



Supplement dated 13 December 2016

pursuant to Section 16 Para. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

to the Base Prospectus dated 21 September 2016 for Leverage Products

Vontobel Financial Products GmbH
Frankfurt am Main, Germany
(the "Issuer")

Bank Vontobel Europe AG
Munich, Germany
(in its capacity as offeror, the "Offeror" and in its capacity as guarantor, the "German Guarantor" as the case may be)

Vontobel Holding AG
Zurich, Switzerland
(the "Swiss Guarantor", as the case may be; the Swiss Guarantor and the German Guarantor together the "Guarantors" and each a "Guarantor")

Right of withdrawal of the investors

According to section 16 para. 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) investors, who have already agreed to purchase or subscribe for the securities issued under the Prospectus this Supplement is relating to before this Supplement is published, have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances, provided that the new circumstance or the inaccuracies causing the Supplement occurred before the final closing of the public offering and before delivery of the securities.

A withdrawal, if any, of an order must be communicated in writing to the respective seller of the security. In case the Issuer is the counterparty of the acquisition, a withdrawal has to be sent to Vontobel Financial Products GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Federal Republic of Germany. In case the Offeror is the counterparty of the acquisition, the withdrawal has to be sent to Bank Vontobel Europe AG, Alter Hof 5, 80331 Munich, Federal Republic of Germany. In any other case, the withdrawal has to be sent to the respective counterparty of the acquisition to which the investor has given consent regarding the acquisition or subscription of the securities.

This Supplement as well as the Base Prospectus and the supplements dated 7 October 2016 and 27 October 2016 are published on the Issuer's website at <https://certificates.vontobel.com> under the heading <<Legal Documents>>. In addition, the Issuer will have copies of the supplements and the Base Prospectus available for free distribution.

I. REASONS FOR THE SUPPLEMENT

In the following, the Issuer announces changes in relation to information contained in the already published Base Prospectus dated 21 September 2016 (the "**Prospectus**") by mentioning the respective reason for supplementing:

- (1) The text included in Element C.15 of Section I. Summary includes a misleading wording. Therefore, the wording of the German Guarantee will be adjusted as described below. This inaccuracy occurred on 21 September 2016.

The text under the stage direction "*Early redemption on the occurrence of a Barrier Event*" on page 27 et seq. of the Prospectus includes a sentence which says that the Securities are exercised automatically and immediately expire worthless. Such sentence is misleading as this is not the case automatically. A possibility exist that the Cash Amount, especially in the case of a rapidly falling (for Long Mini Futures) or rising (for Short Mini Futures) price of the Underlying may be zero.

Due to the above mentioned reasons the Prospectus needs to be amended as laid out in the following section.

II. AMENDMENTS OF THE PROSPECTUS

- 1) *The last paragraph on page 27 of Section "I. Summary" of the Prospectus is amended as follows (deletions highlighted by strikethrough and insertion highlighted by underlining and bold font weight):*

Early redemption on the occurrence of a Barrier Event

A "**Barrier Event**" occurs if the Observation Price [touches or] [*Long*: falls below] [*Short*: rises above] the Stop-Loss Barrier during the Observation Period. The Stop-Loss Barrier is also subject to regular adjustment with the result that the occurrence of a Barrier Event always depends on the respective current Stop-Loss Barrier. A single occasion on which the Observation Price [touches or] [*Long*: falls below] [*Short*: rises above] the current Stop-Loss Barrier is sufficient to trigger a Barrier Event. While the Cash Amount is calculated using the same formula (shown above), the Valuation Price is replaced by the Stop-Loss Reference Price (see C.19) determined by the Calculation Agent in its reasonable discretion. The possibility cannot be excluded that the Cash Amount, especially in the case of a rapidly [*Long*: falling] [*Short*: rising] price of the Underlying, may be zero. ~~The Securities are exercised automatically and immediately expire worthless.~~ Upon the occurrence of a Barrier Event, the Term of the Securities ends early without any further action by the Security Holder. The occurrence of such a Barrier Event generally takes precedence over the exercise or termination of the Securities.

SIGNATURES

Frankfurt am Main, 13 December 2016

signed by Dr. Holger Martin
Vontobel Financial Products GmbH

signed by Markus Schenk
Vontobel Financial Products GmbH

Frankfurt am Main, 13 December 2016

signed by Heiko Geiger
Bank Vontobel Europe AG

signed by Stephan Mühlner
Bank Vontobel Europe AG

Zurich, 13 December 2016

signed by Bruno Kohli
Vontobel Holding AG

signed by Florian Bättig
Vontobel Holding AG