

WELLS FARGO & COMPANY/MN
Form 424B2
December 03, 2018

Filed Pursuant to Rule 424(b)(2)

File No. 333-221324

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee ⁽¹⁾
Medium-Term Notes, Series S, Market Index Target-Term Securities® Linked to an International Equity Index Basket	\$22,957,480.00	\$2,782.45

⁽¹⁾ The total filing fee of \$2,742.45 is calculated in accordance with Rule 457(r) of the Securities Act of 1933 (the "Securities Act") and will be paid by wire transfer within the time required by Rule 456(b) of the Securities Act.

Pricing Supplement No. 178

**Filed Pursuant to Rule
424(b)(2)**

**(To Product Supplement No. EQUITY INDICES MITTS-1 dated November 16, 2018, Registration Statement
Prospectus Supplement dated January 24, 2018 and Prospectus dated April 27, 2018) No. 333-221324**

2,257,488

Unit Date
\$10 Settlement
principal
and Maturity

per Date

unit

CUSIP

No.

94988U326

Market Index

Target-Term Securities®

Linked to an

International Equity

Index Basket

Maturity of
approximately three
years

108.55% participation in
increases in the Basket

The Basket is comprised
of the EURO STOXX

50® Index, the FTSE®

100 Index, the Nikkei

Stock Average Index, the

Swiss Market Index, the

S&P/ASX 200 Index,

and the Hang Seng®

Index. The EURO

STOXX 50® Index was

given an initial weight of

40.00%, each of the

FTSE® 100 Index and

the Nikkei Stock

Average Index was given

an initial weight of

20.00%, each of the

Swiss Market Index and

the S&P/ASX 200 Index

was given an initial

weight of 7.50% and the

Hang Seng® Index was

given an initial weight of

5.00%

If the Basket is flat or decreases, payment at maturity will be the principal amount

All payments occur at maturity and are subject to the credit risk of Wells Fargo & Company; if Wells Fargo & Company defaults on its obligations, you could lose some or all of your investment

No periodic interest payments or dividends

In addition to the underwriting discount set forth below, the notes include a hedging-related charge of \$0.075 per unit. See “Structuring the Notes”

Limited secondary market liquidity, with no exchange listing; intended to be held to maturity

The notes are unsecured obligations of Wells Fargo & Company. The notes are not deposits or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency of the United States or any other jurisdiction

The notes are being issued by Wells Fargo & Company (“Wells Fargo”). The notes have complex features and investing in the notes involves risks not associated with an investment in conventional debt securities. See “Risk Factors” beginning on page TS-7 of this term sheet and beginning on page PS-6 of product supplement EQUITY INDICES MITTS-1.

The initial estimated value of the notes as of the pricing date is \$9.62 per unit, which is less than the public offering price listed below. The initial estimated value of the notes was determined for us as of the date of this

term sheet by Wells Fargo Securities, LLC using its proprietary pricing models. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy. See “Summary” on the following page, “Risk Factors” beginning on page TS-7 of this term sheet and “Structuring the Notes” on page TS-32 of this term sheet for additional information.

None of the Securities and Exchange Commission (the “SEC”), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Unit</u>	<u>Total</u>
Public offering price	\$ 10.000	\$ 22,957,480.00
Underwriting discount	\$ 0.225	\$ 516,543.30
Proceeds, before expenses, to Wells Fargo	\$ 9.775	\$ 22,440,936.70

The notes:

Are Not FDIC Insured Are Not Bank Guaranteed May Lose Value

Merrill Lynch & Co.

November 29, 2018

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due November 19, 2021

Summary

The Market Index Target-Term Securities® Linked to an International Equity Index Basket, due November 19, 2021 (the “notes”) are our senior unsecured debt securities. The notes are not deposits or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency of the United States or any other jurisdiction. **The notes will rank equally with all of our other unsecured and unsubordinated debt. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of Wells Fargo.** The notes provide you with 108.55% participation in increases in the Market Measure, which is the international equity index basket described below (the “Basket”). If the Basket decreases, you will receive only the principal amount of your notes. Any payments on the notes will be calculated based on the \$10 principal amount per unit and will depend on the performance of the Basket, subject to our credit risk. See “Terms of the Notes” and “The Basket” below.

The Basket is comprised of the EURO STOXX 50® Index, the FTSE® 100 Index, the Nikkei Stock Average Index, the Swiss Market Index, the S&P/ASX 200 Index and the Hang Seng® Index (each, a “Basket Component”). On the pricing date, the EURO STOXX 50® Index was given an initial weight of 40.00%, each of the FTSE® 100 Index and the Nikkei Stock Average Index was given an initial weight of 20.00%, each of the Swiss Market Index and the S&P/ASX 200 Index was given an initial weight of 7.50% and the Hang Seng® Index was given an initial weight of 5.00%.

The public offering price of each note of \$10 includes certain costs that are borne by you. Because of these costs, the estimated value of the notes on the pricing date is less than the public offering price. The costs included in the public offering price relate to selling, structuring, hedging and issuing the notes, as well as to our funding considerations for debt of this type.

The costs related to selling, structuring, hedging and issuing the notes include (a) the underwriting discount, (b) the projected profit that our hedge counterparty (which may be MLPF&S or one of its affiliates) expects to realize for assuming risks inherent in hedging our obligations under the notes and (c) hedging and other costs relating to the offering of the notes.

Our funding considerations take into account the higher issuance, operational and ongoing management costs of market-linked debt such as the notes as compared to our conventional debt of the same maturity, as well as our liquidity needs and preferences. Our funding considerations are reflected in the fact that we determine the economic terms of the notes based on an assumed funding rate that is generally lower than the interest rates implied by secondary market prices for our debt obligations and/or by other traded instruments referencing our debt obligations, which we refer to as our “secondary market rates.” As discussed below, our secondary market rates are used in determining the estimated value of the notes.

If the costs relating to selling, structuring, hedging and issuing the notes were lower, or if the assumed funding rate we use to determine the economic terms of the notes were higher, the economic terms of the notes would be more favorable to you and the estimated value would be higher. The initial estimated value of the notes as of the pricing date is set forth on the cover page of this term sheet.

Our affiliate, Wells Fargo Securities, LLC (“WFS”), calculated the initial estimated value of the notes set forth on the cover page of this term sheet, based on its proprietary pricing models. Based on WFS’s proprietary pricing models and related market inputs and assumptions, WFS determined an estimated value for the notes by estimating the value of

the combination of hypothetical financial instruments that would replicate the payout on the notes, which combination consists of a non-interest bearing, fixed-income bond (the “debt component”) and one or more derivative instruments underlying the economic terms of the notes (the “derivative component”). For more information about the initial estimated value and the structuring of the notes, see “Risk Factors” beginning on page TS-7 of this term sheet and “Structuring the Notes” on page TS-32 of this term sheet.

Market Index Target-Term Securities TS-2

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due November 19, 2021

Terms of the Notes	Redemption Amount Determination
Issuer: Wells Fargo & Company (“Wells Fargo”)	
Principal Amount: \$10.00 per unit	
Term: Approximately three years	
Market Measure: An international equity index basket comprised of the EURO STOXX 50® Index (Bloomberg symbol: “SX5E”), the FTSE100 Index (Bloomberg symbol: “UKX”), the Nikkei Stock Average Index (Bloomberg symbol: “NKY”), the Swiss Market Index (Bloomberg symbol: “SMI”), the S&P/ASX 200 Index (Bloomberg symbol: “AS51”) and the Hang Seng Index (Bloomberg symbol: “HSI”). Each Basket Component is a price return index.	On the maturity date, you will receive a cash payment per unit determined as follows:
Starting Value: 100.00	
Ending Value: The average of the values of the Market Measure on each calculation day occurring during the Maturity Valuation Period, calculated as specified in “The Basket” on page TS-10 and “Description of MITTS—Basket Market Measures” beginning on page PS-21 of product supplement EQUITY INDICES MITTS-1. The scheduled calculation days are subject to postponement in the event of Market Disruption Events, as described on page PS-22 of product supplement EQUITY INDICES MITTS-1.	You will receive the Minimum Redemption Amount per unit of \$10.00
Minimum Redemption Amount: \$10.00 per unit. If you sell your notes before the maturity date, you may receive less than the Minimum Redemption Amount per unit.	<i>(The Redemption Amount will not be less than the Minimum Redemption Amount per unit.)</i>
Participation Rate: 108.55%	
Maturity Valuation Period: November 10, 2021, November 11, 2021, November 12, 2021, November 15, 2021 and November 16, 2021	
Fees and Charges: The underwriting discount of \$0.225 per unit listed on the cover page and the hedging-related charge of \$0.075 per unit. See “Structuring the Notes” on page TS-32.	
Joint Calculation Agents: WFS and Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”), acting jointly.	

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Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due November 19, 2021

The terms and risks of the notes are contained in this term sheet and in the following:

Product supplement EQUITY INDICES MITTS-1 dated November 16, 2018:

https://www.sec.gov/Archives/edgar/data/72971/000138713118006309/wfc-424b2_111618.htm

Prospectus supplement dated January 24, 2018:

<https://www.sec.gov/Archives/edgar/data/72971/000119312518018256/d466041d424b2.htm>

Prospectus dated April 27, 2018:

<https://www.sec.gov/Archives/edgar/data/72971/000119312518136909/d557983d424b2.htm>

When you read the accompanying prospectus supplement, note that all references to the prospectus dated November 3, 2017, or to any sections therein, should refer instead to the accompanying prospectus dated April 27, 2018 or to the corresponding sections of such prospectus, as applicable.

These documents (together, the “Note Prospectus”) have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322. Before you invest, you should read the Note Prospectus, together with this term sheet, for information about us and this offering. Any prior or contemporaneous oral statements and any other written materials you may have received are superseded by the Note Prospectus. Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement EQUITY INDICES MITTS-1. Unless otherwise indicated or unless the context requires otherwise, all references in this document to “we,” “us,” “our,” or similar references are to Wells Fargo.

Investor Considerations

You may wish to consider an investment in the notes if:

You anticipate that the value of the Basket will increase from the Starting Value to the Ending Value.

You accept that the return on the notes will be zero if the value of the Basket does not increase from the Starting Value to the Ending Value.

You are willing to forgo the interest payments that are paid on conventional interest bearing debt securities.

You are willing to forgo dividends or other benefits of owning the stocks included in the Basket Components.

The notes may not be an appropriate investment for you if:

You believe that the value of the Basket will decrease from the Starting Value to the Ending Value or that it will not increase sufficiently over the term of the notes to provide you with your desired return.

You seek a guaranteed return beyond the Minimum Redemption Amount.

You seek interest payments or other current income on your investment.

You are willing to accept a limited market or no market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness, our assumed funding rate and fees and charges on the notes.

You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the Redemption Amount.

We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

You want to receive dividends or other distributions paid on the stocks included in the Basket Components.

You seek an investment for which there will be a liquid secondary market or you are unwilling to hold the notes to maturity.

You are unwilling to accept the credit risk of Wells Fargo or unwilling to obtain exposure to the Basket through an investment in the notes.

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Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due November 19, 2021

Hypothetical Payout Profile

**Market Index
Target-Term
Securities**

This graph reflects the returns on the notes, based on the Participation Rate of 108.55% and the Minimum Redemption Amount of \$10.00. The blue line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Basket Components, excluding dividends.

This graph has been prepared for purposes of illustration only.

See below table for a further illustration of the range of hypothetical payments at maturity.

Hypothetical Payments at Maturity

The following table and examples are for purposes of illustration only. They are based on **hypothetical** values and show **hypothetical** returns on the notes. They illustrate the calculation of the Redemption Amount and total rate of return based on the Starting Value of 100, the Participation Rate of 108.55%, the Minimum Redemption Amount of \$10.00 per unit and a hypothetical public offering price of \$10.00 per unit. The table and examples illustrate the effect of a range of hypothetical Ending Values. **The actual amount you receive and the resulting total rate of return will depend on the actual Ending Value, the actual price you pay for the notes and whether you hold the notes to maturity.** The following examples do not take into account any tax consequences from investing in the notes.

For recent hypothetical values of the Basket, see “The Basket” section below. For recent actual levels of the Basket Components, see “The Basket Components” section below. Each Basket Component is a price return index and as such the Ending Value will not include any income generated by dividends paid on the stocks included in any of the Basket Components, which you would otherwise be entitled to receive if you invested in those stocks directly. In addition, all payments on the notes are subject to issuer credit risk.

Ending Value	Starting Value to the Ending Value	Percentage Change from the	Redemption Amount per Unit	Total Rate of Return on the Notes
0.00	-100.00	%	\$10.0000 ⁽¹⁾	0.000%
25.00	-75.00	%	\$10.0000	0.000%
50.00	-50.00	%	\$10.0000	0.000%
75.00	-25.00	%	\$10.0000	0.000%
90.00	-10.00	%	\$10.0000	0.000%
100.00 ⁽²⁾	0.00	%	\$10.0000	0.000%
110.00	10.00	%	\$11.0855	10.855%
120.00	20.00	%	\$12.1710	21.710%
130.00	30.00	%	\$13.2565	32.565%

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140.00	40.00	% \$14.3420	43.420%
150.00	50.00	% \$15.4275	54.275%
160.00	60.00	% \$16.5130	65.130%
170.00	70.00	% \$17.5985	75.985%
180.00	80.00	% \$18.6840	86.840%
190.00	90.00	% \$19.7695	97.695%

- (1) The Redemption Amount per unit will not be less than the Minimum Redemption Amount.
(2) The Starting Value was set to 100.00 on the pricing date.

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Linked to an International Equity Index Basket, due November 19, 2021

Redemption Amount Calculation Examples

Example 1

The Ending Value is 90.00, or 90.00% of the Starting Value:

Starting Value: 100.00

Ending Value: 90.00

= \$9.00, however, because the Redemption Amount for the notes cannot be less than the Minimum Redemption Amount, the Redemption Amount will be \$10.00 per unit

Example 2

The Ending Value is 120.00, or

120.00% of the Starting Value:

Starting Value: 100.00

Ending Value: 120.00

Redemption Amount per unit

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Risk Factors

There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the “Risk Factors” sections beginning on page PS-6 of product supplement EQUITY INDICES MITTS-1 identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

Depending on the performance of the Basket as measured shortly before the maturity date, you may not receive a positive return on your investment. As a result, even if the value of the Basket has increased at certain times during the term of the notes, if the Ending Value is less than the Starting Value, you will not receive any positive return on your notes.

Your return on the notes may be less than the yield you could earn by owning a conventional fixed or floating rate debt security of comparable maturity. There will be no periodic interest payments on notes as there would be on a conventional fixed-rate or floating-rate debt security having the same maturity.

Any positive return on your investment may be less than a comparable investment directly in the stocks included in the Basket Components.

The notes are subject to the credit risk of Wells Fargo. The notes are our obligations and are not, either directly or indirectly, an obligation of any third party. Any amounts payable under the notes are subject to our creditworthiness, and you will have no ability to pursue any securities included in the Basket Components for payment. As a result, our actual and perceived creditworthiness may affect the value of the notes and, in the event we were to default on our obligations, you may not receive any amounts owed to you under the terms of the notes.

Holders of the notes have limited rights of acceleration and such rights may be exercised only in the case of payment defaults that continue for a period of 30 days or certain events of bankruptcy or insolvency, whether involuntary or voluntary.

Holders of the notes could be at greater risk for being structurally subordinated if we convey, transfer or lease all or substantially all of our assets to one or more of our subsidiaries.

The estimated value of the notes is determined by our affiliate’s pricing models, which may differ from those of MLPF&S or other dealers. The estimated value of the notes was determined for us by WFS using its proprietary pricing models and related market inputs and assumptions. Based on these pricing models and related market inputs and assumptions, WFS determined an estimated value for the notes by estimating the value of the combination of hypothetical financial instruments that would replicate the payout on the notes, which combination consists of a non-interest bearing, fixed-income bond (the “debt component”) and one or more derivative instruments underlying the economic terms of the notes (the “derivative component”).

The estimated value of the debt component is based on a reference interest rate, determined by WFS as of a date near the time of calculation that generally tracks our secondary market rates. Because WFS does not continuously calculate our reference interest rate, the reference interest rate used in the calculation of the estimated value of the debt component may be higher or lower than our secondary market rates at the time of that calculation. Because the reference interest rate is generally higher than the assumed funding rate that is used to determine the economic terms of the notes, using the reference interest rate to value the debt component generally results in a lower estimated value for the debt component, which we believe more closely approximates a market valuation of the debt component than if we had used the assumed funding rate. WFS calculated the estimated value of the derivative component based on a proprietary derivative-pricing model, which generated a theoretical price for the derivative instruments that constitute the derivative component based on various inputs, including, but not limited to, the performance of the Basket; interest rates; volatility of the Basket Components; correlation among the Basket Components; volatility of currency exchange rates; correlation between currency exchange rates and the Basket Components; time remaining to maturity;

and dividend yields on the securities included in the Basket Components. These inputs may be market-observable or may be based on assumptions made by WFS in its discretion.

The estimated value of the notes is not an independent third-party valuation and certain inputs to these models may be determined by WFS in its discretion. WFS's views on these inputs may differ from those of MLPF&S and other dealers, and WFS's estimated value of the notes may be higher, and perhaps materially higher, than the estimated value of the notes that would be determined by MLPF&S or other dealers in the market. WFS's models and its inputs and related assumptions may prove to be wrong and therefore not an accurate reflection of the value of the notes.

The estimated value of the notes on the pricing date, based on WFS's proprietary pricing models, is less than the public offering price. The public offering price of the notes includes certain costs that are borne by you. Because of these costs, the estimated value of the notes on the pricing date is less than the public offering price. The costs included in the public offering price relate to selling, structuring, hedging and issuing the notes, as well as to our funding considerations for debt of this type. The costs related to selling, structuring, hedging and issuing the notes include the underwriting discount, the projected profit that our hedge counterparty (which may be MLPF&S or one of its affiliates) expects to realize for assuming risks inherent in hedging our obligations under the notes and hedging and other costs relating to the offering of the notes. Our funding considerations are reflected in the fact that we determine the economic terms of the notes based on an assumed funding rate that is generally lower than our secondary market rates. If the costs relating to selling, structuring, hedging and issuing the notes were lower, or if the assumed funding rate we use to determine the economic terms of the notes were higher, the economic terms of the notes would be more favorable to you and the estimated value would be higher.

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Linked to an International Equity Index Basket, due November 19, 2021

The public offering price you pay for the notes exceeds the initial estimated value. If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for them and lower than the initial estimated value. This is due to, among other things, the assumed funding rate used to determine the economic terms of the notes, and the inclusion in the public offering price of the underwriting discount and the estimated cost of hedging our obligations under the notes (which includes a hedging related charge), as further described in “Structuring the Notes” on page TS-32. These factors, together with customary bid ask spreads, other transaction costs and various credit, market and economic factors over the term of the notes, including changes in the value of the Basket, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways.

The initial estimated value does not represent the price at which we, MLPF&S or any of our respective affiliates would be willing to purchase your notes in any secondary market (if any exists) at any time. The value of your notes at any time after issuance will vary based on many factors that cannot be predicted with accuracy, including the performance of the Basket, our creditworthiness and changes in market conditions. MLPF&S has advised us that any repurchases by them or their affiliates are expected to be made at prices determined by reference to their pricing models and at their discretion, and these prices will include MLPF&S’s trading commissions and mark-ups. If you sell your notes to a dealer other than MLPF&S in a secondary market transaction, the dealer may impose its own discount or commission.

The notes will be not listed on any securities exchange or quotation system and a trading market is not expected to develop for the notes. None of us, MLPF&S or any of our respective affiliates is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in the secondary market. If a secondary market does exist, it may be limited, which may affect the price you receive upon any sale. Consequently, you should be willing to hold the notes until the maturity date.

If you attempt to sell the notes prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex ways, and their market value may be less than the principal amount. The following factors are expected to affect the value of the notes: value of the Basket at such time; volatility of the Basket Components; economic and other conditions generally; interest rates; dividend yields; exchange rate movements and volatility; our creditworthiness; and time to maturity.

Our trading, hedging and other business activities, and those of the agents or one or more of our respective affiliates, may affect your return on the notes and their market value and create conflicts of interest with you. Our business, hedging and trading activities, and those of MLPF&S and our respective affiliates (including trading in shares of companies included in the Basket Components), and any hedging and trading activities we, MLPF&S or our respective affiliates engage in for our clients’ accounts, may adversely affect the value of the Basket and, therefore, adversely affect the market value of and return on the notes and may create conflicts of interest with you. We, the agents, and our respective affiliates may also publish research reports on any Basket Components or one of the companies included in a Basket Component, which may be inconsistent with an investment in the notes and may adversely affect the value of the Basket. For more information about the hedging arrangements related to the notes, see “Structuring the Notes” on page TS-32.

Changes in the level of one of the Basket Components may be offset by changes in the levels of the other Basket Components. Due to the different Initial Component Weights, changes in the levels of some Basket Components will have a more substantial impact on the value of the Basket than similar changes in the levels of the other Basket Components.

You must rely on your own evaluation of the merits of an investment linked to the Basket.

The index sponsors may adjust their respective Basket Components in a way that affects their levels, and have no obligation to consider your interests.

You will have no rights of a holder of the securities included in the Basket Components, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.

While we, MLPF&S or our respective affiliates may from time to time own securities of companies included in the Basket Components, we, MLPF&S and our respective affiliates do not control any company included in the Basket Components, and have not verified any disclosure made by any company.

Your return on the notes may be affected by factors affecting the international securities markets, specifically changes in the countries represented by the Basket Components. In addition, you will not obtain the benefit of any increase in the value of the currencies in which the securities included in the Basket Components trade against the U.S. dollar which you would have received if you had owned the securities included in the Basket Components during the term of your notes, although the value of the Basket may be adversely affected by general exchange rate movements in the market.

There may be potential conflicts of interest involving the calculation agents, one of which is our affiliate and one of which is MLPF&S. As joint calculation agents, we will determine the level of any Basket Component and make any other determination necessary to calculate any payments on the notes. In making these determinations, we may be required to make discretionary judgments that may adversely affect any payments on the notes. See the sections entitled “Description of MITTS—Market Disruption Events,” “—Adjustments to an Index,” and “—Discontinuance of Index” in the accompanying product supplement.

You Will Be Required To Recognize Taxable Income On The Notes Prior To Maturity. If you are a U.S. holder of a note, you will be required to recognize taxable interest income in each year that you hold the note, even though you will not receive any payment in respect of the note prior to maturity (or earlier sale, exchange or retirement). In addition, any gain you

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Linked to an International Equity Index Basket, due November 19, 2021

recognize will be treated as ordinary interest income rather than capital gain. You should review the section of this pricing supplement and the accompanying product supplement entitled “United States Federal Tax Considerations.” Other Terms of the Notes

Market Measure Business Day

The following definition shall supersede and replace the definition of a “Market Measure Business Day” set forth in product supplement EQUITY INDICES MITTS-1.

A “Market Measure Business Day” means a day on which:

- each of the Eurex (as to the EURO STOXX 50® Index), the London Stock Exchange (as to the FTSE® 100 Index), the Tokyo Stock Exchange (as to the Nikkei Stock Average Index), the SIX Swiss Exchange (as to the Swiss Market Index), the Australian Stock Exchange (as to the S&P/ASX 200 Index), and the Stock Exchange of Hong Kong (as to the Hang Seng® Index) (or any successor to the foregoing exchanges) are open for trading; and
- (B) the Basket Components or any successors thereto are calculated and published.

Market Index Target-Term Securities TS-9

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due November 19, 2021

The Basket

The Basket is designed to allow investors to participate in the percentage changes in the levels of the Basket Components from the Starting Value to the Ending Value of the Basket. The Basket Components are described in the section “The Basket Components” below. Each Basket Component was assigned an initial weight on the pricing date, as set forth in the table below.

For more information on the calculation of the value of the Basket, please see the section entitled “Description of MITTS—Basket Market Measures” beginning on page PS-21 of product supplement EQUITY INDICES MITTS-1.

On the pricing date, for each Basket Component, the Initial Component Weight, the closing level, the Component Ratio and the initial contribution to the Basket value were as follows:

Basket Component	Bloomberg Symbol	Initial Component Weight	Closing Level ⁽¹⁾	Component Ratio ⁽²⁾	Initial Basket Value Contribution
EURO STOXX 50® Index	SX5E	40.00%	3,174.16	0.01260176	40.00
FTSE® 100 Index	UKX	20.00%	7,038.95	0.00284133	20.00
Nikkei Stock Average Index	NKY	20.00%	22,262.60	0.00089837	20.00
Swiss Market Index	SMI	7.50%	9,015.59	0.00083189	7.50
S&P/ASX 200 Index	AS51	7.50%	5,758.416	0.00130244	7.50
Hang Seng® Index	HSI	5.00%	26,451.03	0.00018903	5.00
				Starting Value	100.00

(1) These were the closing levels of the Basket Components on the pricing date.

Each Component Ratio equals the Initial Component Weight of the relevant Basket Component (as a percentage) (2) multiplied by 100, and then divided by the closing level of that Basket Component on the pricing date and rounded to eight decimal places.

The calculation agents will calculate the value of the Basket by summing the products of the closing level for each Basket Component on each calculation day during the Maturity Valuation Period and the Component Ratio applicable to such Basket Component. If a Market Disruption Event occurs as to any Basket Component on any scheduled calculation day, the closing level of that Basket Component will be determined as more fully described in the section entitled “Description of MITTS—Basket Market Measures—Ending Value of the Basket” beginning on page PS-22 of product supplement EQUITY INDICES MITTS-1.

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While actual historical information on the Basket did not exist before the pricing date, the following graph sets forth the hypothetical historical performance of the Basket from January 1, 2008 through November 29, 2018. The graph is based upon actual daily historical levels of the Basket Components, hypothetical Component Ratios based on the closing levels of the Basket Components as of December 31, 2007, and a Basket value of 100.00 as of that date. This hypothetical historical data on the Basket is not necessarily indicative of the future performance of the Basket or what the value of the notes may be. Any hypothetical historical upward or downward trend in the value of the Basket during any period set forth below is not an indication that the value of the Basket is more or less likely to increase or decrease at any time over the term of the notes.

Hypothetical Historical Performance of the Basket

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The Basket Components

All disclosures contained in this term sheet regarding the Basket Components, including, without limitation, their make-up, method of calculation, and changes in their components, have been derived from publicly available sources. That information reflects the policies of, and is subject to change by, the applicable index sponsor. The consequences of an index sponsor discontinuing publication of a Basket Component are discussed in the section entitled “Description of MITTS—Discontinuance of an Index” on page PS-20 of product supplement EQUITY INDICES MITTS-1. None of us, the calculation agents, or MLPF&S has independently verified the accuracy or completeness of any information with respect to any Basket Component in connection with the notes, nor accepts any responsibility for the calculation, maintenance or publication of any Basket Component or any successor index.

In addition, information about the Basket Components may be obtained from other sources including, but not limited to, the applicable index sponsor’s website (including information regarding top ten constituents and their respective weightings, sector weightings and country weights). We are not incorporating by reference into this term sheet any index sponsor’s website or any material it includes. Neither we nor the agent makes any representation that such publicly available information regarding any Basket Component is accurate or complete.

The EURO STOXX 50® Index

The EURO STOXX 50® Index (the “SX5E Index”) is calculated, maintained and published by STOXX Limited (“STOXX”), the index sponsor, a wholly owned subsidiary of Deutsche Börse AG. Publication of the SX5E Index began on February 26, 1998, based on an initial index value of 1,000 on December 31, 1991. The SX5E Index is published in *The Wall Street Journal* and disseminated on STOXX’s website.

The SX5E Index does not reflect the payment of dividends on the stocks underlying it and therefore the payment on the notes will not produce the same return you would receive if you were able to purchase such underlying stocks and hold them until maturity.

Index Composition

The SX5E Index is composed of 50 component stocks of market sector leaders in terms of free-float market capitalization from within the EURO STOXX Supersector indexes, which includes stocks selected from 11 Eurozone countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. At any given time, some eligible countries may not be represented in the SX5E Index. The component stocks have a high degree of liquidity and represent the largest companies across all supersectors as defined by the Industry Classification Benchmark.

Component Selection. The composition of the SX5E Index is reviewed by STOXX annually in September. Within each of the 19 EURO STOXX Supersector indexes, the respective index component stocks are ranked by free-float market capitalization. The largest stocks are added to the selection list until the coverage is close to, but still less than, 60% of the free-float market capitalization of the corresponding EURO STOXX Total Market Index Supersector Index. If the next highest-ranked stock brings the coverage closer to 60% in absolute terms, then it is also added to the selection list. All remaining stocks that are current SX5E Index components are then added to the selection list. The stocks on the selection list are then ranked by free-float market capitalization. The 40 largest stocks on the selection list are chosen as index components. The remaining 10 stocks are then selected from the largest current stocks ranked between 41 and 60. If the number of index components is still below 50, then the largest remaining stocks on the

selection list are added until the SX5E Index contains 50 stocks.

Ongoing Maintenance of Component Stocks

The component stocks of the SX5E Index are monitored on an ongoing monthly basis for deletion and quarterly basis for addition. Changes to the composition of the SX5E Index due to corporate actions (including mergers and takeovers, spin-offs, sector changes and bankruptcy) are announced immediately, implemented two trading days later and become effective on the next trading day after implementation.

The component stocks of the SX5E Index are subject to a “fast exit” rule. A component stock is deleted if it ranks 75 or below on the monthly selection list and it ranked 75 or below on the selection list of the previous month. The highest-ranked non-component stock will replace the exiting component stock. The SX5E Index is also subject to a “fast entry” rule. All stocks on the latest selection lists and initial public offering (IPO) stocks are reviewed for a fast-track addition on a quarterly basis. A stock is added if it qualifies for the latest blue-chip selection list generated at the end of February, May, August or November and if it ranks within the lower buffer (between 1 and 25) on the selection list. If added, the stock replaces the smallest component stock.

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A deleted stock is replaced immediately to maintain the fixed number of stocks. The replacement is based on the latest monthly selection list. In the case of a merger or takeover where a component stock is involved, the original component stock is replaced by the new component stock. In the case of a spin-off, if the original stock was a component stock, then each spin-off stock qualifies for addition if it lies within the higher buffer on the latest selection list. The largest qualifying spin-off stock replaces the original component stock, while the next qualifying spin-off stock replaces the lowest ranked component stock and likewise for other qualifying spin-off stocks.

The free float factors and outstanding number of shares for each component stock that STOXX uses to calculate the SX5E Index, as described below, are reviewed, calculated and implemented on a quarterly basis and are fixed until the next quarterly review. Certain extraordinary adjustments to the free float factors and/or the number of outstanding shares are implemented and made effective more quickly. The timing depends on the magnitude of the change. Each component's weight is capped at 10% of the SX5E Index's total free float market capitalization. The free float factor reduces the component stock's number of shares to the actual amount available on the market. All holdings that are larger than five percent of the total outstanding number of shares and held on a long-term basis are excluded from the index calculation (including, but not limited to, stock owned by the company itself, stock owned by governments, stock owned by certain individuals or families, and restricted shares).

Calculation of the SX5E Index

The SX5E Index is calculated with the "Laspeyres formula," which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the SX5E Index value can be expressed as follows:

$$\text{Index} = \frac{\text{Free-float market capitalization of the SX5E Index}}{\text{Divisor}}$$