

## 90.00% Vontobel Capped Unit on a "Nestlé, Novartis, Roche, Swisscom, Zurich Insurance" Basket

### Termsheet (Indication)

**SSPA Designation**

Capital Protection Certificate with Participation (1100)

End of subscription 13 February 2019, 4:00 PM

**Contact**

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**In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA. The investors bear the issuer's or the guarantor's credit risk.**

### Product Description

These products are characterised upon expiry by Capital Protection. In addition, they offer Participation in the performance of the Underlying that is upwardly limited by a Cap (upper value limit). The redemption at the end of the term is determined on the basis of the final fixing of the Underlying: If the final fixing of the Underlying is above the Strike Price – at the most however up to the Cap –, an amount corresponding to the level of the defined Participation in the performance of the Underlying is paid in addition to the Capital Protection. Otherwise, the Capital Protection will be repaid (for details see "Redemption/delivery" or "Redemption formula").

**Product Information<sup>1)</sup>**

Issuer	Vontobel Financial Products Ltd., DIFC Dubai (no rating)			
Keep-Well Agreement	With Bank Vontobel AG, Zurich (Moody's Counterparty Risk Assessment A2 (cr))			
Guarantor	Vontobel Holding AG, Zurich (Moody's A3)			
Lead Manager	Bank Vontobel AG, Zurich			
Paying and Calculation agent	Bank Vontobel AG, Zurich			
SSPA Product Type	Capital Protection Certificate with Participation (1100), see also www.sspa-association.ch			
Underlying	<b>"Nestlé, Novartis, Roche, Swiss Re, Swisscom" Basket</b> (further details on the Underlying see below)			
Basket Composition (the "Underlying") (further details on the Basket Components see below)	Basket Component i	Bloomberg Symbol	Weighting at Initial Fixing w	Reference Price at Initial Fixing
	i=1 Nestlé SA	NESN SE Equity	20%	
	i=2 Novartis AG	NOVN SE Equity	20%	
	i=3 Roche Holding AG	ROG SE Equity	20%	
	i=4 Swisscom AG	SCMN SE Equity	20%	
	i=5 Zurich Insurance Group Ltd.	ZURN SE Equity	20%	
Issue Price	CHF 1'000.00			
Participation	100.00%			
Capital protection	CHF 900.00 (90.00% of the Issue Price)			
Strike Price	CHF 900.00 (90.00% of the Issue Price)			
Cap	CHF 1'150.00 (115.00% of the Issue Price)			
Initial Fixing	13 February 2019; Closing price determined by the Place of Determination			
Payment Date	20 February 2019			
Last Trading Day	11 February 2022 (5:00 PM, local time Zurich)			
Final Fixing	11 February 2022; The Closing price determined by the place of determination			
Repayment Date	18 February 2022			
Reference Currency	CHF; issue, trading and redemption are in the Reference Currency			
ISIN / Security Number / Symbol	CH0459332042 / 45933204 / UBBAAV			

## Redemption / Delivery

- If the final fixing of the Underlying is higher than or equal to the Strike Price, a cash payment is repaid in addition to the Capital protection. The cash payment corresponds to the maximum of zero and the weighted difference of the performance of all Basket Components and the Strike Price multiplied by the Participation, but no more than the Cap.

$$K + P \cdot \min \left( Cap - X; \max \left( \sum_{i=1}^n w_i \cdot \left( \frac{S_i(T)}{S_i(0)} - X \right); 0 \right) \right)$$

K	=	Capital protection
X	=	Strike Price
P	=	Participation in %
S <sub>i</sub> (0)	=	Reference Price of the Basket Component i at Initial Fixing
S <sub>i</sub> (T)	=	Reference Price of the Basket Component i at Final Fixing
n	=	Number of Basket Components
w <sub>i</sub>	=	Weighting at Initial Fixing

- If the final fixing of the Underlying is lower than the Strike Price, the Capital Protection is repaid.

1) All the information and conditions under section 'Product Information' are indicative and may be adjusted (for details see 'Legal Notices').

**Further Information**

Issue size	25'000 Vontobel Capped Unit, with the option to increase
Title	The structured products are issued in the form of non-certificated book-entry securities of the issuer. No certificates, no printing of bonds.
Depository	SIX SIS AG
Clearing / Settlement	SIX SIS AG, Euroclear Brussels, Clearstream (Luxembourg)
Applicable Law / Jurisdiction	Swiss law / Zurich 1, Switzerland
Publication of notices and adjustments	All notices to investors concerning the products and adjustments to the product terms (e.g. due to corporate actions) are published under the "Product history" of the respective product at <a href="http://www.derinet.com">www.derinet.com</a> . In the case of products listed at SIX Swiss Exchange notifications are published at <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> in accordance with applicable rules, too.
Early termination	Only for fiscal or other extraordinary reasons, as well as in case of no outstanding positions (as specified in detail in the Issuance Program).
Secondary market trading	Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at <a href="http://www.derinet.com">www.derinet.com</a> .
Listing	Will be applied for in the main segment at the SIX Swiss Exchange.
Minimum investment	1 Vontobel Capped Unit
Minimum trading lot	1 Vontobel Capped Unit
Supervision	Bank Vontobel AG is authorised as a bank and securities dealer in Switzerland and is subject to prudential supervision by the Federal Financial Markets Regulator (FINMA), while Vontobel Holding AG and Vontobel Financial Products Ltd. as group member companies are subject to complementary, consolidated group supervision by the FINMA. Vontobel Financial Products Ltd. is registered in the register of the Dubai International Finance Centre as a non-regulated company. Neither Vontobel Financial Products Ltd. nor Vontobel Holding AG are financial intermediaries subject to prudential supervision within the meaning of art. 5 para.1 subpara. a ciph. 1.-4. of the CISA.

**Costs and Charges**

One-off costs	0.30% p.a. of the Issue Price (corresponds to the initial costs already included in the Issue Price)
Distribution charges	The One-off costs include Distribution charges of up to 0.17% p.a. Distribution charges may be paid as a discount on the Issue Price or as a one-time and/or periodic payment by the Issuer to one or more financial intermediaries.

**Tax treatment in Switzerland**

Swiss Income Tax	This product qualifies as transparent with predominantly one-off interest payments (IUP). The return determined on the bond component of the product for the holding period is subject to direct federal taxes (modified taxation of the difference).
Swiss Withholding Tax	No Swiss withholding tax
Swiss turnover tax	Secondary market transactions are subject to the swiss turnover tax (TK22). If delivery of the underlying is stipulated, the swiss turnover tax may be imposed as well.
General Information	<p>Transactions and payments relating to this product may be subject to further (foreign) transaction taxes, duties and/or withholding taxes, in particular a withholding tax pursuant to the Section 871(m) of the US Internal Revenue Code. All payments from this product will occur with any applicable taxes and duties deducted.</p> <p>The taxation mentioned is a non-binding and non-exhaustive summary of the applicable treatment of Swiss-domiciled private investors for tax purposes.</p> <p>The investor's specific circumstances, however, are not taken into account. We point out that Swiss and/or foreign tax law or the authoritative practice of Swiss and/or foreign tax authorities can change at any time or specify further tax or charge liabilities (possibly even with retrospective effect).</p> <p>Potential investors should have the tax effects of the purchase, holding, sale or repayment of this product examined by their own tax adviser - especially with respect to the effects of taxation under another jurisdiction.</p>
Net present value of bond components upon issue	CHF 900.00 (Implied IRR: 0.00%)

## Description of the underlying

Nestlé SA	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange:  Performance: Transferability: Financial statements:	Nestlé SA, Registered Share Nestlé SA, Avenue Nestlé 55, CH-1800 Vevey ISIN CH0038863350 / Bloomberg <NESN SE Equity> SIX Swiss Exchange Eurex; the calculation agent can determine another futures exchange at its discretion Available at <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> According to the articles of incorporation of Nestlé Available at <a href="http://www.nestle.com">www.nestle.com</a>
Novartis AG	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange:  Performance: Transferability: Financial statements:	Novartis AG, Registered Share Novartis AG, Postfach, CH-4002 Basel ISIN CH0012005267 / Bloomberg <NOVN SE Equity> SIX Swiss Exchange Eurex; the calculation agent can determine another futures exchange at its discretion Available at <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> According to the articles of incorporation of Novartis Available at <a href="http://www.novartis.com">www.novartis.com</a>
Roche Holding AG	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange:  Performance: Transferability: Financial statements:	Roche Holding AG, Dividend Right Certificate Roche Holding AG, Postfach, CH-4070 Basel ISIN CH0012032048 / Bloomberg <ROG SE Equity> SIX Swiss Exchange Eurex; the calculation agent can determine another futures exchange at its discretion Available at <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> According to the articles of incorporation of Roche Available at <a href="http://www.roche.com">www.roche.com</a>
Swisscom AG	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange:  Performance: Transferability: Financial statements:	Swisscom AG, Registered Share Swisscom AG, Alte Tiefenastrasse 6, CH-3048 Worblaufen ISIN CH0008742519 / Bloomberg <SCMN SE Equity> SIX Swiss Exchange Eurex; the calculation agent can determine another futures exchange at its discretion Available at <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> According to the articles of incorporation of Swisscom Available at <a href="http://www.swisscom.com">www.swisscom.com</a>
Zurich Insurance Group Ltd.	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange:  Performance: Transferability: Financial statements:	Zurich Insurance Group Ltd., Registered Share Zurich Insurance Group, Mythenquai 2, CH-8022 Zürich ISIN CH0011075394 / Bloomberg <ZURN SE Equity> SIX Swiss Exchange Eurex; the calculation agent can determine another futures exchange at its discretion Available at <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> According to the articles of incorporation of Zurich Insurance Available at <a href="http://www.zurich.com">www.zurich.com</a>

## Prospects of Profit and Losses

Any possible gain results from the Participation-related participation in the positive performance of the Underlying. Nevertheless, the gain is upwardly limited by a Cap.

These products guarantee Capital protection expressed in per cent at maturity: With non 100% guaranteed products, the investor may receive less back than the Issue Price at maturity. It should also be noted that participation in the performance of the Underlying is limited by the Participation and by the Cap.

Even if the performance of the Underlying is positive the price of the product during the term can be considerably below the Issue Price. Potential investors should bear in mind that price changes to the Underlying, as well as other influencing factors, may have a negative effect on the value of structured products.

### Assumptions and limitations in preparing the market scenarios

The following market scenarios should afford the investor a simplified way of making an assessment of the significant factors that influence the investment performance of the certificate. For a precise analysis of the profit and loss scenarios, reference must be made to the formulas and definitions set out in this termsheet, (e.g. for "reimbursement"), because these scenarios have been deliberately simplified in order to make them better understandable. With the exception of those certificates for which one of the following factors is defined as the underlying (e.g. a currency certificate or a certificate of interest), the impact of these risk factors will be excluded from the simplified presentation of the scenario

- Foreign currency risks
- Interest rate risks
- Volatility risks
- Issuer risk
- Reference bond ("default or redemption event")
- Fees and costs both stemming from the certificate and for the acquisition and holding of the certificate

**Market scenarios**

Maximum gain: Adjusted Underlying performance, limited by the Cap  
 Maximum loss: Limited to the Capital Protection level

**POSITIVE SCENARIO**

Indicative performance of the certificate: 0% to adjusted Underlying performance, limited by the Cap  
 Necessary market performance of Underlying: - Adjusted participation in positive market performance  
 - Limited by the Cap

**BREAK EVEN**

Indicative performance of the certificate: 0%  
 Necessary market performance of Underlying: - Adjusted Underlying performance + Capital Protection Level = Reference price level at the time of the investment

**NEGATIVE SCENARIO**

Indicative performance of the certificate: Floored at Capital Protection Level  
 Necessary market performance of Underlying: - Closing price of Underlying is lower than the Reference Price level at the time of the investment - maximum loss limited by Capital Protection level

**Significant Risks for Investors****Currency risks**

If the underlying or underlyings is/are denominated in a currency other than the product's reference currency, investors should bear in mind that this may involve risks due to fluctuating exchange rates and that the risk of loss does not only depend on the performance of the underlying(s) but also on any unfavourable performance of the other currency or currencies. This does not apply for currency-hedged products (quanto structure).

**Market risks**

The general market performance of securities is dependent in particular on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the underlying(s) or the structured product. There is also the risk of market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective underlyings and/or their stock exchanges or markets taking place during the term or upon maturity of the structured products. Such occurrences can have an effect on the time of redemption and/or on the value of the structured products.

In the event of trading restrictions, sanctions and similar occurrences, the issuer is entitled, for the purpose of calculating the value of the structured product, to include at its own discretion the underlying instruments at their most recently traded price, at a fair value to be established at its sole discretion or indeed as worthless, and/or additionally to suspend pricing in the structured product or liquidate the structured product prematurely.

**Secondary market risks**

Under normal market conditions, the issuer or the lead manager intend to post bid- and ask-prices on a regular basis. However, neither the issuer nor the lead manager is under any obligation with respect to investors to provide such bid- and ask-prices for specific order or securities volumes, and there is no guarantee of a specific liquidity or of a specific spread (i.e. the difference between bid- and ask-prices), for which reason investors cannot rely on being able to purchase or sell the structured products on a specific date or at a specific price.

**Issuer risk**

The value of structured products may depend not only on the performance of the underlying(s), but also on the creditworthiness of the guarantor, which may change during the term of the structured product. The investor is exposed to the risk of default of the guarantor. For further information on the rating of Bank Vontobel AG or Vontobel Holding AG, please see the Program.

**Selling Restrictions**

U.S.A., U.S. Persons, UK, DIFC/Dubai

European Economic Area (EEA): Investors should note the selling restrictions: since neither this termsheet nor the Issuance Program meets the requirements of the EU Prospectus Directive, the implementing regulations or the national transposing measures, this security may not be publicly offered for sale within the European Economic Area (EEA) until a corresponding prospectus has been drawn up and approved by the supervisory authority, unless: (a) this offer is aimed exclusively at qualified investors, (b) this offer is aimed at fewer than 150 investors in total in each state in the EEA, (c) the minimum investment amount per investor is EUR 100'000 or the securities have a minimum nominal value of EUR 100'000, or (d) the selling price of all the securities offered is less than EUR 100'000.

**Further risk information and selling restrictions**

Please also note the additional risk factors and selling restrictions set out in detail in the Issuance Program.

**Legal Notices****Product documentation**

Only the Termsheets published at [www.derinet.com](http://www.derinet.com) along with the associated notices and adjustments shall be legally valid.

The original version of the Termsheet is in German; foreign-language versions constitute non-binding translations. The Issuer and/or Bank Vontobel AG is entitled to correct spelling mistakes, calculation or other obvious errors in this Termsheet and to make editorial changes, as well as to amend or supplement contradictory or incomplete provisions, without the consent of the investors.

Up until the initial fixing date, the product terms designated as such of the "Termsheet (Indication)" are indicative and may be adjusted. The issuer is under no obligation to issue the product. The "Termsheet (Final Terms)", which is usually issued on the date of the initial fixing, contains a summary of the most important final terms and information, and constitutes the "Final Terms" pursuant to art. 21 of the Additional Rules for the Listing of Derivates of SIX Swiss Exchange. Together with the current Issuance Program, registered with SIX Swiss Exchange (the „Issuance Program“), the Final Terms constitute the complete listing prospectus according to the Listing Rules. In the event of discrepancies between this Termsheet and the Issuance Program, the provisions of the Final Terms shall take precedence.

For structured products not listed on the SIX Swiss Exchange, the Termsheet (Indication) constitutes the preliminary simplified prospectus and Termsheet (Final Terms) constitutes the definitive simplified prospectus pursuant to art. 5 of the Federal Act on Collective Investment Schemes (CISA). In addition, reference is also made (with the exception of the provisions authoritative for a listing) to the Issuance Program, in particular to the detailed information on risks contained therein, to the General Terms and Conditions and to the descriptions of the corresponding product types.

During the entire term of the Structured Product, all documents may be ordered free of charge from Bank Vontobel AG, Financial Products documentation, Bleicherweg 21, 8002 Zurich, Switzerland (telephone: +41 58 283 78 88) and may also be downloaded on the [www.derinet.com](http://www.derinet.com) website. Vontobel explicitly rejects any liability for publications on other Internet platforms.

### **Further information**

The list and information shown do not constitute a recommendation concerning the underlying in question; they are for information purposes only and do not constitute either an offer or an invitation to submit an offer, or a recommendation to purchase financial products. Indicative information is provided without warranty. The information is not a substitute for the advice that is indispensable before entering into any derivative transaction. Only investors who fully understand the risks of the transaction to be concluded and who are commercially in a position to bear the losses which may thereby arise should enter into such transactions. Furthermore, we refer to the brochure "Special Risks in Securities Trading" which you can order from us. In connection with the issuing and/or selling of structured products, companies from the Vontobel Group can pay reimbursements to third parties directly or indirectly in different amounts (for details see "Figures for fees and charges"). Such commission is included in the issue price. You can obtain further information from your sales agent upon request. We will be happy to answer any questions you may have concerning our products on +41 58 283 78 88 from 08.00 – 17.00 CET on bank business days. Please note that all calls to this number are recorded. By calling this number, your consent to such recording is deemed given.

### **Material changes since the most recent annual financial statements**

Subject to the information in this Termsheet and the Issuance Program, no material changes have occurred in the assets and liabilities, financial position and profits and losses of the issuer/guarantor since the reporting date or the close of the last financial year or the interim financial statements of the issuer and, as the case may be, of the guarantor.

### **Responsibility for the listing prospectus**

Bank Vontobel AG takes responsibility for the content of the listing prospectus and hereby declares that, to the best of its knowledge, the information is correct and that no material facts or circumstances have been omitted.

Zurich, 13 February 2019  
Bank Vontobel AG, Zurich

Your customer relationship will be happy to answer any questions you may have.

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