

50 million European Style Cash Settled Put Warrants expiring on 2 February 2015 relating to the ordinary shares of DBS Group Holdings Ltd. (the "Warrants")

- The terms set out in this term sheet are a summary of, and are subject to the terms and conditions set out in the Issuer's base listing document dated 18 August 2014 and to be read with the updated Base Listing Document dated 14 January 2015 (the "**Base Listing Document**") and the supplemental listing document to be dated on or about 14 October 2014 (the "**Supplemental Listing Document**" together with the Base Listing Document, the "**Listing Documents**").
- If you are in doubt whether the product is suitable for you, please consult your financial advisers or such advisers to the extent you consider necessary.**
- Please read the Listing Documents and the risk factors stated in such Listing Documents and this term sheet carefully. **You should not invest in the product if you do not understand the risks or are not willing to assume the risks.**
- This Term Sheet does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, the Warrants or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Warrants or other securities of the Issuer. This Term Sheet may not be distributed or circulated by you to any other person other than in a manner which complies with the restrictions set out in the section entitled "Sales Restrictions" in the Base Listing Document.

A. TERMS OF THE ISSUE

SGX Counter Full Name (SGX Stock Code)	DBS VT EPW150202 (US2W)	Issue Size	50 million Warrants
Warrant Type	European Style Cash Settled Put Warrants	Launch Date	8 October 2014
Underlying Shares	DBS Group Holdings (RIC: DBSM.SI)	Last Trading Date	The 5 th Business Day immediately preceding the Expiry Date, currently being 26 January 2015
Relevant Stock Exchange	Singapore Exchange Securities Trading Limited (the "SGX-ST")	Issue/Initial Settlement Date	14 October 2014
		Expected Listing Date	15 October 2014
Underlying Price¹ and Source	SGD 18.43 (out of the money) ¹ (Reuters)	Expiry Date	2 February 2015
		Board Lot	1000 Warrants
Conversion Ratio (No. of Share per Warrant)	0.2 (i.e. every 5 Warrants initially relate to 1 Share)]	Settlement Date	9 February 2015
Issue Price	SGD 0.21	Valuation Date	Each of the five Business Days immediately preceding the Expiry Date (subject to Market Disruption Events as set out in the Conditions of the Warrants)
Strike Price	SGD 17.00		
Gearing¹	17.55 x	Reference Currency	SGD
Premium¹	13.46%	Settlement Currency	SGD
Volatility¹	Implied: 42.00% Historical: 11.00%	Listing	Application will be made for the listing of, and permission to deal in, the Warrants on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The issue of the Warrants is conditional upon listing being granted
Lead Manager	Bank Vontobel, AG Zurich		
Warrant Agent	The Central Depository (Pte) Limited ("CDP")		
Clearing System	CDP	Governing Law	Singapore Law
Settlement Method	Cash Settlement	Exercise	Automatic Exercise

Cash Settlement Amount

(A) (i) the Exercise Price LESS (ii) the arithmetic mean of the closing prices of one Underlying Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date MULTIPLIED by

(B) the Conversion Ratio MULTIPLIED by

(C) the exchange rate if applicable

¹ These figures are calculated as at, and based on information available to the Issuer on or about, the date of the termsheet in respect of the Warrants. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after the date of the termsheet in respect of the Warrants.

Form	The Warrants will be represented by a Global Warrant, which will be deposited with CDP. No definitive Warrants will be issued.
Adjustments and Extraordinary Events	The Issuer has the right to make adjustments to the terms of the Warrants if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Warrants in the Listing Documents) occur in respect of the Underlying Shares.
Further Issuance	The Issuer has the authority, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants
Documents	The original version of the Terms Sheet is in English; foreign-language versions constitute non-binding translations. During the entire term of the structured product, all Listing Documents may be ordered free of charge from Vontobel Financial Products (Asia Pacific) Pte. Ltd., Singapore, 8 Marina View, Asia Square Tower 1, Level 07-04 Singapore 018960, vfpsingapore@vontobel.com, Telephone (65) 6407 1100, Telefax (65) 6407 1267.
Selling Restrictions	No action has or will be taken by the Issuer that would permit a public offering of the Warrants or possession or distribution of any offering material in relation to the Warrants in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Warrants or distribution of any offering material relating to the Warrants may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations. No sales to U.S. persons. For further selling restrictions, please refer to the Listing Documents.

B. INFORMATION ON THE ISSUER

Name of Issuer	Bank Vontobel AG (CHE-105.840.858)
Issuer's Credit Rating (long term)	As of the Launch Date: Moody's Investors Service: A2 Standard & Poor's: A (please note that as of 8 December 2014, Bank Vontobel AG has terminated the rating agreement with credit rating agency Standard & Poor's Ratings Services)
Issuer Regulated By	The Issuer is authorised as a bank and securities dealer in Switzerland and is subject to supervision by the Swiss Financial Market Supervisory Authority ("FINMA"). The Issuer is not authorised, regulated, supervised nor licensed by the Monetary Authority of Singapore or any other regulatory authority in Singapore to carry on banking business in Singapore pursuant to the Banking Act, Chapter 19 of Singapore.
Issuer's Website and Contact Information	For more information, including financial information, on the Issuer, please see www.vontobel.com E-mail: warrants@vontobel.com Contact No: +41 (0)58 283 71 11

C. INFORMATION ON MARKET MAKING

Name of Designated Market Maker ("DMM")	Vontobel Financial Products (Asia Pacific) Pte. Ltd. (Company Registration No. 201133682C)
Name of Liquidity Provider	OCBC Securities Private Limited
Maximum Bid and Offer Spread	10 times the minimum permitted price movement in the Warrants in accordance with the rules of the Exchange or \$0.20 whichever is greater
Minimum Quantity subject to Bid and Offer Spread	10 Board Lots
Circumstances where a Quote will/may not be provided	(a) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day; (b) if the Warrant is valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST), the DMM will not provide the bid price. In such an instance, the DMM will provide the offer price only; (c) when trading in the Underlying Shares or Warrants is suspended or limited in a material way (d) when the Issuer or DMM faces technical problems affecting the ability of the DMM to provide the bid and offer prices; (e) when the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions. The Issuer will inform the SGX-ST of its inability to do so as soon as practicable; (f) in cases where the Issuer has no Warrants to sell, the DMM will only provide the bid price. Warrants held by Issuer or any of Issuer's affiliates in a fiduciary or agency capacity are not Warrants available for market making; (g) when the stock market experiences exceptional price movements and volatility; and (h) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealing.

D. PRODUCT SUITABILITY**WHO IS THIS PRODUCT SUITABLE FOR?**

- This product is only suitable for investors who believe that the Underlying Shares will decrease and are seeking a short term leveraged exposure to the Underlying Shares. You should consider carefully whether the Warrants are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Warrants are not suitable for inexperienced investors.

Key Product Features**WHAT ARE YOU INVESTING IN?**

- You are investing in cash-settled Put Warrants that allow you to take advantage of any decrease in the price level of the underlying reference asset, which is DBS Group Holdings Ltd..

Further Information

Please refer to the "Information relating to Company" section in the Supplemental Listing Document

Calculation of Cash Settlement Amount

The Cash Settlement Amount, if positive, in respect of each Warrant will be paid in the Settlement Currency (subject as provided otherwise in the Conditions) calculated as follows:

(A) (i) the Exercise Price LESS (ii) the arithmetic mean of the closing prices of one Underlying Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date MULTIPLIED by

(B) the Conversion Ratio.

WHAT WOULD YOU GAIN OR LOSE IN DIFFERENT SITUATIONS?

- Best case scenario:
The value of the Underlying Shares decreases substantially resulting in a significant increase in the price of the Warrants. You would then sell the Warrants and realise a profit. The DMM is required to provide liquidity in the Warrants to ensure that there will generally be a market price available for the purchase and sale of the Warrants.
- Worst case scenario:
If you buy the Warrants and the value of the Underlying Shares increases sharply. If you have not sold the Warrants, you will lose your entire investment.

E. KEY RISKS**WHAT ARE THE KEY RISKS OF THIS INVESTMENT?**

- Investment in the Warrants involves substantial risks, including market risk, liquidity risk, currency risk and risk that the Issuer will be unable to satisfy its obligations under the Warrants. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Warrants.

PLEASE REFER TO THE LISTING DOCUMENTS FOR A COMPLETE LIST OF RISKS

- The Risk Factors below are a summary of the Risk Factors set out in the Listing Documents.

Further Information

Please refer to the "Risk Factors" section set out in the Listing Documents for a complete list of risks and details of the risks.

Market risks**Market price of the Warrants may be affected by many factors**

- The market price of the Warrants may be affected by different factors including but not limited to the level and volatility of the Underlying Shares and the exercise price of the Warrants.

You may lose your entire investment

- Changes in the price of the Underlying Shares can be unpredictable, sudden and large, resulting in the Underlying Shares moving in a direction which will negatively impact upon the return on investment. If the price of the Underlying Shares reaches a level such that the Cash Settlement Amount at expiry is less than or equal to zero, you will lose your entire investment.

You are exposed to the credit risk of the Issuer

- 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.
- The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and of no other person, and rank on a parity with the Issuer's other unsecured contractual obligations and unsecured and unsubordinated debt other than indebtedness preferred by mandatory provisions of law. If the Issuer is unable to meet its obligations under the Warrants, you may lose your entire investment.
- As the Issuer is not incorporated in Singapore, any insolvency proceedings in respect of Issuer will be subject to foreign insolvency laws and procedures.

Further Information

For further information on the rating of Bank Vontobel AG, please see the Listing Documents.

Liquidity risks

- The Issuer acting through its DMM may be the only market participant buying and selling the Warrants. Therefore, the secondary market for the Warrants may be limited and you may not be able to realise the value of the Warrants. Do note that the bid-ask spread increases with illiquidity.

Exchange Rate risks

- If the Underlying Share is 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).

Product Specific risks**Trading in the Warrants may be suspended**

- If trading in the Underlying Shares is suspended, trading in the Warrants will be suspended for a similar period.

Issuer may make adjustments to the terms and conditions of the Warrants

- You should note that an investment in the Warrants involves valuation risks in relation to the Underlying Shares. The value of the Underlying Shares may vary over time by reference to various factors, including corporate actions of the underlying company. Certain events relating to the Underlying Shares may require or permit the Issuer to make certain adjustments or amendments to the Conditions. However, the Issuer is not required to make an adjustment for every event that affects the Underlying Shares and if an event occurs which does not require the Issuer to adjust the Conditions, the market price of the Warrants and the return upon exercise of the Warrants may be affected.

F. FEES AND CHARGES**WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?**

- Normal transaction and brokerage fees apply, similar to fees that you would pay for other transactions on SGX-ST.

LEGAL NOTICE

Statutory notices

Bookings for the issue of the product are made or taken in Switzerland. None of the Issuer, the relevant branches or offices of the Issuer through which bookings for the issue of the product are made or taken, are regulated, authorised or supervised by the Monetary Authority of Singapore or any other regulatory authority in Singapore.

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 securities and/or financial products. 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. 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. 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 +65 6407 1100 from 08.00 – 17.00 local Singapore time 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, 8 October 2014
Bank Vontobel AG
Vontobel Investment Banking