

ZKB Capital Protection Certificate with Participation on EURO STOXX 50® Index with 100.00% Capital Protection

11.04.2014 - 11.04.2024 | Swiss Security Code 21 477 836

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.

Information on the securities

Type of product: ZKB Capital Protection Certificate with Participation
SSPA Category: Uncapped Capital Protection (1100, acc. to the Swiss Derivative Map)
ISIN: CH0214778364
Symbol: ZKB4BQ
Issuer: Zürcher Kantonalbank Finance (Guernsey) Limited
Underlying: EURO STOXX 50® Index
Initial Fixing Date: 4 April 2014
Settlement Date: 11 April 2014
Final Fixing Date: 4 April 2024
Redemption Date: 11 April 2024
Type of settlement: cash
Capital Protection: 100%
Participation Rate: 80.00%

Information concerning the offer and admission to trading

Place of the offer: Switzerland
Notional Amount/Denomination/Trading Units: Up to EUR 5'000'000, with the right to increase/Denomination EUR 1'000 each/EUR 1'000 or multiples thereof
Issue price: 100.00% of Denomination (EUR 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 11 April 2014

New Issue

1. Product Description

Product Category/Name

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

CISA Notification

These products constitute Structured Products in Switzerland. They do not constitute collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA). They are not subject to an authorisation or supervision by the FINMA and investors do not benefit from protection under the CISA.

Issuer

Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey

Keep-Well Agreement

With Zürcher Kantonalbank (full text in Annex 3 of the Issuance Programme); Zürcher Kantonalbank obtained the following ratings: Standard & Poor's: AAA, Moody's: Aaa, Fitch: AAA

Lead Manager, Paying Agent, Exercise Agent and Calculation Agent

Zürcher Kantonalbank, Zurich

Symbol/ Swiss Security Code/ISIN	ZKB4BQ/ 21 477 836/CH0214778364	
Notional Amount/Denomination/ Trading Units	Up to EUR 5'000'000, with the right to increase/Denomination EUR 1'000 each/EUR 1'000 or multiples thereof	
Issue Price	100.00% of Denomination (84.06% bond part, IRR 1.75% p.a.)	
Currency	EUR	
Underlying	EURO STOXX 50® Index /EU0009658145/Bloomberg: SX5E Index	
Total Expense Ratio (TER)	A TER - in the sense implied by the definition of the Swiss Funds Association - of 0.25% p.a. is pursued. The TER includes production and distribution costs charged to the Structured Product. Risk and transaction costs, typically to be found in bid-ask spreads for option trades, are not accounted for in the TER. One-off costs are spread over the entire product maturity in calculating the TER. Hence the TER may deviate in case the holding period of the Structured Product differs from its maturity.	
Minimum Redemption at Maturity	100.00% of Denomination at Maturity	
Participation Rate	80.00% at maturity	
Exercise Price	3'230.33 / 100.00 % of Underlying on the Initial Fixing Date	
Initial Fixing Date	4 April 2014	
Settlement Date	11 April 2014	
Last Trading Date	4 April 2024	
Final Fixing Date	4 April 2024	
Redemption Date	11 April 2024	
Initial Fixing Level	3'230.33, Closing price of Underlying, on Initial Fixing Date	
Final Fixing Level	Closing Price of Underlying, on 04 April 2024	
Redemption Method	$N * \left[KS + P * \max \left(\frac{S_{FF} - K}{S_{IF}}, 0 \right) \right]$ <p>where</p> <p>N = Denomination KS = Capital Protection = 100.00% P = Participation Rate = 80.00% S_{FF} = Final Fixing Level of Underlying S_{IF} = Initial Fixing Level of Underlying K = Strike Level = 100.00% of Initial Fixing Level</p>	
Listing	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 11 April 2014	
Clearing House	SIX SIS AG/Euroclear/Clearstream	
Sales: 044 293 66 65	SIX Telekurs: 85,ZKB Internet: www.zkb.ch/strukturierteprodukte	Reuters: ZKBSTRUCT 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 1.75% p.a., present value of bond part at issue 84.06%) 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. For Swiss paying agents this product is not subject to the EU taxation of savings income (SIX Telekurs EU-Tax classification code: 2, „out of scope“). 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. They are also available on <https://www.zkb.ch/finanzinformationen>.

Information on the Underlying

The EURO STOXX 50® Index likewise consists of 50 stocks covering the largest supersector leaders in the EURO STOXX Index. The Index is weighted by free-float market capitalisation. Each component's weight is capped at 10 % of the Index's total free-float market capitalisation. The free-float weights are reviewed quarterly. The EURO STOXX 50® Index is a price index.

Calculation/Distribution: Price EUR: Every 15 seconds during local trading hours.

The EURO STOXX 50® Index (or other applicable index) is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors (Licensors), which is used under license. The securities (or financial instruments, or options or other technical term) based on the index are in no way sponsored, endorsed, sold or promoted by STOXX and its licensors and neither STOXX nor its licensors shall have any liability with respect thereto. Information on the performance of the Underlying is publicly available on 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 <http://zkb.is-teledata.ch/html/boersenMaerkte/marktuebersicht/schweiz/index.html> under the relevant Structured Product. The Swiss security code search button will lead you directly to the relevant Structured Product. If the product is listed on SIX Swiss Exchange, the notices will also be published in accordance with the rules issued by SIX Swiss Exchange for IBL (Internet Based Listing) on the website http://www.six-exchange-regulation.com/publications/published_notifications/official_notices_de.html

Governing Law/Jurisdiction

Swiss Law/Zurich 1

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 %
EUR 2'745.78	-15%	EUR 1'000.00	0.00%
EUR 2'907.30	-10%	EUR 1'000.00	0.00%
EUR 3'068.81	-5%	EUR 1'000.00	0.00%
EUR 3'230.33	0%	EUR 1'000.00	0.00%
EUR 3'391.85	+5%	EUR 1'040.00	4.00%
EUR 3'553.36	+10%	EUR 1'080.00	8.00%
EUR 3'714.88	+15%	EUR 1'120.00	12.00%

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

Credit Risk Relating to Issuer

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 Products does not only depend 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. Zürcher Kantonalbank Finance (Guernsey) Limited does not have any rating.

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 EUR. If the investor's reference currency differs from the EUR, the investor bears the risk between the EUR 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 (force majeure) 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.

Change of Issuer

The Issuer is entitled at any time and without the approval of the investors to transfer the rights and claims from collective or individual Structured Products in their entirety (but not partially) to a Swiss or foreign subsidiary, branch or holding company of Zürcher Kantonalbank (the "New Issuer"), provided (i) the New Issuer fully assumes all liabilities from the transferred Structured Products owed by the previous Issuer to the investors through these Structured Products, (ii) Zürcher Kantonalbank concludes a Keep-Well Agreement with the New Issuer, with identical content to the one between Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited, and (iii) the New Issuer has received all the requisite approvals to issue Structured Products and assume obligations connected to the transferred Structured Products from the national authorities of country in which said New Issuer is based.

Market Disruptions

Compare specific provisions in the Issuance Programme.

Selling Restrictions

The selling restrictions contained in the Issuance Programme are applicable (EEA, U.S.A./U.S. persons, Guernsey).

In particular must this publication and the information contained within not be distributed and / or redistributed, used or relied upon, by any person (whether individual or entity) who may be a US person under Regulation S under the US Securities Act of 1933. US persons include any US resident; any corporation, company, partnership or other entity organized under any law of the United States; and other categories set out in Regulation S.

The Issuer has not undertaken any actions to permit the public offering of the Structured Products or the possession or the distribution of any document produced in connection with the issuance of the Structured Products in any jurisdiction other than Switzerland. The distribution of these Final Terms or other documents produced in connection with the issuance of the Structured Products and the offering, sale and delivery of the Structured Products in certain jurisdictions may be restricted by law. Persons, which have received these Final Terms or any other documents produced in connection with the issuance of the Structured Products, such as the Issuance Programme, Termsheets, marketing or other selling material, are required by the Issuer to inform themselves about and to observe any such restrictions.

Prudential Supervision

Zürcher Kantonalbank is a bank according to the Swiss Federal Act on Banks and Saving Institutions (BankG; SR 952.0) and a securities dealer according to the Swiss Federal Act on Securities Exchanges and Securities Trading (BEHG; SR 954.1) and subject to the prudential supervision of the FINMA, Einsteinstrasse 2, CH-3003 Bern, <http://www.finma.ch>. Zürcher Kantonalbank Finance (Guernsey) Limited is not subject to any direct prudential supervision neither in Guernsey nor in Switzerland, but is a fully owned and fully consolidated subsidiary of Zürcher Kantonalbank.

Recording of Telephone Conversations

Investors are reminded, that telephone conversations with trading or sales units of the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.

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 Final Terms

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, 4 April 2014. Last update on 23 November 2020