

## Units on a "5 Asian Currencies" Basket (Quanto CHF)

### Capital Protection 99%

#### PRODUCT DESCRIPTION

Unit are characterized by capital protection upon expiry on the one hand, and, on the other hand, by participation in the performance of the underlying. At the end of the term, an amount corresponding to the positive difference between the final fixing of the underlying and the strike multiplied by the participation will be paid in addition to the capital protection. Otherwise, the capital protection is repaid (for details see "Redemption/delivery" or "Redemption formula").

**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.**

#### Product Information

Issuer	Vontobel Financial Products Ltd., DIFC Dubai
Guarantor	Vontobel Holding AG, Zurich (Standard & Poor's A; Moody's A2)
Lead Manager	Bank Vontobel AG, Zurich
Paying and Calculation Agent	Bank Vontobel AG, Zurich
SSPA product type	Capital Protection without Cap (1100), see also <a href="http://www.svsp-verband.ch">www.svsp-verband.ch</a>

Underlying	"5 Asian Currencies" Basket			
Basket composition (underlying)	Currency i	Bloomberg Symbol	Weighting at Initial Fixing	Exchange Rate upon Fixing (no. of Units of Currency I per Unit of the Base Currency USD)
	i=1 Chinese Yuan Renminbi	USDCNY	1/5	6.5886
	i=2 Hongkong Dollar	USDHKD	1/5	7.7861
	i=3 Indian Rupiah	USDINR	1/5	45.7
	i=4 Malaysian Ringgit	USDMYR	1/5	3.0627
	i=5 Singapore Dollar	USDSGD	1/5	1.2868
Number of underlyings	1			

Issue price	CHF 1000.00
Strike price Underlying	100%
Participation	100%
Capital protection	CHF 990.00 (99% of issue price)

Initial fixing	January 21, 2011
Payment date	January 28, 2011
Last trading day	January 21, 2016 (12:00 Uhr CET)
Final fixing	January 21, 2016
Repayment date	January 28, 2016

Swiss Security Number / ISIN / Telekurs Symbol	1132 8909 / CH0113289091 / VUACU
Reference currency	CHF; issue, trading and redemption will follow in the reference currency
Base currency	USD
Redemption/delivery	In addition to capital protection, the investor will be paid, on the redemption date, a maximum from zero and the average performance of all currencies in the basket above the strike price compared with the base currency multiplied by the participation and the strike price.
Currency-hedged	Yes (Quanto) The exchange rate is 1.00 CHF for 1.00 USD.

## Redemption calculation

Redemption =

$$K + E \times P \times \max \left( \frac{1}{n} \sum_{i=1}^n \frac{FX_i(0) \times X - FX_i(T)}{FX_i(0)}, 0 \right)$$

K = Capital protection  
 E = Issue price  
 P = Participation in %  
 X = Strike price

FX<sub>i</sub>(0) = Exchange rate of currency i in the basket upon initial fixing as observed on the relevant fixing page (number of units of currency i per unit of the base currency)

FX<sub>i</sub>(T) = Exchange rate of currency i in the basket upon final fixing as observed on the relevant fixing page (number of units of currency i per unit of the base currency)

n = Number of currencies in the Basket

## Fixing Pages

The fixing pages authoritative for the initial and final fixing of the exchange rates:

SAEC (the exchange rate USDCNY fixed at about 5:00 p.m. Beijing Time and published on the corresponding Reuters page);

HSBCFIX01 (the exchange rate USDHKD fixed at about 2:00 p.m. Hong Kong Time and published on the corresponding Reuters page);

RBIB (the exchange rate USDINR fixed at about 2:30 p.m. Mumbai Time and published on the corresponding Reuters page);

ABSIRFIX01 (the exchange rate USDMYR fixed at about 11:00 a.m. Singapore Time and published on the corresponding Reuters page at about 11:30 a.m. to 12:00 a.m. Singapore Time);

ABSIRFIX01 (the exchange rate USDSGD fixed at about 11:00 a.m. Singapore Time and published on the corresponding Reuters page at about 11:30 a.m. to 12:00 a.m. Singapore Time);

In the event that any Reuters Page does not exist on the initial fixing and final fixing, the Calculation Agent will determine the appropriate measure of the Fixing Rates.

## Further Information

Issue Size	30'000 Units, with the option to increase
Clearing / Settlement	SIX SIS AG
Listing	Will be applied for in the main segment at the SIX Swiss Exchange
Secondary market trading	Bank Vontobel AG accepts orders for secondary market transactions from your sales agent. Indicative daily prices of this product are available at <a href="http://www.derinet.ch">www.derinet.ch</a> .
Minimum investment	1 Unit
Minimum trading lot	1 Unit
Fiscal treatment in Switzerland	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). For foreign currency products, please note that the daily exchange rates applied may constitute a key factor. Neither withholding tax nor the stamp duty at issuance is imposed. Secondary market transactions are subject to the Swiss securities transfer tax (TK22). For Swiss paying agents this product is not subject to the EU tax on interest (TK2). The above taxation is a non-binding summary of the tax implications applicable to private investors resident in Switzerland. The specific situation of the investor has, however, not been considered for the summary; furthermore, tax legislation and tax-administration practices may change at any time. 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.
Net present value upon issue	CHF 922.22
Discounting factor (IRR) upon issue	1.42863%
Title	The structured products are issued in the form of non-certificated book-entry securities of the issuer. No certificates, no printing of bonds.
Early termination	Only possible for fiscal or other extraordinary reasons (as specified in detail in the issuance programme).
Applicable Law / Jurisdiction	Swiss law / Zürich 1, Switzerland
Prudential supervision	As a bank, Bank Vontobel AG is subject to the supervision of individual banks, while Vontobel Holding AG and Vontobel Financial Products Ltd. as group member companies are subject to complementary, consolidated group supervision by the Federal Financial Markets Regulator FINMA (FINMA). Vontobel Financial Products Ltd is registered in the register of the Dubai International Finance Centre as a non-regulated company.
Description of the underlying USD/CNY Exchange Rate	Name: Chinese Yuan Renminbi per 1 US Dollar Identification: Bloomberg USDCNY Curncy Performance: Available at <a href="http://www.reuters.com">www.reuters.com</a>
Description of the underlying USD/HKD Exchange Rate	Name: Hongkong Dollar per 1 US Dollar Identification: Bloomberg USDHKD Curncy Performance: Available at <a href="http://www.reuters.com">www.reuters.com</a>

Description of the underlying USD/INR Exchange Rate	Name: Indian Rupiah per 1 US Dollar Identification: Bloomberg USDINR Curncy Performance: Available at <a href="http://www.reuters.com">www.reuters.com</a>
Description of the underlying USD/MYR Exchange Rate	Name: Malaysian Ringgit per 1 US Dollar Identification: Bloomberg USDMYR Curncy Performance: Available at <a href="http://www.reuters.com">www.reuters.com</a>
Description of the underlying USD/SGD Exchange Rate	Name: Singapore Dollar per 1 US Dollar Identification: Bloomberg USDSGD Curncy Performance: Available at <a href="http://www.reuters.com">www.reuters.com</a>

## PROSPECTS OF PROFIT AND LOSSES

Any possible gain results from the participation-related participation in the positive performance of the underlying. As a fundamental rule, the gain share is not subject to an upper limit.

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.

Even if the performance of the underlying is positive, the price of the product during the term may 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.

## 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.

### 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/guarantor, which may change during the term of the structured product. The investor is exposed to the risk of default of the issuer/guarantor. For further information on the rating of Vontobel Holding AG or Bank Vontobel AG, please see the issuance programme.

### Publication of notifications

All notifications to investors concerning the products and adjustments to the product terms (e.g. due to corporate actions) are published at [www.derinet.ch](http://www.derinet.ch), and, in the case of products listed on the SIX Swiss Exchange in accordance with the valid provisions at [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com).

### Classification

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.

### Restrictions on sales

U.S.A., U.S. persons, UK, EEA, DIFC Dubai (UAE).

### Further risk information

Please also note the additional risk factors and selling restrictions set out in detail in the issuance programme.

## LEGAL NOTICE

### Product documentation

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 fixing date, the product terms of the "Termsheet (Indication)" are indicative and may be adjusted. The issuer is under no obligation to issue the product. The "Termsheet (Final Terms)" 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 issuance programme of March 08, 2010, 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 constitutes the 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, Dreikönigstrasse 37, 8002 Zurich (telephone: +41 (0)58 283 78 88, fax +41 (0)58 283 57 67). Termsheets may also be downloaded on the [www.derinet.ch](http://www.derinet.ch) website.

### 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. 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 (0)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 Programme, 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, January 21, 2011

Bank Vontobel AG, Zurich

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



Private Banking  
Investment Banking  
Asset Management

Performance creates trust

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