First Supplement dated
30 March 2017
to the Prospectus dated
5 August 2016

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 5 August 2016 (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 audited consolidated financial statements of the Issuer for the financial year ended 31 December 2016, which are included in the Annual Report 2016 (IFRS), on 23 March 2017.

OVERALL AMENDMENTS

1. *If reference is made in the base prospectus dated 5 August 2016 to "Prospectus", then the respective reference includes all changes made by this First Supplement.*

I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "NOTICE"

2. *On page 6 of the Prospectus the following paragraph shall be added at the end of the section:*

"Information relating to the diesel issue (also referred to as emissions 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 and accepts no responsibility for the accuracy thereof."

II. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "SUMMARY"

3. *On page 8 of the Prospectus the second paragraph in "Section B – Issuer" under "Element B.4b – Known trends affecting the Issuer and the industries in which it operates", shall be deleted and replaced by the following information:*

   "On 18 September 2015 and on 2 November 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in "**Notices of Violation**" of the U.S. Clean Air Act that irregularities had been discovered in emissions tests on certain Volkswagen Group vehicles with diesel engines. Also on 2 November 2015, and additionally on 25 November 2015, the California Air Resources Board ("**CARB**") published allegations that legal requirements for NOx emissions were circumvented through the use of engine management software under test conditions. Following the publication of the EPA's "Notices of Violation" of the U.S. Clean Air Act, Volkswagen AG and other Volkswagen Group companies have been the subject of intense scrutiny, ongoing investigations (civil and criminal) and civil litigation. The ongoing and future investigations and litigation may result in actions being taken against certain members of the Volkswagen Group or some of its employees. Any of these actions could also have negative effects on Volkswagen Bank Group's business. The Volkswagen Group is working intensively to eliminate the emissions deviations through technical measures and is cooperating with the relevant agencies."

4. *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:*

"

<table>
<tr>
<td>B.12</td>
<td>Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer</td>
<td>
The following table sets forth selected financial information as at and for the financial years ended 2015 and 2016 which has been extracted from the published audited consolidated financial statements of Volkswagen Bank Group prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS).

Balance sheet data

<table>
<tr><td></td><td>31 December 2016</td><td>31 December 2015</td></tr>
<tr><td></td><td colspan="2">in € million</td></tr>
<tr><td>Total assets</td><td>56,334</td><td>49,206</td></tr>
<tr><td>Receivables arising from</td><td></td><td></td></tr>
<tr><td>Retail financing</td><td>24,940</td><td>23,312</td></tr>
<tr><td>Dealer financing</td><td>10,538</td><td>10,302</td></tr>
<tr><td>Leasing business</td><td>3,014</td><td>2,502</td></tr>
<tr><td>Customer deposits</td><td>35,666</td><td>27,877</td></tr>
<tr><td>Equity</td><td>7,156</td><td>5,030</td></tr>
</table>

Income statement data

<table>
<tr><td></td><td colspan="2">1 January - 31 December</td></tr>
<tr><td></td><td>2016</td><td>2015</td></tr>
<tr><td></td><td colspan="2">in € million</td></tr>
<tr><td>Profit before tax</td><td>669</td><td>575</td></tr>
<tr><td>Taxes on income and earnings</td><td>-186</td><td>-157</td></tr>
</table>
</td>
</tr>
</table>

		Profit after tax 482 418 There has been no material adverse change in the prospects of Volkswagen Bank Group since the date of its last published audited consolidated financial statements as at 31 December 2016. However, the emissions issue may have a negative impact on the future business and financial results of Volkswagen Bank Group, the effect of which remains uncertain. Earnings expectations take account of the emissions issue and assume a slight rise in refinancing costs, intensified cooperation with the respective VW Group brands, increased cost optimization under the efficiency program and a continued high degree of uncertainty about macro-economic conditions in the real economy and the impact of these uncertainties on factors such as risk costs. Subject to the information in "Element B.13 – Recent developments" referred to below, 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 2016.

"

5. *On page 11 of the Prospectus the information in "Section B – Issuer" under "Element B.13 – Recent developments" shall be deleted and replaced by the following information:*

"In April 2016, VWFSAG increased the equity of Volkswagen Bank by EUR 480 million due to the anticipated business growth as well as regulatory requirements. Further equity increases of EUR 900 million and EUR 700 million have taken place in August and December, respectively. The most recent equity increase took place in January 2017 and amounted to EUR 400 million.

On 1 November 2016, the Supervisory Board of VWFSAG approved a reorganization measure of the VWFSAG Group. Volkswagen Bank GmbH, which is currently a subsidiary of VWFSAG, will become a direct subsidiary of VW AG by way of a spin-off, providing consolidation of banking activities relevant to European Central Bank authority and allowing for the separate regulation of European banking activities from other financial services provided by the VWFSAG Group. The aim of such reorganization is improved transparency for the regulatory authority and increased efficiency."

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

6. *On page 23 et seq. of the Prospectus the second paragraph in "Abschnitt B – Emittent" under "Punkt B.4b – Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken", shall be deleted and replaced by the following information:*

   "Am 18. September 2015 und am 2. November 2015 hat die US- Umweltschutzbehörde (Environmental Protection Agency, "**EPA**") in sogenannten "Mitteilungen über einen Verstoß" (Notices of Violation) gegen den U.S. Clean Air Act öffentlich bekanntgegeben, dass bei Abgasuntersuchungen einiger Fahrzeuge des Volkswagen Konzerns mit Dieselmotoren Unregelmäßigkeiten entdeckt wurden. Ebenfalls am 2. November 2015 und zusätzlich am 25. November 2015 hat das California Air Resources Board ("**CARB**") öffentlich den Vorwurf erhoben, dass rechtliche Anforderungen an Stickoxid-Emissionen ("**NOx**") durch den Einsatz von Gerätesoftware unter Testbedingungen umgangen wurden. Nach Veröffentlichung der "Mitteilungen über einen Verstoß" (Notices of Violation) gegen den U.S. Clean Air Act durch die EPA, waren die Volkswagen AG und andere Volkswagen Konzerngesellschaften Gegenstand eingehender Untersuchungen, laufender Ermittlungen (zivilrechtlich und strafrechtlich) und zivilrechtlicher Verfahren. Die laufenden und zukünftigen Ermittlungen und Verfahren können zu rechtlichen Schritten gegen bestimmte Konzerngesellschaften des Volkswagen Konzerns oder einige ihrer Angestellten führen. Jede dieser Maßnahmen könnte negative Auswirkungen auf das Geschäft des Volkswagen Bank Konzerns haben. Der Volkswagen Konzern arbeitet mit Hochdruck daran, Abweichungen der Emissionen durch technische Maßnahmen zu beseitigen und kooperiert mit den zuständigen Behörden."

7. *On page 24 et seqq. 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	Die folgende Tabelle enthält ausgewählte Finanzinformationen über den Volkswagen Bank Konzern, die dem geprüften und veröffentlichten konsolidierten Jahresabschluss des Volkswagen Bank Konzerns für die zum 31. Dezember 2015 und 2016 beendeten Geschäftsjahre entnommen wurden, der gemäß den in der Europäischen Union anzuwendenden *International Financial Reporting Standards* (IFRS) aufgestellt wurde.

Bilanzangaben

	31. Dezember 2016	**31. Dezember 2015**
	in Mio €	
Bilanzsumme	56.334	49.206
Forderungen aus		
Kundenfinanzierung	24.940	23.312
Händlerfinanzierung	10.538	10.302
Leasinggeschäft	3.014	2.502
Kundeneinlagen	35.666	27.877
Eigenkapital	7.156	5.030

Angaben aus der Gewinn- und Verlustrechnung

	1. Januar - 31. Dezember	
	2016	**2015**

		in Mio €
		Ergebnis vor Steuern 669 575 Steuern vom Einkommen und vom Ertrag -186 -157 Ergebnis nach Steuern 482 418 Seit dem Datum des letzten geprüften und veröffentlichten konsolidierten Jahresabschlusses zum 31. Dezember 2016 ist keine wesentliche negative Veränderung in den Aussichten des Volkswagen Bank Konzerns eingetreten. Die Abgasthematik kann hingegen negative Auswirkungen auf das zukünftige Geschäfts- und das Finanzergebnis des Volkswagen Bank Konzerns haben, deren Auswirkungen ungewiss bleiben. Gewinnerwartungen berücksichtigen die Abgasthematik und gehen von einer leichten Steigerung der Refinanzierungskosten, verstärkter Zusammenarbeit mit den jeweiligen VW Konzernmarken, erhöhter Kostenoptimierung unter dem Effizienzprogramm und einem weiterhin hohen Maß an Unsicherheiten bezüglich makroökonomischer Bedingungen in der Realwirtschaft und einem Einfluss dieser Unsicherheiten auf Faktoren wie Risikokosten aus. Vorbehaltlich der unten genannten Informationen in "Element B.13 – Aktuelle Entwicklungen" ist seit dem Datum des letzten geprüften und veröffentlichten konsolidierten Jahresabschlusses zum 31. Dezember 2016 keine wesentliche Veränderung in der Finanzlage des Volkswagen Bank Konzerns eingetreten.

"

8. *On page 26 of the Prospectus the information in "Abschnitt B – Emittent" under "Element B.13 – Aktuelle Entwicklungen" shall be deleted and replaced by the following information:*

"Im April 2016 hat die VWFSAG aufgrund des erwarteten Geschäftswachstums sowie regulatorischer Anforderungen das Eigenkapital der Volkswagen Bank um EUR 480 Millionen erhöht. Weitere Kapitalerhöhungen in Höhe von EUR 900 Millionen und EUR 700 Millionen wurden im August und Dezember 2016 durchgeführt. Die jüngste Eigenkapitalerhöhung erfolgte im Januar 2017 und belief sich auf EUR 400 Millionen.

Am 1. November 2016 hat der Aufsichtsrat der VWFSAG der gesellschaftsrechtlichen Neuaufstellung des VWFSAG Konzerns zugestimmt. Die Volkswagen Bank GmbH, derzeit Tochtergesellschaft der VWFSAG, soll im Wege der Abspaltung direkte Tochtergesellschaft der Volkswagen AG werden. Hierdurch sollen die für die Europäische Zentralbank aufsichtsrelevanten Bankaktivitäten gebündelt werden, so dass das europäische Bankgeschäft getrennt von den anderen Finanzdienstleistungsaktivitäten des VWFSAG Konzerns reguliert wird. Ziel der Umstrukturierung ist eine verbesserte Transparenz für die Regulierungsbehörde und eine erhöhte Effizienz."

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

9. *On page 39 of the Prospectus the following information shall be added after "In addition, prospective investors should be aware that the described risks may result in a significant decrease in the price of the Notes up to a total loss of interest and the invested capital":*

   "Information relating to the diesel issue (also referred to as emissions 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 and accepts no responsibility for the accuracy thereof."

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

    "**Introduction to the diesel issue**

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

    On 22 September 2015, in its ad hoc release pursuant to section 15 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), Volkswagen announced that discrepancies in the level of NOx emissions figures achieved in testing and in actual road use had been identified in around 11 million Volkswagen Group vehicles worldwide with certain types of 1.2-liter, 1.6-liter and 2.0 liter TDI diesel engines, the latter also including those vehicles with 2.0 liter TDI diesel engines sold in the United States. This predominantly concerns type EA 189 engines and includes vehicles from the VW Passenger Cars, VW Commercial Vehicles, SEAT, ŠKODA and Audi brands. The software being used in these engines enabled a test bench situation to be recognized by the vehicle and enabled the engine control system to optimize NOx emission levels during the test cycle.

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

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

    On 12 January 2016, CARB announced that it intended to seek civil fines for alleged violations by

Volkswagen of the California Health and Safety Code and various CARB regulations. The State of California, by and through CARB and the California Attorney General, ultimately filed a lawsuit on 27 June 2016.

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

In the United States and Canada, Volkswagen AG and other Volkswagen Group companies have received subpoenas and inquiries from state attorneys general and other governmental authorities and are responding to such investigations and inquiries. The DoJ has also opened a criminal investigation into whether various U.S. federal criminal offenses were committed. These investigations resulted and could result in criminal and civil charges as well as further assessments of monetary penalties and other consequences. The timing of the release of new information on the investigations and the maximum amount of penalties that could 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 June and December 2016 and January 2017, Volkswagen announced that Volkswagen AG, AUDI AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements in the United States with (i) the DoJ on behalf of the EPA, CARB and the California Attorney General, (ii) the U.S. Federal Trade Commission ("**FTC**"), and (iii) private plaintiffs represented by a Plaintiffs' Steering Committee (the "**PSC**") in a multi-district litigation in California. The settlement agreements will resolve certain civil claims made in relation to affected diesel vehicles in the United States: approximately 475,000 vehicles with four-cylinder 2.0 liter TDI diesel engines from the Volkswagen Passenger Cars and Audi brands and around 83,000 vehicles with six-cylinder 3.0 liter TDI diesel engines from the Volkswagen Passenger Cars, Audi and Porsche brands. In October 2016, the court finally approved the settlement agreements in connection with the four-cylinder 2.0 liter TDI diesel engines. A number of class members have filed appeals to a U.S. appellate court from the order approving the settlement agreements in connection with the four-cylinder 2.0 liter TDI diesel engines. On 14 February 2017, the court granted preliminary approval of the settlement agreements in relation to the six-cylinder 3.0 liter TDI diesel engines, which were lodged with the court on 31 January 2017. A final approval hearing is scheduled for 11 May 2017. The agreement with the FTC will also be subject to court approval.

The settlement agreements with respect to the four-cylinder 2.0 liter TDI diesel engine vehicles provide affected customers with the option of a buyback or, for leased vehicles, early lease termination, or a free emissions modification of the vehicles, provided that EPA and CARB approve the proposed modification. The settlement agreements with respect to the six-cylinder 3.0 liter TDI diesel engine vehicles, which remain subject to court approval, provide for: (i) a buyback or, for leased vehicles, early lease termination program, or a free emissions modification provided that EPA and CARB approve the modification, for Generation 1 (model years 2009-2012) six-cylinder 3.0 liter TDI diesel engine vehicles, and (ii) a free emissions recall and modification program (pending EPA and CARB approval) for Generation 2 (model years 2013-2016) six-cylinder 3.0 liter TDI diesel engine vehicles. If modifications are not approved for Generation 2 six-cylinder 3.0 liter TDI diesel engine vehicles, the settlement agreements require Volkswagen to offer a buyback or, for leased vehicles, early lease termination for those vehicles. Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees.

In addition, Volkswagen agreed to support environmental programs. Under the settlement agreements in connection with the four-cylinder 2.0 liter TDI diesel engines, Volkswagen will pay U.S.$2.7 billion over three years. Volkswagen will also invest in total U.S.$2.0 billion over ten years in zero emissions vehicle infrastructure as well as corresponding access and awareness initiatives in the United States. In addition, the six-cylinder 3.0 liter TDI diesel engine vehicle settlement agreements, if approved by the court, calls for an additional U.S.$25 million payment to CARB to support the availability of zero emissions vehicles in California and Audi will make an additional one-time payment in the amount of U.S.$225 million into an environmental trust, managed by a trustee appointed by the court, to offset excess NOx emissions.

In January 2017, Volkswagen AG agreed with the United States government to resolve federal criminal liability relating to the diesel issue. The Volkswagen Group also agreed with the United States government to resolve civil penalties and injunctive relief under the Clean Air Act and other civil claims relating to the diesel issue. The coordinated resolutions involve four settlements, including a plea agreement between Volkswagen AG and the DoJ. The plea agreement is accompanied by a published Statement of Facts that lays out relevant facts and has been acknowledged by Volkswagen AG. As part of its plea agreement, Volkswagen AG pleaded guilty on 10 March 2017 to three felony courts under United States law: conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the United States. The court accepted Volkswagen AG's guilty plea to all three charges and set the sentencing date for 21 April 2017. The plea agreement provides for payment of a criminal fine of U.S.$2.8 billion following sentencing and the appointment of an independent monitor for a period of three years. The independent monitor will assess and oversee the compliance with the terms of the resolutions. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, including an enhanced ethics program. Volkswagen AG, AUDI AG and other Volkswagen Group companies have further agreed to pay, subject to court approval, a combined penalty of U.S.$1.45 billion (plus any accrued interest) to resolve U.S. federal environmental and customs-related civil claims in the United States. Furthermore, Volkswagen AG and Volkswagen Group of America, Inc. have agreed to pay a separate civil penalty of U.S.$50 million (plus any accrued interest) to the Civil Division of the DoJ to settle potential claims asserted under the Financial Institutions Reform, Recovery and Enforcement Act ("**FIRREA**"). By their terms, the aforementioned settlement agreements resolve only certain liability issues under United States law and are not intended to address any liability issues, where such exist, under the laws or regulations of any jurisdiction outside the United States. Volkswagen continues to cooperate in full with investigations by the DoJ into the conduct of individuals.

Volkswagen also reached separate settlement agreements with the attorneys general of 44 U.S. states, the District of Columbia and Puerto Rico, to resolve their existing or potential consumer protection and unfair trade practices claims – in connection with both 2.0 liter TDI and 3.0 liter TDI vehicles in the United States – for a settlement amount of U.S.$603 million. These settlement agreements do not resolve potential state environmental claims related to the affected vehicles or certain other claims. Moreover, investigations by various U.S. regulatory and government authorities, including in areas relating to securities, financing and tax, are ongoing.

On 30 September 2016, Volkswagen announced that it had finalized an agreement to resolve the claims of Volkswagen-branded franchise dealers in the United States relating to the affected vehicles and other matters asserted concerning the value of the franchise. The settlement agreement includes a cash payment of up to U.S.$1.208 billion and additional benefits to resolve alleged past, current, and future claims of losses in franchise value. The court approved the settlement agreement in January 2017.

In Canada, the NOx emissions limits for vehicles are the same as in the United States. Civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 liter and 3.0 liter diesel engines. In December 2016, Volkswagen AG and other Canadian and U.S. Volkswagen Group companies reached a class action settlement in Canada with consumers relating to 2.0 liter diesel vehicles. The settlement provides for cash payments of up to CAD 564 million to eligible owners and lessees, and many of these affected customers will also have the option of a free emissions modification of their vehicle if approved by regulators, or a buyback or trade-in or – for leased vehicles – early lease termination. The class settlement is subject to court approval, the hearings for which are scheduled for 22 March 2017 and 31 March 2017. Concurrently with the announcement of the class settlement in December 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution of its regulatory inquiry into consumer protection issues as to 2.0 liter diesel vehicles. This resolution was reached on the basis of the class settlement, and Volkswagen Group Canada will also pay a CAD 15 million civil administrative monetary penalty. Civil consumer claims and the Commissioner of Competition's investigation with respect to 3.0 liter diesel vehicles remain pending. Also, criminal enforcement related investigations by the federal environmental regulator and quasi-criminal enforcement related investigations by a provincial environmental regulator are ongoing in Canada in relation to 2.0 liter and 3.0 liter diesel vehicles."

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

11. On page 62 et seqq. of the Prospectus the section "The Emissions Issue" shall be deleted and replaced by the following information:

"**The Diesel Issue**

Information relating to the diesel issue (also referred to as emissions 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 and accepts no responsibility for the accuracy thereof.

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

On 22 September 2015, in its ad hoc release pursuant to section 15 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), Volkswagen announced that discrepancies in the level of NOx emissions figures achieved in testing and in actual road use had been identified in around 11 million Volkswagen Group vehicles worldwide with certain types of 1.2-liter, 1.6-liter and 2.0 liter TDI diesel engines, the latter also including those vehicles with 2.0 liter TDI diesel engines sold in the United States. This predominantly concerns type EA 189 engines and includes vehicles from the VW Passenger Cars, VW Commercial Vehicles, SEAT, ŠKODA and Audi brands. The software being used in these engines enabled a test bench situation to be recognized by the vehicle and enabled the engine control system to optimize NOx emission levels during the test cycle.

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

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

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

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

In the United States and Canada, Volkswagen AG and other Volkswagen Group companies have received subpoenas and inquiries from state attorneys general and other governmental authorities and are responding to such investigations and inquiries. The DoJ has also opened a criminal investigation into whether various U.S. federal criminal offenses were committed. These investigations resulted and could result in further assessments of monetary penalties and other consequences. The timing of the release of new information on the investigation and the maximum amount of penalties that could 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 June and December 2016 and January 2017, Volkswagen announced that Volkswagen AG, AUDI AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements in the United States with (i) the DoJ on behalf of the EPA, CARB and the California Attorney General, (ii) the FTC, and (iii) the PSC in a multi-district litigation in California. The settlement agreements will resolve certain civil claims made in relation to affected diesel vehicles in the United States: approximately 475,000 vehicles with four-cylinder 2.0 liter TDI diesel engines from the Volkswagen Passenger Cars and Audi brands and around 83,000 vehicles with six-cylinder 3.0 liter TDI diesel engines from the Volkswagen Passenger Cars, Audi and Porsche brands. In October 2016, the court finally approved the settlement agreements in connection with the four-cylinder 2.0 liter TDI diesel engines. A number of class members have filed appeals to a U.S. appellate court from the order approving the settlement agreements in connection with the four-cylinder 2.0 liter TDI diesel engines. On 14 February 2017, the court granted preliminary approval of the settlement agreements in relation to the six-cylinder 3.0 liter TDI diesel engines, which were lodged with the court on 31 January 2017. A final approval hearing is scheduled for 11 May 2017. The agreement with the FTC will also be subject to court approval.

The settlement agreements with respect to the four-cylinder 2.0 liter TDI diesel engine vehicles provide affected customers with the option of a buyback or, for leased vehicles, early lease termination, or a free emissions modification of the vehicles, provided that EPA and CARB approve the proposed modification. The settlement agreements with respect to the six-cylinder 3.0 liter TDI diesel engine vehicles, which remain subject to court approval, provide for: (i) a buyback or, for leased vehicles, early lease termination program, or a free emissions modification provided that EPA and CARB approve the modification, for Generation 1 (model years 2009-2012) six-cylinder 3.0 liter TDI diesel engine vehicles, and (ii) a free emissions recall and modification program (pending EPA and CARB approval) for Generation 2 (model years 2013-2016) six-cylinder 3.0 liter TDI diesel engine vehicles. If modifications are not approved for Generation 2 six-cylinder 3.0 liter TDI diesel engine vehicles, the settlement agreements require Volkswagen to offer a buyback or, for leased vehicles, early lease termination for those vehicles. Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees.

In addition, Volkswagen agreed to support environmental programs. Under the settlement agreements in connection with the four-cylinder 2.0 liter TDI diesel engines, Volkswagen will pay U.S.$2.7 billion over three years. Volkswagen will also invest in total U.S.$2.0 billion over ten years in zero emissions vehicle infrastructure as well as corresponding access and awareness initiatives in the United States. In addition, the six-cylinder 3.0 liter TDI diesel engines vehicle settlement, if approved by the court, calls for an additional U.S.$25 million payment to CARB to support the availability of zero emissions vehicles in California and Audi will make an additional one-time payment in the amount of U.S.$225 million into an environmental trust, managed by a trustee appointed by the court, to offset excess NOx emissions.

In January 2017, Volkswagen AG agreed with the United States government to resolve federal criminal liability relating to the diesel issue. The Volkswagen Group also agreed with the United States government to resolve civil penalties and injunctive relief under the Clean Air Act and other civil claims against relating to the diesel issue. The coordinated resolutions involve four settlements, including a plea agreement between Volkswagen AG and the DoJ. The plea agreement is accompanied by a published Statement of Facts that lays out relevant facts and has been acknowledged by Volkswagen AG. As part of its plea agreement, Volkswagen AG pleaded guilty on 10 March 2017 to three felony courts under United States law: conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the United States. The court accepted Volkswagen AG's guilty plea to all three charges and set the sentencing date for 21 April 2017. The plea agreement provides for payment of a criminal fine of U.S.$2.8 billion following sentencing and the appointment of an independent monitor for a period of three years. The independent monitor will assess and oversee the compliance with the terms of the resolutions. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, including an enhanced ethics program. Volkswagen AG, AUDI AG and other Volkswagen Group companies have further agreed to pay, subject to court approval, a combined penalty of U.S.$1.45 billion (plus any accrued interest) to resolve U.S. federal environmental and customs-related civil claims in the United States. Furthermore, Volkswagen AG and Volkswagen Group of America, Inc. have agreed to pay a separate civil penalty of

U.S.$50 million (plus any accrued interest) to the Civil Division of the DoJ to settle potential claims asserted under FIRREA. By their terms, the aforementioned settlement agreements resolve only certain liability issues under United States law and are not intended to address any liability issues, where such exist, under the laws or regulations of any jurisdiction outside the United States. Volkswagen continues to cooperate in full with investigations by the DoJ into the conduct of individuals.

Volkswagen also reached separate settlement agreements with the attorneys general of 44 U.S. states, the District of Columbia and Puerto Rico, to resolve their existing or potential consumer protection and unfair trade practices claims – in connection with both 2.0 liter TDI and 3.0 liter TDI vehicles in the United States – for a settlement amount of U.S.$603 million. These settlement agreements do not resolve potential state environmental claims related to the affected vehicles or certain other claims. Moreover, investigations by various U.S. regulatory and government authorities, including in areas relating to securities, financing and tax, are ongoing.

On 30 September 2016, Volkswagen announced that it had finalized an agreement to resolve the claims of Volkswagen-branded franchise dealers in the United States relating to the affected vehicles and other matters asserted concerning the value of the franchise. The settlement agreement includes a cash payment of up to U.S.$1.208 billion and additional benefits to resolve alleged past, current, and future claims of losses in franchise value. The court approved the settlement agreement in January 2017.

In Canada, the NOx emissions limits for vehicles are the same as in the United States. Civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 liter and 3.0 liter TDI diesel engines. In December 2016, Volkswagen AG and other Canadian and U.S. Volkswagen Group companies reached a class action settlement in Canada with consumers relating to 2.0 liter TDI diesel vehicles. The settlement provides for cash payments of up to CAD 564 million to eligible owners and lessees, and many of these affected customers will also have the option of a free emissions modification of their vehicle if approved by regulators, or a buyback or trade-in or – for leased vehicles – early lease termination. The class settlement is subject to court approval, the hearings for which are scheduled for 22 March 2017 and 31 March 2017. Concurrently with the announcement of the class settlement in December 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution of its regulatory inquiry into consumer protection issues as to 2.0 liter TDI diesel vehicles. This resolution was reached on the basis of the class settlement, and Volkswagen Group Canada will also pay a CAD 15 million civil administrative monetary penalty. Civil consumer claims and the Commissioner of Competition's investigation with respect to 3.0 liter TDI diesel vehicles remain pending. Also, criminal enforcement related investigations by the federal environmental regulator and quasi-criminal enforcement related investigations by a provincial environmental regulator are ongoing in Canada in relation to 2.0 liter and 3.0 liter TDI diesel vehicles.

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

12. On page 65 et seqq. of the Prospectus the section "Selected Financial Information" shall be deleted and replaced by the following information:

"**Selected Financial Information**

The following table shows selected financial information of Volkswagen Bank Group extracted from the published audited consolidated financial statements as at and for the financial years ended 31 December 2015 and 2016 prepared on the basis of the International Financial Reporting Standards (IFRS), as adopted by the EU:

Balance sheet data

	31 December 2016	**31 December 2015**
	in € million	

Total assets	56,334	49,206
Receivables arising from		
Retail financing	24,940	23,312
Dealer financing	10,538	10,302
Leasing business	3,014	2,502
Customer deposits	35,666	27,877
Equity	7,156	5,030

Income statement data

	1 January - 31 December	
	2016	**2015**
	in € million	
Profit before tax	669	575
Taxes on income and earnings	-186	-157
Profit after tax	482	418
Operating income[1]	645	539

Further financial indicators

	31 December 2016	**31 December 2015**
Equity ratio (per cent.)[2]	12.7	10.2

"

13. *On page 67 of the Prospectus the information in the section "Administrative, Management and Supervisory Bodies" shall be deleted and replaced by the following information:*

"*Board of Management*

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

Anthony Bandmann, Spokesman
Business Line Individual Customers & Corporate Customers
Member of the Board of Management of Volkswagen-Versicherungsdienst GmbH

Harald Heßke
Back Office Bank
Member of the Board of Management of Volkswagen Leasing GmbH

Jens Legenbauer
International branches of Volkswagen Bank

Torsten Zibell
Direct bank, Treasury

[1] The operating income is an indicator to measure the performance in the core business.
[2] The equity ratio is an indicator to measure the capital strength.

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

14. *On page 67 of the Prospectus the information in the section "Historical Financial Information" shall be deleted and replaced by the following information:*

    "The published audited consolidated financial statements of Volkswagen Bank as at and for the financial years ended 31 December 2015 and 2016 are incorporated by reference in and form part of this Prospectus."

15. *On page 67 set seq. of the Prospectus the information in the first paragraph in the section "Auditors" shall be deleted and replaced by the following information:*

    "The auditors of Volkswagen Bank for the financial years 2015 and 2016 were PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Fuhrberger Straße 5, 30625 Hannover, Federal Republic of Germany, who have audited the consolidated financial statements of Volkswagen Bank for the financial years ended 31 December 2015 and 2016 and have given their unqualified auditors' report for each of these years."

16. *On page 68 of the Prospectus the information in the section "Trend Information" shall be deleted and replaced by the following information:*

    "There has been no material adverse change in the prospects of Volkswagen Bank since the date of its last published audited consolidated financial statements as at 31 December 2016. However, the emissions issue may have a negative impact on the future business and financial results of Volkswagen Bank, the effect of which remains uncertain. Earnings expectations take account of the emissions issue and assume a slight rise in refinancing costs, intensified cooperation with the respective VW Group brands, increased cost optimization under the efficiency program and a continued high degree of uncertainty about macro-economic conditions in the real economy and the impact of these uncertainties on factors such as risk costs."

17. *On page 68 of the Prospectus the information in the section "Significant Change in the Financial Position" shall be deleted and replaced by the following information:*

    "Subject to the information in the subsection "Recent Developments" referred to below, 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 2016."

18. *On page 68 of the Prospectus the information in the section "Recent Developments" shall be deleted and replaced by the following information:*

    "In April 2016, VWFSAG increased the equity of Volkswagen Bank by EUR 480 million due to the anticipated business growth as well as regulatory requirements. Further equity increases of EUR 900 million and EUR 700 million have taken place in August and December, respectively. The most recent equity increase took place in January 2017 and amounted to EUR 400 million.

    On 1 November 2016, the Supervisory Board of VWFSAG approved a reorganization measure of the VWFSAG Group. Volkswagen Bank GmbH, which is currently a subsidiary of VWFSAG, will become a direct subsidiary of VW AG by way of a spin-off, providing consolidation of banking activities relevant to European Central Bank authority and allowing for the separate regulation of European banking activities from other financial services provided by the VWFSAG Group. The aim of such reorganization is improved transparency for the regulatory authority and increased efficiency."

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

19. On page 283 of the Prospectus the following paragraph shall be added in subsection "5. Documents on Display":

"(vi) the Annual Report for the financial year ended 31 December 2016 of Volkswagen Bank."

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

20. *On page 285 of the Prospectus the following paragraph shall be added at the end of the subsection "Documents Incorporated by Reference":*

"(g) The Annual Report of Volkswagen Bank for the financial year ended 31 December 2016."

21. *On page 285 et seq. of the Prospectus the following information shall be added at the end of the first line in the table in the subsection "Comparative Table of Documents incorporated by Reference":*

"

Page	Section of Prospectus	Document incorporated by Reference
67	**Volkswagen Bank, Historical Financial Information**	**Annual Report 2016 of Volkswagen Bank (IFRS)** **Combined Management Report, (p. 3 – p. 42)** ***Consolidated Financial Statements (IFRS) of the Volkswagen Bank GmbH Group*** **Income Statement, (p. 44)** **Statement of Comprehensive Income, (p. 45)** **Balance Sheet, (p. 46 – p. 47)** **Statement of changes in Equity, (p. 48)** **Cash Flow Statement, (p. 49)** **Notes, (p. 50 - p. 118)** **Auditor's Report, (p. 119)** **Note regarding Forward-Looking Statements, (p. 124)*** *) Please note that the page reference of the Forward-Looking Statements refers to the page number of the PDF version of the Annual Report.

"

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 Financial Services AG (www.vwfsag.com) (available under "Investor Relations", "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 3 April 2017.