3.0 l TDI engines. On December 19, 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 l diesel vehicles. Also on December 19, 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution regarding its regulatory inquiry into consumer protection issues as to those vehicles. On January 12, 2018, and subject to court approval that was granted by April 25, 2018, Volkswagen reached a consumer settlement in Canada involving 3.0 liter diesel vehicles. Also on January 12, 2018, Volkswagen and the Canadian Commissioner of Competition reached a resolution related to civil consumer protection issues relating to 3.0 l diesel vehicles. 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 related to 2.0 l and 3.0 l diesel vehicles. On September 15, 2017, a provincial regulator in Canada, the Ontario Ministry of the Environment and Climate Change, charged Volkswagen AG under the province's environmental statute with one count alleging that it caused or permitted the operation of model year 2010-2014 Volkswagen and Audi brand 2.0 l diesel vehicles that did not comply with prescribed emission standards. The matter was put over to June 7, 2018 pending ongoing evidence disclosure. No trial date has been set.

Moreover, in Canada, two securities class actions by investors in Volkswagen AG American Depositary Receipts and shares are pending against Volkswagen AG in the Quebec and Ontario provincial courts. In addition, putative class action and joinder lawsuits by customers, and a certified environmental class action on behalf of residents, remain pending in certain provincial courts in Canada.

In other countries criminal investigations/misdemeanor proceedings (for example, by the public prosecutor's office in Braunschweig and Munich, Germany) and/or administrative proceedings (for example, by the *Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin – the German Federal Financial Supervisory Authority) have also been opened. The public prosecutor's offices in Braunschweig and Munich are investigating the core issue of the criminal investigations. On June 13, 2018, the Braunschweig public prosecutor issued an administrative order against Volkswagen AG in the context of the diesel issue. The administrative order provides for a fine of €1 billion in total, consisting of the maximum penalty as legally provided for of €5 million and the disgorgement of economic benefits in the amount of €995 million. Following thorough examination, the fine has been accepted and paid in full by Volkswagen.

The investigations resulted and may further result in additional assessments of monetary penalties and other adverse 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, including after the offer, sale and delivery of the Notes. 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.

In the context of the diesel issue, various and significant regulatory, criminal and civil proceedings are currently pending against Volkswagen AG and other Volkswagen Group companies in several jurisdictions worldwide. These proceedings include product and investor-related lawsuits and comprise individual and collective actions. Further claims can be expected. Should these actions be resolved in favor of the claimants, they could result in significant civil damages, fines, the imposition of penalties, sanctions, injunctions and other consequences.

Volkswagen is working intensively to eliminate the emissions level deviations through technical improvements and is cooperating with the relevant agencies. A final decision has not been made regarding all necessary technical remedies for the affected vehicles.

Based on decisions dated October 15, 2015, the KBA ordered the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles and SEAT brands to recall all diesel vehicles that had been issued with vehicle type approval by the KBA from among the eleven million vehicles affected with type EA 189 engines. The recall concerns the member states of the European Union (EU 28). On December 10, 2015, a similar decision was issued regarding Audi vehicles with type EA 189 engines. The timetable and action plan forming the basis for the recall order correspond to the proposals presented in advance by Volkswagen. Depending on the technical complexity of the concerned remedial actions, this means that the Volkswagen Group has been recalling the affected vehicles, of which there are around 8.5 million in total in the EU 28, to the service workshops since January 2016. The remedial actions differ in scope depending on the engine variant. The technical measures cover software and in some cases hardware modifications, depending on the series and model year.

The technical measures for all vehicles in the European Union have since been approved without exception. The KBA ascertained for all clusters (groups of vehicles) that implementation of the technical measures would not bring about any adverse changes in fuel consumption figures, CO₂ emissions figures, engine power, maximum torque and noise emissions. Once the modifications have been made, the vehicles will thus also continue to comply with the legal requirements and the emission standards applicable in each case. The technical measures for all affected vehicles with type EA 189 engines in the European Union were approved without exception, and implemented in most cases.

In some countries outside the EU – among others South Korea, Taiwan and Turkey – national type approval is based on prior recognition of the EC/EEC type approval; the technical measure must therefore be approved by the national authorities. With the exception of South Korea and Chile, this approval process has been concluded in all countries. There, the majority of approvals were likewise granted; in relation to the pending approvals Volkswagen is in close contact with the authorities.

In addition, there is an intensive exchange of information with the authorities in the United States and Canada, where Volkswagen's proposed modifications in relation to the four-cylinder and the six-cylinder diesel engines also have to be approved. Due to NO_x limits that are considerably stricter than in the EU and the rest of the world, it is a greater technical challenge here to refit the vehicles so that the emission standards defined in the settlement agreements for these vehicles can be achieved. A final decision has not been made regarding all necessary technical remedies for the affected vehicles.

For many months, AUDI AG has been checking all diesel concepts for possible discrepancies and retrofit potentials. A systematic review process for all engine and gear variants has been underway since 2016. On July 21, 2017, AUDI AG offered a software-based retrofit program for up to 850,000 vehicles with V6 and V8 TDI engines meeting the Euro 5 and Euro 6 emission standards in Europe and other markets except the United States and Canada. This will be done in close cooperation with the authorities, especially the German Federal Ministry of Transport and the KBA. The retrofit package comprises voluntary measures and, to a small extent, measures directed by the authorities; these are measures which were proposed by AUDI AG itself, reported to and taken up by the KBA and formally ordered by the latter. The tests for the voluntary measures and those which have been formally ordered have already reached an advanced stage, but have not yet been completed. The measures formally ordered by the KBA involved different models of the AUDI, Volkswagen and Porsche brand with a V6 or V8 TDI engine meeting the Euro 6 emission standard, for which the KBA categorized certain emission strategies as an unlawful defeat device. Should additional measures become necessary as a result of the investigations by AUDI AG and the consultations with the KBA, AUDI AG will implement these as part of the retrofit program. In addition, AUDI is responding to requests from the U.S. authorities for information regarding automatic gearboxes in certain vehicles. Further field measures with financial consequences can therefore not be ruled out completely at this time.

In May 2018, Audi reported engine management irregularities with V6 TDI engines of Generation 2 evo. Deliveries of the affected vehicles, of which there are approximately 60,000 worldwide according to Audi reports, have been stopped. Audi is in discussions with the relevant vehicle registration authorities about software updates.

Any of the above-described negative developments could result in substantial additional costs and have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation."

12. On page 78 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 2018 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 2018	31 December 2017
	in € million	
Total assets	84,281	78.747
Receivables arising from		
Retail financing	30,020	28.032
Dealer financing	13,103	12.430
Leasing business	19,923	18.858
Liabilities to customers	42,791	41.066
Equity	11,434	11.301

Income statement data

	1 January – 30 June	
	2018	2017
	in € million	
Profit before tax	575	412
Taxes on income and earnings	-168	-121
Profit after tax	407	291

Further financial indicators

	30 June 2018	30 June 2017
Equity ratio (per cent.) ⁵	13,6	14.1

"

13. On page 80 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 2018 are incorporated by reference in and form part of this Prospectus."

14. On page 80 of the Prospectus the information in the section "Significant Change in the Financial Position" shall be deleted and replaced by the following information:

⁵ Total equity in accordance with IFRS (EUR million 11,434 as per 30 June 2018) divided by total assets (EUR million 84,281 as per 30 June 2018).

"There has been no significant change in the financial position of Volkswagen Bank Group since the date of its last published unaudited consolidated interim financial statements as at 30 June 2018."

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

15. On page 322 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 2018 of Volkswagen Bank."

16. On page 322 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: A1
 long-term junior 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.
 A1/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"**

17. On page 324 of the Prospectus the following paragraph shall be added at the end of the subsection "Documents Incorporated by Reference":

"(i) The unaudited consolidated interim financial statements for the period from January to June 2018 of Volkswagen Bank."

18. On page 324 et seq. of the Prospectus the information in the first row in the table in the subsection "Comparative Table of Documents incorporated by Reference" shall be deleted and replaced by the following information:

"

Page	Section of Prospectus	Document incorporated by Reference
80	Volkswagen Bank, Historical Financial Information	<p>Annual Report 2016 of Volkswagen Bank (IFRS)</p> <p>Consolidated Financial Statements (IFRS) of the Volkswagen Bank GmbH Group</p> <p>Income Statement, (p. 44)</p> <p>Statement of Comprehensive Income, (p. 45)</p> <p>Balance Sheet, (p. 46 – p. 47)</p> <p>Statement of changes in Equity, (p. 48)</p> <p>Cash Flow Statement, (p. 49)</p> <p>Notes, (p. 50 - p. 118)</p> <p>Auditor’s Report, (p. 119)</p> <p>Note regarding Forward-Looking Statements, (p. 124)*</p> <p>*) Please note that the page reference of the Forward-Looking Statements refers to the page number of the PDF version of the Annual Report.</p> <p>Annual Report 2017 of Volkswagen Bank (IFRS)</p> <p>Combined Management Report, (p. 2 – p. 44) except for the sections "Outlook for 2018" and "Forecast changes in key performance indicators for fiscal year 2018 compared with prior-year figures" on p. 43 of the Annual Report</p> <p>Consolidated Financial Statements (IFRS) of the Volkswagen Bank GmbH Group</p> <p>Income Statement, (p. 46)</p> <p>Statement of Comprehensive Income, (p. 47)</p> <p>Balance Sheet, (p. 48 – p. 49)</p> <p>Statement of changes in Equity, (p. 50)</p> <p>Cash Flow Statement, (p. 51)</p> <p>Notes, (p. 52 - p. 128)</p> <p>Auditor’s Report, (p. 133 – 138)</p> <p>Note regarding Forward-Looking Statements, (p. 146)*</p>

		*) Please note that the page reference of the Forward-Looking Statements refers to the page number of the PDF version of the Annual Report.
80	Volkswagen Bank, Interim Financial Information	<p>Consolidated Interim Report of Volkswagen Bank for the period from January to June 2018 (IFRS)</p> <p>Management Report (IFRS), (p. 1 – p. 8) except of the section "Report on Expected Developments on p. 8 of the Financial Report <i>Interim Consolidated Financial Statements of the Volkswagen Bank GmbH Group (IFRS)</i></p> <p>Income Statement, (p. 9)</p> <p>Statement of Comprehensive Income, (p. 10)</p> <p>Balance Sheet, (p. 11)</p> <p>Statement of Changes in Equity, (p. 12)</p> <p>Cash Flow Statement, (p. 13)</p> <p>Notes, (p. 14 – p. 36)</p>

"

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 10 August 2018.