

VOLKSWAGEN BANK GMBH

Braunschweig, Federal Republic of Germany

- Issuer -

EUR 10,000,000,000

Debt Issuance Programme
(the "**Programme**")

This second supplement (the "**Second Supplement**") to the base prospectus dated 17 June 2020, as supplemented on 1 September 2020 (the "**Prospectus**") constitutes a supplement for the purposes of Article 23 paragraph 1 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**"). The Second Supplement 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 Second Supplement.

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

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

The Second Supplement has been prepared following the publication of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2020, which are included in the Annual Report 2020, prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS), on 25 March 2021.

Table of Contents

OVERALL AMENDMENTS 3

I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "VOLKSWAGEN BANK GMBH" 3

II. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "GENERAL INFORMATION" 7

III. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "DOCUMENTS INCORPORATED BY REFERENCE" 8

OVERALL AMENDMENTS

1. If reference is made in the base prospectus dated 17 June 2020 to "Prospectus", then the respective reference includes all changes made by the First Supplement and this Second Supplement.

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

2. On page 47 et seq. of the Prospectus the information in section "Administrative, Management and Supervisory Bodies" shall be deleted and replaced as follows:

"Board of Management

As at the date of this Second Supplement dated 26 March 2021, members of the Board of Management of Volkswagen Bank are:

Dr. Michael Reinhart, Chairman

Oliver Roes
Back Office Bank

Christian Löbke
Risk Management

Dr. Volker Stadler
IT

Supervisory Board

As at the date of this Second Supplement dated 26 March 2021, 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 Chairwoman
Head of Group Accounting and External Reporting of Volkswagen AG

Silvia Stelzner

Deputy Chairwoman
Chairwoman 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 of Volkswagen AG

Birgit Dietze

First authorized representative of IG Metall Berlin

Frank Fiedler

Member of the Management Board of Volkswagen Financial Services AG Finance

Prof. Dr. Susanne Homöle

Chair holder of Banking and 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 Management Board of Dr. Ing. h.c. F. Porsche AG
Finance and IT

Reinhard Mathieu

Head of Basic Regulatory Issues & Reporting at Volkswagen Bank GmbH

Jürgen Rosemann

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

Lars Henner Santelmann

Chairman of the Management Board of Volkswagen Financial Services AG

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."

3. *On page 48 of the Prospectus the information in the section "Historical Financial Information" shall be deleted and replaced by the following:*

"The published audited consolidated financial statements of Volkswagen Bank as at and for the financial years ended 31 December 2019 and 2020 are incorporated by reference in and form part of this Prospectus."

4. *On page 48 et seq. of the Prospectus the information in the section "Auditors" shall be deleted and replaced by the following information:*

"The auditor of Volkswagen Bank for the financial year 2019 was PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Fuhrberger Straße 5, 30625 Hannover, Federal Republic of Germany, who has audited the consolidated financial statements of Volkswagen Bank for the financial year ended 31 December 2019. And the auditor of Volkswagen Bank for the financial year 2020 was Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Landschaftstraße 8, 30159 Hannover, Federal Republic of Germany, who has audited the consolidated financial statements of Volkswagen Bank for the financial year ended 31 December 2020. Both of auditors have given their unqualified auditor's reports for these years.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft are members of the German Chamber of Public Accountants (Wirtschaftsprüferkammer)."

5. *On page 49 of the Prospectus the information in the section "Trend information" shall be deleted and replaced by the following information:*

"Since the date of its last published audited consolidated financial statements as at 31 December 2020 a widespread public health issue, the COVID-19 pandemic ("**Corona Pandemic**"), has affected the global economy, including Volkswagen Bank Group's business and has led to a material adverse change of Volkswagen Bank Group's prospects. The effects of the Corona Pandemic are diverse. Among other things, this may correlate with a deterioration of our customers' financial conditions and could therefore have a material adverse impact on Volkswagen Bank Group's operating results and its sales volumes. In addition, Volkswagen Bank Group might also face increased funding costs due to lower levels of available liquidity in the overall market. With regard to Volkswagen Bank Group's operations, outbreaks of disease could continue to result in increased government restrictions and regulation, including quarantine of the employees. The potential financial effect of the pandemic on Volkswagen Bank Group cannot be reliably estimated.

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 surrounding the use of Diesel engines and the debate about the prohibition of the use of diesel vehicles may have a negative impact on the

future business and financial performance of Volkswagen Bank Group, the effect of which remains uncertain.

An 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, turbulence in financial markets, structural deficits in individual countries as well as uncertainties regarding future developments in the euro area, such as the uncertain consequences of the United Kingdom's withdrawal from the EU, may have a negative impact on the future business and the financial performance of Volkswagen Bank Group.

Volkswagen Bank Group assumes stable funding costs, greater levels of cooperation with the individual Group brands, continuing focus on digitalisation and cost optimisation under the efficiency program as well as a high degree of uncertainty regarding macroeconomic conditions in the real economy and the potential financial impact of the Corona Pandemic and their impact on factors such as rising risk costs."

6. *On page 49 of the Prospectus the information in the section "Significant Change in the Financial Position" shall be deleted and replaced by the following information:*

"As at the date of the Supplement dated 26 March 2021, there has been no significant change in the financial position of Volkswagen Bank Group since the date of its last published audited consolidated financial statements as at 31 December 2020. However, the Corona Pandemic has a significant negative impact on the business, financial conditions and results of operations of Volkswagen Bank Group. The ultimate financial impact of the pandemic cannot be quantified at the current stage."

7. *On page 49 of the Prospectus the information in the section "Significant change in the Financial Performance" shall be deleted and replaced by the following information:*

"As at the date of the Supplement dated 26 March 2021, there has been no significant change in the financial performance of Volkswagen Bank Group since the date of its last published audited consolidated financial statements as at 31 December 2020. However, the Corona Pandemic has a significant negative impact on the business, financial condition and results of operations of Volkswagen Bank Group. The ultimate financial impact of the pandemic cannot be quantified at the current stage."

8. *On page 49 of the Prospectus the information in the section "Material Changes in Volkswagen Bank's borrowing and funding structure" shall be deleted and replaced by the following information:*

"Since 31 December 2020 there have been no material changes in Volkswagen Bank's borrowing and funding structure."

9. *On page 50 of the Prospectus the information in the section "Recent Developments" shall be deleted and replaced by the following information:*

"In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a global pandemic. Governments worldwide have implemented measures to contain the spread of the virus. The effects of these measures cause a substantial adverse impact throughout society and across all areas of economic life and also affect Volkswagen Bank Group's operational and financial performance. The Group is continuously monitoring the situation and assessing the potential impact on its business. This includes, among other factors, levels of expected credit losses, volume of new sales and availability of funding. Due to the constantly evolving situation, a range of external factors remain that still have a material impact on Volkswagen Bank Group. While the range of potential factors cannot be accurately predicted, some potential factors include a significant downturn in economic activity in various countries, severe constraints on the movement of people and trade, significant disruptions to supply chains and other businesses, among other factors.

In 2017, the Italian Competition Authority initiated proceedings to investigate potential competition law infringements alleged agreements in restraint of competition (alleged exchange of competitively sensitive information) and abuse of dominant position by a number of captive automotive finance companies, including Volkswagen Bank. The proceedings were later extended to the relevant parent companies, including Volkswagen AG. On 9 January 2019 Volkswagen Bank and Volkswagen AG have been served an administrative order of the Italian competition authority. The administrative order states that Volkswagen Bank is deemed to have violated competition law. Volkswagen Bank and its sole shareholder Volkswagen AG were therefore ordered to pay a fine of EUR 163 million. On 11 March 2019 Volkswagen

Bank and Volkswagen AG have appealed against the fine notice. On 24 November 2020 the Administrative Tribunal in Rome reversed the decision of the Italian competition authority and annulled the fine. On 23 December 2020 the Italian competition authority has appealed against the judgment of the Administrative Tribunal in Rome."

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

10. On page 289 of the Prospectus the following paragraph shall be added in subsection "7. Documents on Display":

"(vi) the Annual report for the financial year ended 31 December 2020 of Volkswagen Bank."

11. On page 291 of the Prospectus in the subsection "11. Alternative Performance Measures" the last four paragraphs shall be deleted and be replaced by the following information:

"Operating result: The operating result is an indicator to measure the performance in the core business. For the financial year 2020 the operating result amounts to 840 EUR million (compared to 757 EUR million in 2019).

Equity ratio (per cent.): The equity ratio is an indicator to measure the capital strength. Total equity in accordance with IFRS (10,313 EUR million as per 31 December 2020) divided by total assets (66,941 EUR million as per 31 December 2020). For the financial year 2020 the equity ratio amounts to 15.4 per cent. (compared to 14.6 per cent. in 2019).

Return on equity: The return on equity is an indicator to measure the profitability. It is calculated by dividing the profit before tax (844 EUR million for 2020) by the average equity (for 2020: equity of fiscal years 2019 and 2020 = 10,170 EUR million). For the financial year 2020 the return on equity amounts to 8.3 per cent. (compared to 7.2 per cent. in 2019).

Cost Income Ratio: The cost income ratio is an indicator to measure the efficiency. It can be recalculated by taking the personnel costs, the general overheads and balance sheet depreciation (EUR million 658 for 2020) divided by the sum of financial income and revenues after risk costs, commission payments, refinancing costs and further direct costs (EUR million 1,315 for 2020). For the financial year 2020 the cost income ratio amounts to 50.0 per cent. (compared to 49.2 per cent. in 2019)."

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

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

"(h) The Annual Report for the financial year ended 31 December 2020 of Volkswagen Bank.

<https://www.vwfs.com/en/investor-relations/volkswagen-bank-gmbh/annual-reports/annual-report-IFRS-2020.pdf>"

13. On page 292 et seq. of the Prospectus in the table in the subsection "Comparative Table of Documents incorporated by Reference" the first row, including the paragraph below, shall be deleted and be replaced by the following information:

Page	Section of Prospectus	Document incorporated by Reference
48	Volkswagen Bank, Historical Financial Information	<p>Annual Report 2019 of Volkswagen Bank (IFRS)</p> <p>Combined Management Report, (p. 4 – p. 48) except for the sections "Outlook for 2020" and "Forecast changes in key performance indicators for fiscal year 2020 compared with prior-year figures" on p. 47 of the Annual Report</p> <p>Consolidated Financial Statements (IFRS) of the Volkswagen Bank GmbH Group</p> <p>Income Statement, (p. 50)</p> <p>Statement of Comprehensive Income, (p. 51)</p> <p>Balance Sheet, (p. 53 – p. 54)</p> <p>Statement of changes in Equity, (p. 55)</p> <p>Cash Flow Statement, (p. 56)</p> <p>Notes, (p. 57 - p. 167)</p> <p>Auditor's Report, (p. 171 – p. 177)</p> <p>Note regarding Forward-Looking Statements, (p. 183)*</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>
48	Volkswagen Bank, Historical Financial Information	<p>Annual Report 2020 of Volkswagen Bank (IFRS)</p> <p>Combined Management Report, (p. 4 – p. 50) except for the sections "Outlook for 2021" and "Forecast changes in key performance indicators for fiscal year 2021 compared with prior-year figures" on p. 49 of the Annual Report</p> <p>Consolidated Financial Statements (IFRS) of the Volkswagen Bank GmbH Group</p> <p>Income Statement, (p. 52)</p> <p>Statement of Comprehensive Income, (p. 53 – p. 54)</p>

		<p>Balance Sheet, (p. 55 – p. 56)</p> <p>Statement of changes in Equity, (p. 57)</p> <p>Cash Flow Statement, (p. 58)</p> <p>Notes, (p. 59 – p. 173)</p> <p>Independent Auditor’s Report, (p. 177 – p. 183)</p> <p>Note regarding Forward-Looking Statements, (p. 188)*</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>
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Any information not incorporated by reference into the Base Prospectus but contained in one of the documents mentioned as source documents in the cross-reference lists above is either not relevant for investors or covered elsewhere in the Base Prospectus."

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

The Second 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 Second 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 23 paragraph 2a of the Prospectus Regulation, where the Prospectus relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for the Notes to be issued under this Programme before this Second Supplement is published have the right, exercisable within three working days after the publication of the Second Supplement, until 31 March 2021 to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 paragraph 1 of the Prospectus Regulation arose or was noted before the closing of the offer period or the delivery of the Notes, whichever occurs first. Investors wishing to exercise their right of withdrawal may contact the Issuer.