

# ZKB Capital Protection Certificate with Participation on SMI® Index with 100.00% Capital Protection

26.09.2019 - 26.09.2024 | Swiss Security Code 47 322 606

## Summary

This Summary is to be understood as an introduction to the present Final Terms. Any investment decision in relation to the products must be based on the information contained in the Base Prospectus and in these Final Terms in their entirety and not on the Summary. In particular, each investor should consider the risk factors contained in these Final Terms and in the Base Prospectus.

The Issuer can only be held liable for the content of this Summary if the Summary is misleading, incorrect or contradictory when read together with the other parts of the Final Terms and the Base Prospectus.

<b>Information on the securities</b>
<b>Type of product:</b> ZKB Capital Protection Certificate with Participation <b>SSPA Category:</b> Capital Protection Certificate with Participation (1100, acc. to the Swiss Derivative Map) <b>ISIN:</b> CH0473226063 <b>Symbol:</b> Z19CHZ <b>Issuer:</b> Zürcher Kantonalbank Finance (Guernsey) Limited <b>Underlying:</b> SMI®Index <b>Initial Fixing Date:</b> 19 September 2019 <b>Settlement Date:</b> 26 September 2019 <b>Final Fixing Date:</b> 19 September 2024 <b>Redemption Date:</b> 26 September 2024 <b>Type of settlement:</b> cash <b>Capital Protection:</b> 100%
<b>Information concerning the offer and admission to trading</b>
<b>Place of the offer:</b> Switzerland <b>Notional Amount/Denomination/Trading Units:</b> Up to USD 3'000'000, with the right to increase / denomination of USD 1'000 per Structured Product / USD 1'000 or multiples thereof <b>Issue price:</b> 100.00% of Denomination (USD 1'000) <b>Selling restrictions:</b> EEA, U.S.A./U.S. persons, United Kingdom, Guernsey <b>Information on listing:</b> Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 26 September 2019

## New Issue

### 1. Product Description

#### Product Category/Name

Capital Protected Products/Capital Protection Certificate with Participation (1100, according to the Swiss Derivative Map provided by the Swiss Structured Products Association)

#### CISA Notification

**This is a Structured Product. It does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and it is not subject to authorisation or supervision by FINMA. The issuer risk is borne by investors.**

#### Issuer

Zürcher Kantonalbank Finance (Guernsey) Limited, Saint Peter Port, Guernsey  
 Zürcher Kantonalbank Finance (Guernsey) Limited is a wholly owned and fully consolidated subsidiary of Zürcher Kantonalbank. It is not subject to any direct prudential supervision neither in Guernsey nor in Switzerland and does not have a rating.

<b>Keep-Well Agreement</b>	Zürcher Kantonalbank Finance (Guernsey) Limited is a fully owned subsidiary of Zürcher Kantonalbank. Zürcher Kantonalbank obtains the following ratings: Standard & Poor's: AAA, Moody's: Aaa, Fitch: AAA. Zürcher Kantonalbank is committed to Zürcher Kantonalbank Finance (Guernsey) Limited with sufficient financial means, allowing to satisfy any claims of its creditors in due time. The full text of the Keep-Well Agreement can be found under Annex 3 of the Issuance Programme.		
<b>Lead Manager, Paying Agent, Exercise Agent and Calculation Agent</b>	Zürcher Kantonalbank, Zurich		
<b>Symbol/ Swiss Security Code/ISIN</b>	<b>Z19CHZ/ 47 322 606/CH0473226063</b>		
<b>Notional Amount/Denomination/ Trading Units</b>	Up to USD 3'000'000, with the right to increase / denomination of USD 1'000 per Structured Product / USD 1'000 or multiples thereof		
<b>Issue Price</b>	100.00% of Denomination (92.46% bond part, IRR 1.58% p.a.)		
<b>Currency</b>	Quanto USD		
<b>Underlying</b>	<b>SMI® Index</b> /CH0009980894/Bloomberg: SMI Index		
<b>Minimum Redemption at Maturity</b>	100.00% of Denomination at Maturity		
<b>Participation Rate</b>	75.00% at maturity		
<b>Exercise Price</b>	10'064.46 / 100.00% of Initial Fixing Level		
<b>Initial Fixing Date</b>	19 September 2019		
<b>Settlement Date</b>	26 September 2019		
<b>Last Trading Date</b>	19 September 2024		
<b>Final Fixing Date</b>	19 September 2024		
<b>Redemption Date</b>	26 September 2024		
<b>Initial Fixing Level</b>	10'064.46, Closing price of Underlying, on Initial Fixing Date		
<b>Final Fixing Level</b>	Closing Price of Underlying, on 19 September 2024		
<b>Redemption Method</b>	$N * \left[ KS + P * \max \left( \frac{S_{FF} - K}{S_{IF}}, 0 \right) \right]$ <p>where  N = Denomination  KS = Capital Protection = 100.00%  P = Participation Rate = 75.00%  S<sub>FF</sub> = Final Fixing Level of Underlying  S<sub>IF</sub> = Initial Fixing Level of Underlying  K = Strike Level = 100.00% of Initial Fixing Level</p>		
<b>Listing</b>	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 26 September 2019.		
<b>Clearing House</b>	SIX SIS AG/Euroclear/Clearstream		
<b>Distribution fees</b>	Distribution fees in the form of a discount on the issue price, reimbursement of a part of the issue price or other one-off and/or periodic charges may have been paid to one or several distribution partners of this Structured Product.		
<b>Distribution fees to partners outside the group</b>	No distribution fees are paid out to distribution partners of this Structured Product outside the group.		
<b>Distribution fees to partners inside the group</b>	Distribution fees are paid out to the Lead Manager and may amount up to 0.0360% p.a.		
<b>Sales: 044 293 66 65</b>	SIX Telekurs: .zkb	Reuters: ZKBSTRUCT	
	Internet: www.zkb.ch/strukturierteprodukte	Bloomberg: ZKBY <go>	

## Key Elements of the Product

ZKB Capital Protection Certificate with Participation is a Structured Product which combines the purchase of an „at-the-money“ call option and a bond investment. The investor participates at the Participation Rate in any increase in the Underlying from the Exercise Price on. In addition, the Capital Protection guarantees the Minimum Redemption, which is independent of the price behaviour of the Underlying.

## Taxes

The product is considered as transparent and IUP (Intérêt Unique Prédominant). The implied internal rate of return is subject to income tax for private investors with Swiss tax domicile at sale or maturity (IRR 1.58% p.a., present value of bond part at issue 92.46%) and is determined in compliance with the "modifizierte Differenzbesteuerung" tax rule based on the ESTV Bondfloor Pricing method. The applicable daily exchange rate for foreign currency translation purposes may be an important factor. Any return derived from the option part qualifies as capital gain and is not subject to Swiss income tax for private investors with Swiss tax domicile. The product is not subject to Swiss withholding tax. The Federal securities transfer stamp tax is levied on secondary market transactions for securities with initial duration of less than one year. This product may be subject to additional withholding taxes or duties, such as related to FATCA, Sect. 871(m) U.S. Tax Code or foreign financial transaction taxes. Any payments due under this product are net of such taxes or duties.

The information above is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of Structured Products. The relevant tax law and practice may change. The Issuer does not assume any liability in connection with the above information. The tax information only provides a general overview and can not substitute the personal tax advice to the investor.

## Documentation

This document is a non-binding English translation of the Final Terms (Endgültige Bedingungen) published in German and constituting the Final Terms in accordance with article 45 of the Federal Act on Financial Services (FinSA). The English language translation is provided for convenience only.

The binding German version of these Final Terms supplements the Base Prospectus approved by the SIX Swiss Exchange and published in German by the Issuer on 16 November 2020. These Final Terms constitute a Simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013. Together with the Base Prospectus (and together with any supplements) these Final Terms form the product documentation for this issue. If this Product was the first time issued under the Base Prospectus of 16 November 2020, these Final Terms must be read in conjunction with the General Terms of the Securities (Allgemeine Bedingungen der Derivate), the Additional Terms and the Information on the Underlyings in the Base Prospectus of 16 November 2020. If this Product has been issued prior to the date of the Base Prospectus of 16 November 2020, these Final Terms shall be read in conjunction with the Base Prospectus of 16 November 2020 and together with the Existing Terms of the Products from the version of the Issuance Programme or Base Prospectus in force at the time of issuance that has been incorporated by reference in this Base Prospectus. The Base Prospectus of the Issuer dated 16 November 2020 will cease to be valid on 16 November 2021. From and including this date, these Final Terms must be read together with the latest valid version of the Base Prospectus of the Issuer (including the information incorporated by reference into the latest valid version of the Base Prospectus from the Base Prospectus under which the Products the first time were issued), which follows the Base Prospectus of 16 November 2020.

Except as otherwise defined in these Final Terms, the terms used in these Final Terms have the meaning given to them in the Base Prospectus. In case of discrepancies between information or the provisions in these Final Terms and those in the Base Prospectus, the information and provisions in these Final Terms shall prevail. In the event of a listing of the products, the product documentation will be adapted, if and to the extent necessary, in accordance with the requirements of the relevant exchange. The present products will be issued in the form of uncertificated securities (Wertrechte) and registered as book-entry securities (Bucheffekten) with SIX SIS AG. Investors have no right to require the issuance of any certificates or any proof of evidence for the products.

**These Final Terms and the Base Prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIE or by e-mail at [documentation@zkb.ch](mailto:documentation@zkb.ch). They are also available on <https://www.zkb.ch/finanzinformationen>.**

## Information on the Underlying

The SMI<sup>®</sup> is made up of a maximum of 20 of the largest and most liquid stocks from the SPI<sup>®</sup> Large- and Mid-cap Segment. As with all SIX stocks indices, the stocks are weighted within the index according to their free float market capitalisation. The index is updated in real time after each transaction and published every three seconds. The SMI<sup>®</sup> is a price index. These securities are not in any way sponsored, endorsed, sold or promoted by the SIX Swiss Exchange and the SIX Swiss Exchange makes no warranty or representation. SMI<sup>®</sup> is a registered trademark of the SIX Swiss Exchange. Its use is license requiring. Information on the performance of the Underlying is publicly available on [www.bloomberg.com](http://www.bloomberg.com). Current annual reports are published on the website of the respective index provider.

## Notices

Any notice by the Issuer in connection with these Structured Products, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website <https://zkb-finance.mdgms.com/products/stp/index.html> under the relevant Structured Product. The Swiss security code search button will lead you directly to the relevant Structured Product. The notices will be published in accordance with the rules issued by SIX Swiss Exchange for IBL (Internet Based Listing) on the website <https://www.six-exchange-regulation.com/en/home/publications/official-notice.html>

## Governing Law/Jurisdiction

Swiss Law/Zurich

## 2. Profit and Loss Expectations at Maturity

### Profit and Loss Expectations at Maturity

ZKB Capital Protection Certificate with Participation

Underlying		Redemption	
Price	Percent	ZKB Capital Protection Certificate with Participation	Performance %
CHF 4'025.78	-60%	USD 1'000.00	0.00%
CHF 6'038.68	-40%	USD 1'000.00	0.00%
CHF 8'051.57	-20%	USD 1'000.00	0.00%
CHF 10'064.46	0%	USD 1'000.00	0.00%
CHF 12'077.35	+20%	USD 1'150.00	15.00%
CHF 14'090.24	+40%	USD 1'300.00	30.00%
CHF 16'103.14	+60%	USD 1'450.00	45.00%

Source: Zürcher Kantonalbank

If the Final Fixing Level trades above the Exercise Price, the performance of the Underlying from the Exercise Price on multiplied by the Participation Rate will get realised. If the Final Fixing Level is below the Exercise Price, the Capital Protection of 100.00% is guaranteed.

The table above is valid at maturity only and is by no means meant as a price indication for this Structured Product throughout its lifetime. The price of this Structured Product depends on additional risk factors between the Initial Fixing Date and the Final Fixing Date. The price quoted on the secondary market can therefore deviate substantially from the above table.

## 3. Material Risks for Investors

### Issuer Risk

Obligations under this Structured Product constitute direct, unconditional and unsecured obligations of the Issuer and rank pari passu with other direct, unconditional and unsecured obligations of the Issuer. The value of the Structured Product not only depends on the performance of the Underlying and other developments in the financial markets, but also on the solvency of the Issuer, which may change during the term of this Structured Product.

### Specific Product Risks

Structured Products are complex financial instruments, which entail considerable risks and, accordingly, are only suitable for investors who have the requisite knowledge and experience and understand thoroughly the risks connected with an investment in these Structured Products and are capable of bearing the economic risks. The loss potential of an investment in ZKB Capital Protection Certificate with Participation is at Maturity limited to the difference between the paid price and the Minimum Redemption. Nevertheless, during the lifetime of the product, the ZKB Capital Protection Certificate with Participation may trade at a lower value than the Minimum Redemption. The product is denominated in USD. If the investor's reference currency differs from the USD, the investor bears the risk between the USD and his reference currency.

## 4. Additional Terms

### Modifications

If an extraordinary event as described in Section IV of the Issuance Programme occurs in relation to the Underlying/a component of the Underlying or if any other extraordinary event occurs, which makes it impossible or particularly cumbersome for the Issuer, to fulfill its obligations under the Structured Products or to calculate the value of the Structured Products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these Structured Products at its own discretion in such way, that the economic value of the Structured Products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the Structured Products prior to the occurrence of the extraordinary event. Specific modification rules for certain types of Underlyings stated in Section IV of the Issuance Programme shall prevail. If the Issuer determines, for whatever reason, that an adequate modification is not possible, the Issuer has the right to redeem the Structured Products early.

<b>Change of Obligor</b>	The Issuer is entitled at all times and without the consent of the investors to assign in whole (but not in part) the rights and claims under individual Derivatives or all of them to a Swiss or foreign subsidiary, branch or holding company of the Zürcher Kantonalbank (the "New Issuer") to the extent that (i) the New Issuer assumes all of the obligations arising out of the assigned Derivatives which the previous Issuer owed in respect of these Derivatives, (ii) the Zürcher Kantonalbank enters into a keep-well agreement with the New Issuer with terms equivalent to the one between the Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited, (iii) the New Issuer has received from the supervisory authorities of the country in which it is domiciled all necessary approvals for the issue of Derivatives and the assumption of the obligations under the assigned Derivatives.
<b>Market Disruptions</b>	Compare specific provisions in the Issuance Programme.
<b>Selling Restrictions</b>	EEA, U.S.A./U.S. persons, GB, Guernsey
<b>Prudential Supervision</b>	As a bank within the meaning of the Swiss Federal Act on Banks and Savings Banks (BankG; SR 952.0) and a securities dealer within the meaning of the Swiss Federal Act on Securities Exchanges and Securities Trading (BEHG; SR 954.1), Zürcher Kantonalbank is subject to the prudential supervision of FINMA, Laupenstrasse 27, CH-3003 Bern, <a href="http://www.finma.ch">http://www.finma.ch</a> .
<b>Recording of Telephone Conversations</b>	Investors are reminded that telephone conversations with trading or sales units of Zürcher Kantonalbank are recorded. Investors, engaging in telephone conversations with these units provide their tacit consent to the recording of their conversations.
<b>Further Information</b>	This document constitutes neither an offer nor a recommendation or invitation to purchase financial instruments and can't replace the individual investor's own judgement. The information contained in this document does not constitute investment advice but is intended solely as a product description. An investment decision should in any case be made on the basis of these Final Terms and the issuance programme. Particularly, before entering into a transaction, the investor should, if necessary with the assistance of an advisor, examine the conditions for investment in the Product in consideration of his personal situation with regard to legal, regulatory, tax and other consequences. Only an investor who is aware of the risks of the transaction and has the financial capacity to bear any losses should enter into such transactions.
<b>Material Changes</b>	Since the end of the last financial year or the date of the interim financial statements, there have been no material changes in the assets, financial or revenue position of the Issuer and Zürcher Kantonalbank.
<b>Responsibility for the Final Terms</b>	Zürcher Kantonalbank, Zürich, and Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey, assume responsibility for the content of these Final Terms and hereby declare that, to their knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

Zurich, 19 September 2019, last update on 23 November 2020