

21.75%**

ZKB Barrier Reverse Convertible on worst of BioNTech s/Moderna rs/Novavax rs

10.06.2021 - 10.06.2022 | Swiss Security Code 58 532 150

Summary

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

| Information on the securities |
|---|
| <p>Type of product: ZKB Barrier Reverse Convertible SSPA Category: Barrier Reverse Convertible (1230, acc. to the Swiss Derivative Map) ISIN: CH0585321505 Symbol: Z027NZ Issuer: Zürcher Kantonalbank Finance (Guernsey) Limited Underlyings:</p> <ul style="list-style-type: none"> - BioNTech SE share - Moderna Inc registered share - Novavax Inc registered share <p>Initial Fixing Date: 3 June 2021 Settlement Date: 10 June 2021 Final Fixing Date: 3 June 2022 Redemption Date: 10 June 2022 Type of settlement: cash Coupon: 21.75% (21.75% p.a.)** Cap Level: 100.00%** of Initial Fixing Level Knock-in Level: 50.00%** of Initial Fixing Level</p> |
| Information concerning the offer and admission to trading |
| <p>Place of the offer: Switzerland Subscription period: 3 June 2021, 16:00h CET** Notional Amount/Denomination/Trading Units: Up to CHF 5'000'000, with the right to increase / denomination of CHF 1'000 per Structured Product / CHF 1'000 or multiples thereof Issue price: 100.00%** of Denomination (CHF 1'000) Selling restrictions: EEA, U.S.A./U.S. persons, United Kingdom, Guernsey Information on listing: Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 10 June 2021</p> |

Indicative Final Terms

** The information contained herein is purely of an indicative nature. The Issuer/Calculation Agent shall fix the legally binding parameters on the Initial Fixing Date. The Investor acknowledges that the Final Terms of the present Structured Product shall not be fixed until the Initial Fixing Date, and by subscribing to the present Structured Product is indicating his agreement with the Final Terms.

1. Product Description

Product Category/Name

Yield Enhancement/Barrier Reverse Convertible (1230, according to the Swiss Derivative Map provided by the Swiss Structured Products Association)

Regulatory Notification

This product 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, Guernsey Zürcher Kantonalbank Finance (Guernsey) Limited, Saint Peter Port, Guernsey 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. | | | | | | | | | | | | | | | | |
|---|--|-------------------------|--------------------|-------------------------|----------------|------------|----------|----------|-----|------------|----------|---------|-----|------------|----------|---------|-----|
| Keep-Well Agreement | Zürcher Kantonalbank Finance (Guernsey) Limited is a fully owned subsidiary of Zürcher Kantonalbank. Zürcher Kantonalbank obtains the following three 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, which is subject to Swiss law, can be found in the publicly available Base prospectus. | | | | | | | | | | | | | | | | |
| Lead Manager, Paying Agent, Exercise Agent and Calculation Agent | Zürcher Kantonalbank, Zurich | | | | | | | | | | | | | | | | |
| Symbol/ Swiss Security Code/ISIN | Z027NZ/ 58 532 150/CH0585321505 | | | | | | | | | | | | | | | | |
| Notional Amount/Denomination/ Trading Units | Up to CHF 5'000'000, with the right to increase / denomination of CHF 1'000 per Structured Product / CHF 1'000 or multiples thereof | | | | | | | | | | | | | | | | |
| Issue Price per Structured Product | 100.00% of the Denomination | | | | | | | | | | | | | | | | |
| Currency | Quanto CHF | | | | | | | | | | | | | | | | |
| Underlyings | BioNTech SE share /US09075V1026/NASDAQ GS/Bloomberg: BNTX UW Moderna Inc registered share /US60770K1079/NASDAQ/Bloomberg: MRNA UW Novavax Inc registered share /US6700024010/NASDAQ GS/Bloomberg: NVAX UW | | | | | | | | | | | | | | | | |
| Cap Level (100%) Knock-in Level (50%)** Ratio | <table border="1"> <thead> <tr> <th>Underlying</th> <th>Cap Level**</th> <th>Knock-in Level**</th> <th>Ratio**</th> </tr> </thead> <tbody> <tr> <td>BioNTech s</td> <td>201.3525</td> <td>100.6763</td> <td>n/a</td> </tr> <tr> <td>Moderna rs</td> <td>176.5524</td> <td>88.2762</td> <td>n/a</td> </tr> <tr> <td>Novavax rs</td> <td>151.7115</td> <td>75.8558</td> <td>n/a</td> </tr> </tbody> </table> | Underlying | Cap Level** | Knock-in Level** | Ratio** | BioNTech s | 201.3525 | 100.6763 | n/a | Moderna rs | 176.5524 | 88.2762 | n/a | Novavax rs | 151.7115 | 75.8558 | n/a |
| Underlying | Cap Level** | Knock-in Level** | Ratio** | | | | | | | | | | | | | | |
| BioNTech s | 201.3525 | 100.6763 | n/a | | | | | | | | | | | | | | |
| Moderna rs | 176.5524 | 88.2762 | n/a | | | | | | | | | | | | | | |
| Novavax rs | 151.7115 | 75.8558 | n/a | | | | | | | | | | | | | | |
| Coupon | 21.75% (21.7500% p.a.)** per Denomination CHF 1'000, interest payment 0.0000% (CHF 0.000) **, premium payment 21.7500% (CHF 217.500) ** | | | | | | | | | | | | | | | | |
| Coupon Payment Date(s) | 10 June 2022 | | | | | | | | | | | | | | | | |
| Coupon Calculation Method | 30/360 (German), modified following | | | | | | | | | | | | | | | | |
| Subscription Period | Subscriptions for these Structured Products can be made until 3 June 2021, 16:00 CET . The Issuer has the right to decrease the Number of Structured Products issued or to withdraw the issuance of the Structured Products for any reason. Furthermore, the Issuer shall have the right to close the offer prematurely or to postpone the Subscription Period. | | | | | | | | | | | | | | | | |
| Initial Fixing Date | 3 June 2021 | | | | | | | | | | | | | | | | |
| Settlement Date | 10 June 2021 | | | | | | | | | | | | | | | | |
| Last Trading Date | 3 June 2022 | | | | | | | | | | | | | | | | |
| Final Fixing Date | 3 June 2022 | | | | | | | | | | | | | | | | |
| Redemption Date | 10 June 2022 | | | | | | | | | | | | | | | | |
| Initial Fixing Level | Closing prices of Underlyings on Related Exchanges, on 3 June 2021 | | | | | | | | | | | | | | | | |
| Final Fixing Level | Closing prices of Underlyings on Related Exchanges on 3 June 2022 | | | | | | | | | | | | | | | | |

| | | | | | |
|--|--|--------------------|--------------------|--|----------------------|
| Redemption Method | <p>If the price of none of the Underlyings has traded at or below the Knock-in Level between the Initial Fixing Date and the Final Fixing Date, redemption will be 100% of the Denomination independent of the Final Fixing Level of the Underlyings.</p> <p>If the price of one or more of the Underlyings has traded at or below the Knock-in Level between the Initial Fixing Date and the Final Fixing Date,</p> <ul style="list-style-type: none"> - redemption will be 100% of Denomination if the Final Fixing Level of all Underlyings trade at or higher than the Cap Level or - the investor will receive a cash repayment corresponding to the Denomination minus the percentage difference between Initial Fixing Level and Final Fixing Level of the Underlying with the largest negative performance. <p>The Coupon(s) will be paid out on the defined Coupon Date(s) independent of the performance of the Underlyings.</p> <p>The calculation of the redemption is independent of any changes in foreign exchange rates between CHF and the currency of the Underlyings (Quanto Style).</p> | | | | |
| Listing | Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 10 June 2021 | | | | |
| Type of quoting | During the lifetime, this product is traded flat accrued interest, i.e. accrued interest is included in the trading price ('dirty price'). | | | | |
| Clearing House | SIX SIS AG/Euroclear/Clearstream | | | | |
| Distribution fees | 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. | | | | |
| Distribution fees to partners outside the group | Distribution fees are paid out to distribution partners of this Structured Product outside the group and may amount up to 0.7500%. | | | | |
| Distribution fees to partners inside the group | Distribution fees are paid out to the Lead Manager and may amount up to 0.5000%. | | | | |
| Sales: 044 293 66 65 | <table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">SIX Telekurs: .zkb</td> <td style="width: 33%;">Reuters: ZKBSTRUCT</td> </tr> <tr> <td>Internet: www.zkb.ch/finanzinformationen</td> <td>Bloomberg: ZKBY <go></td> </tr> </table> | SIX Telekurs: .zkb | Reuters: ZKBSTRUCT | Internet: www.zkb.ch/finanzinformationen | Bloomberg: ZKBY <go> |
| SIX Telekurs: .zkb | Reuters: ZKBSTRUCT | | | | |
| Internet: www.zkb.ch/finanzinformationen | Bloomberg: ZKBY <go> | | | | |
| Key Elements of the Product | <p>ZKB Barrier Reverse Convertible on worst of combine a fixed income security with the sale of a knock-in put option. With an investment in ZKB Barrier Reverse Convertible on worst of the investor can take advantage of the current implied volatility of the Underlyings. An above-average return will be reached if the Underlyings trade sideways, slightly higher or even lower than on the Initial Fixing Date. If the Knock-in Level has never been touched or breached between Initial Fixing Date and Final Fixing Date, redemption will be 100% of Denomination, independent of the Final fixing Level of the Underlyings. If the Knock-in Level has been touched or breached between Initial Fixing Date and Final Fixing Date, and if the Final Fixing Level of one or more Underlyings are below the Cap Level, the investor will receive a cash repayment according to Redemption Method. If, however, the Final Fixing Level of all Underlyings are at or above the Cap Level, redemption will be 100% of Denomination. Because of the guaranteed Coupon(s), the loss in case of a physical delivery of the Underlying is lower compared to a direct investment in the Underlying.</p> <p>The calculation of the redemption is independent of any changes in foreign exchange rates between CHF and the currency of the Underlyings (Quanto Style).</p> | | | | |
| Taxes | <p>The product is considered as transparent and IUP(Intérêt Unique Prédominant). The Coupon of 21.75%** is divided in an option premium payment of 21.7500%** and an interest payment of 0.0000%**.</p> <p>The option premium part qualifies as capital gain and is not subject to Swiss income tax for private investors with Swiss tax domicile. The interest part is subject to Swiss income tax in compliance with the 'modifizierte Differenzbesteuerung' tax rule based on the ESTV Bondfloor Pricing method. The product is not subject to Swiss withholding tax. The Federal securities transfer stamp tax is not levied on secondary market transactions for ZKB Barrier Reverse Convertible on worst of with initial duration of less than one year.</p> <p>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.</p> <p>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 cannot substitute the personal tax advice to the investor.</p> | | | | |

Documentation

This document is a non-binding English translation of the indicative Final Terms (vorläufige Endgültige Bedingungen) published in German and constituting the indicative 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 indicative Final Terms supplements the Base Prospectus approved by the SIX Exchange Regulation Ltd and published in German by the Issuer on 16 November 2020. These indicative 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 indicative 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 indicative 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 indicative 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 indicative 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 indicative Final Terms, the terms used in these indicative Final Terms have the meaning given to them in the Base Prospectus. In case of discrepancies between information or the provisions in these indicative Final Terms and those in the Base Prospectus, the information and provisions in these indicative 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 indicative 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. They are also available on <https://www.zkb.ch/finanzinformationen>.

Information on the Underlyings

Information on the performance of the Underlying/a component of the Underlying is publicly available on www.bloomberg.com. Current annual reports are published on the website of the respective business entity. The transfer of the Underlying/a component of the Underlying is conducted in accordance with their respective statutes.

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://www.zkb.ch/finanzinformationen> 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-notices.html>

Governing Law/Jurisdiction

Swiss Law/Zurich

2. Profit and Loss Expectations at Maturity

Profit and Loss Expectations at Maturity

ZKB Barrier Reverse Convertible on worst of **

| worst Underlying | | | Redemption | | |
|------------------|---------|------------------------|---------------|--------------------------|---------------|
| Price | Percent | Knock-in Level touched | Performance % | Knock-in Level untouched | Performance % |
| USD 80.5410 | -60% | CHF 617.50 | -38.25% | Knock-in Level touched | |
| USD 120.8115 | -40% | CHF 817.50 | -18.25% | CHF 1'217.50 | 21.75% |
| USD 161.0820 | -20% | CHF 1'017.50 | 1.75% | CHF 1'217.50 | 21.75% |
| USD 201.3525 | 0% | CHF 1'217.50 | 21.75% | CHF 1'217.50 | 21.75% |
| USD 241.6230 | +20% | CHF 1'217.50 | 21.75% | CHF 1'217.50 | 21.75% |
| USD 281.8935 | +40% | CHF 1'217.50 | 21.75% | CHF 1'217.50 | 21.75% |
| USD 322.1640 | +60% | CHF 1'217.50 | 21.75% | CHF 1'217.50 | 21.75% |

Source: Zürcher Kantonalbank

If the Knock-in Level is never touched between the Initial Fixing Date and Final Fixing Date, the performance of the ZKB Barrier Reverse Convertible on worst of will equal the Coupon of 21.75% **, cf. table under "Knock-in Level untouched", paid out during the term of the Structured Product according to Coupon Payment Date(s).

If, however, the Knock-in Level is touched between the Initial Fixing Date and the Final Fixing Date, cf. Table under "Knock-in Level touched", the loss of the ZKB Barrier Reverse Convertible on worst of at maturity corresponds to the loss of the Underlying with the worst relative performance between Initial Fixing Date and Final Fixing Date less the Coupon(s) of 21.75% ** paid out during the term of the Structured Product. If the Final Fixing Levels of all Underlyings trade at or above the Cap Level, redemption will be 100% of Denomination. Additionally, the Coupon(s) will be paid out according to Coupon Payment Date(s).

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. It was assumed, that BioNTech s was the worst performing Underlying. This selection is just a representative example of the possible alternatives.

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 this Structured Product is in case of a knock-in event equal to the one of the Underlying with the worst relative performance. The price of the Underlyings can trade at redemption considerably below the Cap Level. This product is denominated in CHF. If the investor's reference currency differs from the CHF, the investor bears the risk between the CHF and his reference currency.

4. Additional Terms

Modifications

If an extraordinary event as described in the Base Prospectus 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 Products or to calculate the value of the Products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these Products at its own discretion in such way, that the economic value of the Products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the Products prior to the occurrence of the extraordinary event. Specific modification rules for certain types of Underlyings stated in the Base Prospectus shall prevail. If the Issuer determines, for whatever reason, that an adequate modification is not possible, the Issuer has the right to redeem the Products early.

| | |
|--|--|
| Change of Obligor | 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. |
| Market Disruptions | Compare specific provisions in the Base prospectus. |
| Selling Restrictions | EEA, U.S.A./U.S. persons, United Kingdom, Guernsey |
| Prudential Supervision | As a bank within the meaning of the Swiss Federal Act on Banks and Savings Banks (BankG; SR 952.0) and a securities firm within the meaning of the Swiss Federal Act on Financial Institutions (FinIAG; SR 954.1), Zürcher Kantonalbank is subject to the prudential supervision of FINMA, Laupenstrasse 27, CH-3003 Bern, https://www.finma.ch . |
| Recording of Telephone Conversations | 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. |
| Further Information | 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 base prospectus. 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. |
| Material Changes | 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. |
| Responsibility for the indicative Final Terms | Zürcher Kantonalbank, Zurich, and Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey, assume responsibility for the content of these indicative Final Terms and hereby declare that, to their knowledge, the information contained in these indicative Final Terms is correct and no material circumstances have been omitted. |

Zurich, 27 May 2021