

Factor Certificate on the 4X Long Index linked to Zurich Insurance Group Ltd. V2

Termsheet (Final Terms)

SSPA Designation

Constant Leverage-Zertifikat (2300)

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www.derinet.com

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 credit risk.

Product Description

Factor Certificates enable the investor to benefit disproportionately (leveraged) either from rising (leveraged long index products) or falling (leveraged short index products) prices of a reference security. At the same time, leverage remains constant. This is achieved whereby the Factor Certificate is not based on the reference security itself but on an index (Factor Index). This Factor Index tracks on a daily basis the percentage change in the price of a reference security versus its closing price on the previous day using a constant factor (leverage). With Factor Certificates, the leverage effect of the index makes it possible to achieve disproportionately high gains but also disproportionately high losses (through to a de-facto total loss of the capital invested where the underlying has zero value); however, due to the Factor Index's intra-day adjustment mechanism, losses in excess of the set threshold can at least be reduced. For details on the functions and risks of Factor Certificates, please see the information below as well as the index guide on <https://indices.vontobel.com>; the latter contain the principles for the calculation and publication of the Factor Index as well as definitions for the terms used in connection with the Factor Index.

Product Information

ISIN / Swiss Security Number / Symbol	CH0450806739 / 45080673 / FZUADV
Issue Price	CHF 3.32
Reference Currency	CHF; issue, trading and redemption are in the Reference Currency
Initial Fixing	16 December 2019
Payment Date	19 December 2019
Maturity	Open End
Valuation date	The valuation date corresponds to the respective termination date or exercise day (as defined below in "Issuer's right to call" and "Exercise rights of the investor"). Where the valuation date is not an "index day" (i.e. a day on which the Index Calculation Agent normally calculates and publishes the underlying (Factor Index) in accordance with the index concept on which the underlying is based (see index guide)), the valuation date is postponed to the following index day.
Underlying (Factor Index)	4X Long Index linked to Zurich Insurance Group Ltd. V2 (further details on the Underlying see below "Underlying Description and "Concept (Factor Index)") Spot Reference Price at issuance CHF 3'316.28761
Ratio	1 Factor Certificate corresponds to 0.001 "4X Long Index linked to Zurich Insurance Group Ltd. V2"
Amount payable	The amount payable corresponds, taking into account the ratio, to the reference price of the underlying (Factor Index) on the relevant valuation date, where applicable converted into the reference currency (at its own discretion, the Calculation Agent determines the exchange rate on the valuation date at the time of determining the reference price). Payment is made 5 (five) banking days after the valuation date.

Parties

Issuer Bank Vontobel AG, Zurich (Moody's Long Term Deposit Rating: Aa3)

Lead Manager	Bank Vontobel AG, Zurich
Paying and Calculation Agent	Bank Vontobel AG, Zurich
Supervision	Bank Vontobel AG is authorized as a bank and securities dealer in Switzerland and is subject to prudential supervision by the Federal Financial Markets Regulator (FINMA).

Further Information

Issue size	25'000'000 Factor-Certificates, with the option to increase
Issuer's right to call	The issuer has the right to terminate all outstanding Factor Certificates for early redemption on a termination date ("termination date"; for the first time in 31 January 2020) without stating a reason. The termination date is in each case the last banking day of every month of the year. The corresponding notice must be published, citing the termination date, at least 5 (five) banking days prior to the corresponding termination date on which the termination is effective. In this event, the term of the Factor Certificates ends prematurely. In the event of termination, the amount payable is determined on the valuation date. The corresponding payment to the investor is made 5 (five) banking days after the valuation date. All rights under the terminated Factor Certificates expire upon payment of the amount payable.
Exercise rights of the investor	Besides the possibility of selling Factor Certificates on an off or on-exchange basis within the respective trading hours, the investor has the right, subject to prior termination by the issuer, to exercise his Factor Certificates in each case on the last banking day of every month, for the first time in January 2020 ("exercise date"). The exercise declaration must be made by telephone and fax to the Paying, Exercise and Calculation Agent no more than 5 (five) banking days prior to the exercise date, citing the important information required for proper exercising (i.e. name and address of holder; exercise declaration; precise description (including ISIN) and number of book-entry securities that are to be exercised; settlement instructions for the bank managing the account). The exercise declaration is binding and irrevocable once it is received by the Paying, Exercise and Calculation Agent. Exercise declarations received late or whose contents are incorrect are in principle invalid and not treated as an exercise declaration with regard to subsequent exercise dates. In the event of exercising, the amount payable is determined on the valuation date. The corresponding payment to the investor is made 5 (five) banking days after the valuation date. All investor rights under the exercised Factor Certificates expire upon payment of the amount payable.
Market disruptions, adjustment events and early termination	In the event of market disruptions and the announcement or occurrence of certain events ("adjustment events") with regard to the underlying (Factor Index) or its constituents, such as (i) a change, adjustment or other measure with regard to the relevant concept and the calculation of the underlying or its constituents with the result that in the issuer's opinion the relevant concept or relevant calculation of the underlying is no longer comparable with that on the day the Factor Certificate was issued, (ii) a dissolution of the underlying or its constituents and/or replacement by another index concept or (iii) the introduction of certain taxes or duties, etc. (not an exhaustive list), the issuer has the right to make discretionary adjustments (based on current market practice) or terminate the Factor Certificates prematurely (see issue programme for details).
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 www.derinet.com . In the case of products listed at SIX Swiss Exchange notifications are published at www.six-swiss-exchange.com 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 www.derinet.com .
Listing	Will be applied for in the main segment at the SIX Swiss Exchange.
Minimum investment	1 Factor Certificate
Minimum exercise volume	1 Factor Certificate or multiples thereof
Minimum trading lot	1 Factor Certificate
Concept (Factor Index)	A Factor Index tracks the percentage change of a reference security while taking into account the corresponding leverage (factor) (see 'Description of the underlying (Factor Index)' below) on a daily basis. At the same time, the leverage effect remains constant. The basis for calculating the index level is the change in the reference security versus the reference security's closing price on the previous day. With each closing price of the underlying, therefore, a new reference price is determined that in turn represents the basis for the following day's percentage performance. Due to the leverage effect, Factor Indices may result in overproportional price losses; a total loss or even a negative index level is avoided as far as possible owing to the respective threshold (i.e. the maximum permitted change in the price of the reference security since the latest adjustment prior to an intra-day adjustment in the Factor Index; see 'Description of underlying (Factor Index)' below). In the event of excessive price losses for the Factor Index (depending on the structure of the respective Factor Index and specific level of the threshold; for details, see 'Description of the underlying (Factor Index)' below), the calculation of the Factor Index is halted

and a new day is simulated. Depending on the performance of a reference security, several intra-day adjustments are possible during a single index day. The Factor Index consists of a leverage and a financing component (for details, see index guide).

Tax treatment in Switzerland

Swiss Income Tax	Gains from this product are not subject to direct federal taxes.
Swiss Withholding Tax	No Swiss withholding tax
Swiss turnover tax	Secondary market transactions are not subject to the Swiss turnover tax.
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. 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). 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>

Description of the underlying

4X Long Index linked to Zurich Insurance Group Ltd. V2 The 4X Long Index linked to Zurich Insurance Group Ltd. V2 is part of the Vontobel Leveraged family of indices. It reflects a Long investment in the Zurich Insurance Group Ltd. Registered Share that is leveraged by a factor of 4.

Index Name:	4X Long Index linked to Zurich Insurance Group Ltd. V2
Index Start Date:	05 March 2018
Index Start Value:	1'000.0 Index Points
Index Currency:	CHF; one index point represents CHF 1.00
Identification:	ISIN CH0406517562
Reference Price:	The price of the Underlying (Factor Index) relevant to determining and calculating the amount payable, which corresponds to the closing price of the Underlying (Index closing price) ascertained and published by the Index Calculation Agent on the relevant Valuation Date.
Index Calculation Agent:	Bank Vontobel AG, Gotthardstrasse 43, 8002 Zurich, Switzerland
Reference Instrument:	Zurich Insurance Group Ltd. Registered Share (ISIN CH0011075394; Bloomberg <ZURN SE Equity>)
Leverage (factor):	4 (type Long)
Threshold:	21%
Index fee:	1% p.a.
Interest rate:	RI CHF LIBOR SN
Initial Financing Spread:	0.50% p.a.

The performance and any changes to the Factor Index as well as the index guidelines, including the details on calculating the index, are available at <https://indices.vontobel.com>. All announcements concerning the Factor Index are made through publication on the aforementioned information site, whereby an announcement is deemed to have been made on the day of first publication.

Important notice:

The Vontobel Leveraged Indices (Factor Indices) are not recognised financial indices but are customized indices conceived by Bank Vontobel AG in its capacity as Index Calculation Agent, their sole function being to act as underlying for this type of security (Factor Certificates). The Index Calculation Agent will perform the calculation and composition of the Factor Index with the utmost care. However, the Index Calculation Agent cannot guarantee that calculation of the index or other key figures required for the composition and calculation in accordance with the index guidelines will be free from error and accepts no liability whatsoever towards third parties for associated direct or indirect damages (see index guidelines for details).

Prospects of Profit and Losses

Factor Certificates track the performance of an index (Factor Index) on which the certificates are based. They provide an opportunity to benefit overproportionally either from rising (leveraged long index products) or falling (leveraged short index products) prices of the reference security on which the index is based. Essentially, a long strategy's profit potential is thus unlimited; for a short strategy, the maximum profit potential is limited and reached when the market price of the reference security drops to zero. A possible gain arises from the positive difference between the sale price that is achieved or repayment amount and the purchase price. Factor Certificates do not yield current income. The value of the Factor Certificate during the term is essentially determined by the performance of the relevant Factor Index and therefore by the performance of the underlying reference security, the degree of leverage (factor), level of interest rates, possible exchange rate fluctuations and, if applicable, any change with regard to the cost of providing collateral (e.g. for future contracts).

The investor bears the risk of a daily investment in the underlying (Factor Index), leveraged by a factor. With the choice of factor (leverage), the investor also simultaneously determines the level of risk. The greater the leverage, the greater the risk: the leverage effect amplifies both the gains and the losses that arise for the underlying (Factor Index). In unfavourable circumstances, despite the threshold provided for in the Factor Certificate, a loss (including intra-day) may arise that is very close in financial terms to a total loss of the capital invested (including any costs arising in connection with the purchase of a Factor Certificate). In volatile sideways phases, the underlying (Factor Index) can also lose value despite the reference security reaching its original price level at the end of the sideways phase.

Even if the performance of the underlying (Factor Index) is positive, the price of the product may be considerably below the issue price during the term. Potential investors should bear in mind that price changes to the underlying (Factor Index), as well as other influencing factors, may have a negative effect on the value of structured products.

Significant Risks for Investors

Risks of Factor Certificates

Factor Certificates are exposed to – possibly substantial – price fluctuations and involve the risk of considerable losses. In unfavourable circumstances, despite the threshold provided for in the Factor Certificate and the Underlying (Factor Index), a loss (including intra-day) may arise that is very close in financial terms to a total loss of the capital invested (including any costs arising in connection with the purchase of a Factor Certificate). The investor must also be aware that possible price losses can also arise in the event of a sideways movement (price alternately rises and falls) by the reference security.

Prior to investing in Factor Certificates, investors are advised to read all risk information (including "Significant risks for investors" below) and seek expert advice on the risks associated with the specific Product.

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.

Disruption risks

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 Issuer, which may change during the term of the Structured Product. The investor is exposed to the risk of default of the Issuer. For further information on the rating of Bank Vontobel AG, please see the Issuance Program.

Risks relating to potential conflicts of interest

There may be conflicts of interest at the Vontobel Group companies that could have a negative impact on the value of the Structured Products. For example, Vontobel Group companies may enter into or participate in trading and hedging transactions relating to the Underlying. They may also perform other functions relating to the Structured Products (e.g. as Calculation Agent, Index Sponsor and/or Market Maker) which enable them to determine the composition of the Underlying or calculate its value. Vontobel Group companies may also receive non-public information relating to the Underlying. It should also be noted that the payment of distribution fees and other commissions to financial intermediaries could result in conflicts of interest to the detriment of the investor, as this could create an incentive for the financial intermediary to distribute products with a higher commission preferentially to its clients. As market maker, Vontobel Group companies can determine the price of Structured Products themselves to a large extent and determine it on the basis of various factors and earnings considerations.

Please also note the further, detailed description of potential conflicts of interest and their impact on the value of the Structured Products as contained in the Issuance 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 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.

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 (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 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.

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

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