

Multi Express Vontcert on 3M, Altria, Kraft Heinz

Termsheet (Final Terms)

SSPA Designation

Express Certificate (1260)

Contact

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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 or the guarantor's credit risk.

Product Description

These products are characterized by possible attractive Coupon payments. If all Underlyings close at or above their Coupon Levels on a Monitoring Date, a Coupon with a memory effect is paid out. Memory effect means that Coupon payments which are not made may be provided at a later Date of Payment. If all Underlyings close at or above their Autocall Levels on a Monitoring Date, the product is repaid early. Together with the Nominal Value, a Coupon with a memory effect is paid out which is calculated on the relevant Monitoring Date. If no early redemption has been made, the following settlement conditions shall apply upon maturity: A redemption at the Nominal Value is guaranteed as long as the Underlyings have not touched their Barriers during the relevant Barrier monitoring. If at Final Fixing all the Underlyings are higher than the respective Barriers, the Nominal Value is repaid. If at Final Fixing at least one of the Underlyings is lower than or equal to the corresponding Barrier, the investor receives the delivery of the Underlying with the poorest performance or a cash compensation, corresponding to the closing price of this Underlying (for details see "Redemption/Delivery").

Product Information

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	Express Certificate (1260), see also www.sspa-association.ch

Underlying	3M Company (further details on the Underlying see below)	
	Spot Reference Price	USD 200.26
	Strike Price	USD 200.26 (100.00% of the Spot Reference Price)
	Barrier	USD 130.17 (65.00% of the Spot Reference Price)
	Coupon Level	USD 160.21 (80.00% of the Spot Reference Price)
	Autocall Level	USD 180.23 (90.00% of the Spot Reference Price)
	Number of Underlyings	4.99351 (fractions are paid out in cash, no accumulation)

Underlying	Altria Group Inc. (further details on the Underlying see below)	
	Spot Reference Price	USD 55.71
	Strike Price	USD 55.71 (100.00% of the Spot Reference Price)
	Barrier	USD 36.21 (65.00% of the Spot Reference Price)
	Coupon Level	USD 44.57 (80.00% of the Spot Reference Price)
	Autocall Level	USD 50.14 (90.00% of the Spot Reference Price)
	Number of Underlyings	17.9501 (fractions are paid out in cash, no accumulation)

Underlying	The Kraft Heinz Company (further details on the Underlying see below)	
	Spot Reference Price	USD 58.83
	Strike Price	USD 58.83 (100.00% of the Spot Reference Price)

	Barrier	USD 38.24 (65.00% of the Spot Reference Price)
	Coupon Level	USD 47.06 (80.00% of the Spot Reference Price)
	Autocall Level	USD 52.95 (90.00% of the Spot Reference Price)
	Number of Underlyings	16.99813 (fractions are paid out in cash, no accumulation)
Issue Price	100.00% of the Nominal Value	
Nominal Value	USD 1'000.00	
Barrier Monitoring	At Final Fixing, 07 May 2019 (closing price)	
Initial Fixing	07 May 2018; Closing prices on the reference stock exchanges	
Payment Date	14 May 2018	
Last Trading Day	07 May 2019 (12:00 PM, local time Zurich)	
Final Fixing	07 May 2019; Closing price on the reference stock exchange	
Repayment Date	14 May 2019	
Reference Currency	USD; issue, trading and redemption are in the Reference Currency	
ISIN / Security Number / Symbol	CH0414244704 / 41424470 / ZMAE0V	
Coupon Payment	<p>If all Underlyings close at or above their relevant Coupon Levels on a Monitoring Date, the Coupon is calculated as specified below and paid out on the next Payment Date:</p> <p>$Coupon = Nominal\ Value * 2.50\% * (N+1)$</p> <p>N is the amount of Coupon Payment Dates without Coupon paid out since the last Coupon Payment Date with (positive) Coupon paid out.</p>	
Coupon Monitoring Dates / Payment Dates	Coupon Monitoring Dates	Coupon Payment Dates
	07 August 2018	14 August 2018
	06 November 2018	14 November 2018
	07 February 2019	14 February 2019
	07 May 2019	14 May 2019
Early Redemption	Monitoring Dates	Payment Dates
	06 November 2018	14 November 2018
	07 February 2019	14 February 2019
	<p>If all Underlyings close at or above their corresponding Autocall levels on an Early Redemption Monitoring date, the Issuer redeems the product on the next Payment date. The redemption is made at the Nominal Value, plus one last Coupon for the corresponding period. (detail see "Coupon Payments"). No further payments are made.</p>	
Redemption / Delivery	<p>Provided that no Early Redemption has been made (Details see "Early Redemption"), the following rule is applied on the Final Fixing date, in addition to the above defined Coupon Payment rules:</p> <ul style="list-style-type: none"> - If at Final Fixing all closing prices of the Underlyings are higher than the corresponding Barrier, the Nominal Value is repaid. - If at Final Fixing the closing price of at least one Underlying is lower than or equal to the corresponding Barrier, the investor receives a physical delivery of the indicated Number of the Underlying with the poorest performance; fractions are not accumulated and are paid out in cash. 	

Further Information

Issue size	USD 25'000'000, 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 www.derinet.com .
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 programme).
Secondary market trading	Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at www.derinet.com .
Price setting	Secondary market price quotations are "dirty", that is, accumulated interest is included.

Listing	None
Minimum investment	USD 1'000.00 nominal value
Minimum trading lot	USD 1'000.00 nominal value
Figures for fees and charges	Vontobel estimates the Issuer Estimated Value (IEV) of this product at 98.68%, which gives a Total Expense Ratio (TER) of 1.31% p.a.. Distribution charges up to 1.05% p.a. are included in this TER figure.
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.

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
Issuance Stamp Tax	No Swiss stamp duty at issuance
Swiss turnover tax	Secondary market transactions are not subject to the swiss turnover tax. If delivery of the underlying is stipulated, the swiss turnover tax may, however, be imposed.
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>If delivery of the underlying is stipulated, foreign taxes and duties have to be assumed by the investors.</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

3M Company	Name and type:	3M Company, Registered Share
	Company and place of registration:	3M Co, 3M Center, St Paul, MN 55144, United States
	Identification:	ISIN US88579Y1010 / Bloomberg <MMM UN Equity>
	Reference Exchange:	NYSE
	Futures exchange:	Chicago Board Options Exchange; the calculation agent can determine another futures exchange at its discretion
	Performance:	Available at www.nyse.com
	Transferability:	According to the articles of incorporation of 3M
	Financial statements:	Available at www.mmm.com
Altria Group Inc.	Name and type:	Altria Group Inc., Registered Share
	Company and place of registration:	Altria Group Inc., 120 Park Avenue, New York, NY 10017, USA
	Identification:	ISIN US02209S1033 / Bloomberg <MO UN Equity>
	Reference Exchange:	NYSE
	Futures exchange:	Chicago Board Options Exchange; the calculation agent can determine another futures exchange at its discretion
	Performance:	Available at www.nyse.com
	Transferability:	According to the articles of incorporation of Altria
	Financial statements:	Available at www.altria.com

The Kraft Heinz Company	Name and type:	The Kraft Heinz Company, Registered Share
	Company and place of registration:	The Kraft Heinz Company, One PPG Place, Suite 3200, Pittsburgh, PA 15222, United States
	Identification:	ISIN US5007541064 / Bloomberg <KHC UW Equity>
	Reference Exchange:	Nasdaq Global Select Market
	Futures exchange:	Chicago Board Options Exchange; the calculation agent can determine another futures exchange at its discretion
	Performance:	Available at www.nasdaq.com
	Transferability:	According to the articles of incorporation of Kraft Heinz
	Financial statements:	Available at http://ir.Kraftfoodsgroup.com

Prospects of Profit and Losses

Any possible gain results from the possible coupon payments (for details see "Coupon Payment"). Nevertheless, there is an upper limit to the gain, as the maximum payment is the Nominal Value plus the possible coupons (for details see "Coupon Payment").

If all the underlyings close at or above their Autocall-levels on a monitoring date, the product is repaid early (detail see "Early Redemption").

These products have only conditional repayment at the Nominal Value defined by the individual Barriers: If at least one of the Underlyings touches or breaches its Barrier during Barrier monitoring, the right of a guaranteed repayment at the Nominal Value ceases to apply immediately. Investors should be aware that this can happen during relevant Barrier Monitoring (period of time or point(s) of time). Accordingly, the risks are considerable; given upwardly limited chances of gains, they correspond largely to the risks of a direct investment in the Underlying with the poorest performance. The lower the closing price of the Underlying with the poorest performance after falling below its Barrier, the greater the losses sustained. Apart from the coupon payments, in extreme cases, the maximum loss can lead to a loss of the capital invested.

Even if the performance of the Underlyings is positive and the Barriers are not touched, 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 Underlyings, 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:	Cap at the sum of all possible coupons
Maximum loss:	100%
POSITIVE SCENARIO	
Indicative performance of the certificate:	0% to sum of all possible coupons
Necessary market performance of underlying:	<ul style="list-style-type: none"> - If the Barrier is not reached, the performance corresponds to the Coupon - If the Barrier was reached, but the price loss of the relevant Underlying is smaller than the Coupon multiplied by the Strike Price in %, then the performance lies between 0% and the Coupon - Performance is limited to the Coupon (Cap)
BREAK EVEN	
Indicative performance of the certificate:	0%
Necessary market performance of underlying:	<ul style="list-style-type: none"> - Barrier reached - Price loss of the relevant Underlying = sum of paid Coupons
NEGATIVE SCENARIO	
Indicative performance of the certificate:	Loss of up to 100% possible
Necessary market performance of underlying:	<ul style="list-style-type: none"> - Barrier reached - Price loss of the relevant Underlying > sum of paid Coupons

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 issuance programme.

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 programme 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 programme.

Legal Notices

Product documentation

Only the Termsheets published at www.derinet.ch 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 programme, registered with SIX Swiss Exchange (the „Issuance Programme“), the Final Terms constitute the complete listing prospectus according to the Listing Rules. In the event of discrepancies between this Termsheet and the Issuance Programme, 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 Programme, 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.

Zurich, 07 May 2018
Bank Vontobel AG, Zurich

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

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