

ZKB Mini-Future Short on Swiss Market Index SMI[®] price index

28.12.2021 - Open End | Swiss Security Code 112 827 848

Summary

This Summary is to be understood as an introduction to the present Final Terms. Any investment decision in relation to the structured 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
<p>Type of product: ZKB Mini-Future Short SSPA Category: Mini-Future (2210, according to the Swiss Derivative Map) ISIN: CH1128278483 Symbol: ISMBRZ Issuer: Zürcher Kantonalbank Underlying: Swiss Market Index SMI[®] price index Term: Open End Payment Date: December 28, 2021 Settlement type: cash Ratio: 1'000 : 1; 1'000 ZKB Mini-Futures Short per Underlying Initial Financing Level CHF 13'535.50 Stop-Loss Level at Initial Fixing CHF 13'400.14 Initial Leverage 15.75</p>
Information on the offer and admission to trading
<p>Place of the offer: Switzerland Issue amount/Trading Units: Up to 3'000'000 Products, with the possibility to increase/1 Product or multiples thereof Issue Price: CHF 0.82 Information on listing: Application to list on the SIX Swiss Exchange will be filed the planned first trading day will be December 27, 2021</p>

Final Terms

1. Product specific conditions and product description

Product Category/Name

Leverage product/Mini-Future (2210, 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 is not subject to authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA. The Issuer risk is borne by investors.

Key elements of the product

ZKB Mini-Futures Short enable a disproportionate participation in the price development of the Underlying corresponding to the Leverage. ZKB Mini-Futures Short benefit from falling prices of the Underlying. ZKB Mini-Futures Short do not have a fixed term, but have a Stop-Loss Level, which is adjusted daily or periodically. Upon reaching the Stop-Loss Level the ZKB Mini-Future Short expires immediately and any realisable residual value is repaid to the investor. A daily interest rate consisting of a Money Market Interest Rate and a Financing Spread is offset against the leveraged capital in the amount of the Financing Level provided by the Issuer. Any investment income from the index constituents will be deducted from the Financing Level.

Issuer	Zürcher Kantonalbank, Zürich
Rating of the Issuer	Standard & Poor's AAA, Moody's Aaa, Fitch AAA
Lead Manager, Paying Agent, Exercise and Calculation Agent	Zürcher Kantonalbank, Zürich
Symbol/Swiss Security Code/ISIN	ISMBRZ / 112 827 848 / CH1128278483
Underlying	Swiss Market Index SMI® price index ISIN: CH0009980894 Swiss Security Code: 998 089 Bloomberg: SMI INDEX Price source: SIX Swiss Exchange
Underlying's Spot Reference Price	CHF 12'727.47
Ratio	1'000 : 1; 1'000 ZKB Mini-Futures Short per Underlying
Reference Currency	CHF
Issue Price	CHF 0.82 (issue surcharge of CHF 0.01 resp. 1.22%)
Issue Volume	Up to 3'000'000 Units, with the right to increase
Financing Level at Initial Fixing	CHF 13'535.50
Stop-Loss Level at Initial Fixing	CHF 13'400.14
Initial Fixing Date	December 23, 2021
First Trading Date	December 27, 2021
Payment Date	December 28, 2021
Term	Open End
Initial Financing Spread	3.00%
Maximum Financing Spread	5.00%
Initial Stop-Loss Buffer	1.00%
Maximum Stop-Loss Buffer	15.00%
Rounding of the Financing Level	0.01
Rounding of the Stop-Loss Level	0.01
Observation Period	Continuous monitoring from Initial Fixing
Initial Leverage	15.75 (Spot Reference Price of the Underlying, divided by Ratio, divided by Issue Price)

Current Financing Level

At the end of each adjustment day, the Financing Level is adjusted by offsetting the interest and debiting any investment income of the Underlying. The Current Financing Level is determined by the Calculation Agent using the following formula:

$$FL_E = FL_A + \left((r - FS) \cdot FL_A \cdot \frac{n}{360} \right) - SF \cdot DIV$$

where

FL_A: Financing Level before adjustment

FL_E: Financing Level after adjustment

FS: Current Financing Spread

r: Money Market Interest Rate

n: Number of calendar days between the Current Adjustment Day (exclusive) and the next Adjustment Day (inclusive)

SF: Tax factor for any investment income such as dividends. The tax factor is in the range between zero and one and is determined by the calculation agent.

DIV: Dividends and other investment income of the index constituents since the last adjustment

The result of the calculation is rounded up to the nearest multiple according to the rounding of the Financing Level.

Adjustment Dates

Every trading day of the Mini-Future

Trading and Execution Units

1 Mini-Future or a multiple thereof

Money Market Interest Rate

The current Money Market Interest Rate determined by the Calculation Agent for overnight deposits in CHF

Financing Spread

A value determined by the Calculation Agent on each Adjustment Day which is at least zero and at most equals to the Maximum Financing Spread.

Stop-Loss Event

A Stop-Loss Event occurs, if the price of the Underlying touches or exceeds the Current Stop-Loss Level during the index calculation time. In this case, the Mini-Futures are considered automatically exercised and expired.

Current Stop-Loss Level

The Current Stop-Loss Level is determined by the Calculation Agent on each Stop-Loss Level Fixing Date, after the Financing Level has been adjusted, according to the following formula:

$$FL \cdot (100\% - \text{Stop-Loss Buffer})$$

where

FL: Current Financing Level

The result of the calculation is rounded down to the next multiple of the rounding of the Stop-Loss Level.

Stop-Loss Level Fixing Dates

Each first banking day of the month, each ex-dividend-day of the index constituents, and, at the discretion of the Issuer, each banking day on which the Issuer deems it necessary to adjust the Stop-Loss Level.

Stop-Loss Buffer

A value determined by the Calculation Agent on each Stop-Loss Level Fixation Day that is equal to or greater than zero and equal to or less than the Maximum Stop-Loss Buffer.

Stop-Loss Liquidation Price

A price for the relevant Underlying determined by the Payment Agent and Calculation Agent within a period of one hour during the trading hours of the Certificate following the occurrence of the Stop-Loss Event. If a Stop-Loss Event occurs less than one hour before the end of any trading period, the period will be extended to the next trading day. The Stop-Loss Liquidation Price may deviate significantly from the Stop-Loss Level.

Investor Put Option

From the first trading day of the ZKB Mini-Futures Short, the investor has the right to exercise his ZKB Mini-Futures Short on this and any subsequent trading day - subject to the occurrence of a stop-loss event - or to demand payment of the corresponding redemption amount. The corresponding written exercise declaration must be received by the exercise office by 11.00h a.m. CET at the latest.

Issuer Call Option	The Issuer is entitled at any time, without giving reasons, to terminate unexercised ZKB Mini-Futures Short, for the first time 3 months after the First Trading Date.				
Final Fixing Date	The trading day on which a Stop-Loss Event occurs, the Mini-Futures are cancelled by the Issuer or exercised by the investor. The occurrence of a Stop-Loss Event takes precedence over termination or exercise.				
Repayment Amount on Exercise, Termination or Stop-Loss Event	<p>Per ZKB Mini-Future Short, an amount calculated according to the following formula in the Reference Currency will be paid out upon the occurrence of a Stop-Loss Event, upon exercise by the investor or upon redemption by the Issuer:</p> $\max\left(0, \frac{FL_t - Underlying_t}{Ratio}\right)$ <p>where <i>FL_t</i>: Financing level on Final Fixing Date t <i>Underlying_t</i>: Closing price of the Underlying on Final Fixing Date t. In case of a Stop-Loss Event the price of the Underlying corresponds to the Stop-Loss Liquidation Price determined by the Paying and Calculation Agent.</p> <p>The repayment will be made 5 banking days after the Final Fixing Day.</p>				
Listing	Application to list on the SIX Swiss Exchange will be filed, the planned first trading day will be December 27, 2021				
Secondary market/Tradability	The Issuer intends (without legal obligation), under normal market conditions, to constantly provide indicative bid and offer prices for this Product during continuous trading. Actual bid/offer prices are available on https://www.zkb.ch/finanzinformationen and on SIX Swiss Exchange.				
Clearing Agent	SIX SIS AG				
Sales: 044 293 66 65	<table border="0"> <tr> <td>SIX Telekurs: .zkb</td> <td>Reuters: ZKBWTS</td> </tr> <tr> <td>Internet: www.zkb.ch/finanzinformationen</td> <td>Bloomberg: ZKBW <go></td> </tr> </table>	SIX Telekurs: .zkb	Reuters: ZKBWTS	Internet: www.zkb.ch/finanzinformationen	Bloomberg: ZKBW <go>
SIX Telekurs: .zkb	Reuters: ZKBWTS				
Internet: www.zkb.ch/finanzinformationen	Bloomberg: ZKBW <go>				
Taxes	<p>Any profits or losses arising from ZKB Mini-Future Short are considered capital gains or losses for private investors domiciled in Switzerland for tax purposes and are therefore not subject to income tax. The Federal securities transfer stamp tax is not levied on secondary market transactions. The product is not subject to federal withholding tax. The product may be subject to further withholding taxes or duties, in particular under the rules of FATCA or Sect. 871(m) U.S. Tax Code or foreign financial transaction taxes. All payments from this product are made after deduction of any withholding taxes and levies.</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 these 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.</p>				
Documentation	<p>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) and a simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013. The English language translation is provided for convenience only. The binding German version of these Final Terms together with the applicable Base prospectus of the Issuer for the issuance of structured products approved by SIX Exchange Regulation Ltd (together with any supplements thereto, the "Base prospectus") constitute the product documentation for the present issue. If this structured product was offered for the first time prior to the date of the respective applicable Base prospectus, the further legally binding product terms and conditions (the "Relevant Conditions") are derived from the Base prospectus or issuance program which was in force at the time of the first offer. The information on the Relevant Conditions is incorporated by reference of the respective Base prospectus or issuance program into the applicable Base prospectus in force at the time of issuance. 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 or the Relevant Conditions. In case of discrepancies between information or the provisions in these Final Terms and those in the Base prospectus or the Relevant Conditions, the information and provisions in these Final Terms shall prevail. Structured products will be</p>				

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 SMI[®] is made up of a maximum of 20 of the largest and most liquid stocks from the SPI[®] 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[®] 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[®] 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. Information on the investment universe, any adjustments to the composition, and on the index calculation method can be accessed directly on the website of the index sponsor.

Notifications

Any notice by the Issuer in connection with this product, 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> to the corresponding product. The Swiss security code search button will lead you directly to the relevant 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/de/home/publications/official-notices.html>.

Governing Law/Jurisdiction

Swiss Law/Zurich

2. Profit and Loss Expectations

Profit and Loss Expectations at Maturity

ZKB Mini-Futures Short offer the opportunity to benefit disproportionately from a negative performance of the Underlying. The potential loss of ZKB Mini-Futures Short is limited to the capital invested. ZKB Mini-Futures Short are derivatives whose risk is correspondingly greater than the risk of the Underlying due to the leverage effect. In the event of a Stop-Loss Event, the actual execution price of the closing out of the ZKB Mini-Future Short may diverge sharply from the Current Stop-Loss Level, which is only to be seen as the trigger of a Stop-Loss Event, not as an actual indication of the Redemption Amount of the certificate that can be effectively reached.

3. Material Risks for Investors

Issuer Risk

Obligations under these derivatives 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 derivatives 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 series of derivatives.

Specific product risks

ZKB Mini-Futures Short involve the risk of losing the entire capital initially paid (the Issue Price). They are meant only for experienced investors who understand the associated risks and can bear them. ZKB Mini-Futures Short do not generate continuous income; ZKB Mini-Futures Short generally lose value if there is no price decrease of the Underlying or if the price of the Underlying remains constant. ZKB Mini-Futures Short are investment products whose risk is greater than a fictitious direct investment in the Underlying due to the Leverage effect.

4. Additional Terms

Modifications

If an extraordinary event as described in the base prospectus occurs in relation to an 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.

Market Disruptions

Compare specific provisions in the base prospectus.

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 the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.

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.

Responsibility for the Final Terms

Die Zürcher Kantonalbank, Zürich, assumes responsibility for the content of these Final Terms and hereby declares that, to its knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

Zurich, December 23, 2021