

ZKB Tracker Certificate on ZKB SMI® Call-Schreiber Index

04.03.2020 - Open End | Swiss Security Code 50 658 180

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 Tracker Certificate SSPA Category: Tracker Certificate (1300, acc. to the Swiss Derivative Map) ISIN: CH0506581807 Symbol: ZSMICZ Issuer: Zürcher Kantonalbank Underlying: ZKB SMI®Call-Schreiber Index Initial Fixing Date: 26 February 2020 Settlement Date: 4 March 2020 Final Fixing Date: --- (Open End) Redemption Date: --- (Open End) Type of settlement: cash
Information concerning the offer and admission to trading
Place of the offer: Switzerland Notional Amount/Denomination/Trading Units: CHF 25'000'000.00/CHF 1'000.00/1 Structured Product or multiples thereof Issue price: CHF 1'000.00 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 4 March 2020

New Issue

1. Product Description

Product Category/Name

Participation Product/Tracker Certificate (1300, 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, Zurich

Rating of the Issuer

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

**ZSMICZ/
50 658 180/CH0506581807**

Notional Amount/Denomination/ Trading Units

CHF 25'000'000.00/CHF 1'000.00/1 Structured Product or multiples thereof

Number of Structured Products

Up to 25'000, with the right to increase

Issue Price per Structured Product	CHF 1'000.00/100.00% of Underlying on the Initial Fixing Date multiplied by the Ratio	
Currency	CHF	
Underlying	ZKB SMI® Call-Schreiber Index/CH0514819595/Bloomberg: ZKBCALLW Index	
Ratio	1 Structured Product corresponds to 1.01439733 Underlying/s.	
Initial Fixing Date	26 February 2020	
Settlement Date	4 March 2020	
Redemption right of the Issuer	<p>The Issuer has the right to redeem the outstanding Structured Products on a daily basis (fixing date; modified following), for the first time on 4 April 2020. On the fixing date, the redemption amount is determined, which is governed by the information under the section Redemption Method. The announcement and thus the declaration of intent to exercise the Redemption right is made with a notice period of 5 banking days via the official publication channel of the SIX Swiss Exchange. No statement of reasons is required. The redemption will be executed with a value date of 5 bank working days after the fixing date (Redemption Date).</p>	
Right to return of the Investor	<p>In addition to the possibility of selling the Structured Products in the secondary market, the investor has the right to return the product quarterly per 15th day of the months March, June, September and December (fixing date; modified following) to the Issuer, for the first time on 15 December 2020. On the fixing date, the redemption amount is determined, which is governed by the information under the section Redemption Method. The declaration of intent to exercise the Right to return must be received no later than 5 banking days before the respective fixing date (exercise date) by Zürcher Kantonalbank and must be sent to the following address: by letter post to Zürcher Kantonalbank, Sales Structured Products, IHHV, P.O. Box, 8010 Zürich or by email to derivate@zkb.ch. The repayment will be executed with a value date of 5 bank working days after the fixing date (Redemption Date). Should the Structured Products of the Investor be deposited in a custodian bank, the Investor needs additionally and in due time advise/inform his custodian bank according the notice of redemption.</p>	
Maturity	Open End	
Initial Fixing Level	CHF 985.807, Closing price of Underlying, on 26 February 2020	
Redemption Method	On the Redemption Date, investors receive for every Structured Product an amount corresponding to 100% of the value on the fixing date multiplied by the Ratio less any accrued Fees.	
Listing	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 4 March 2020.	
Clearing House	SIX SIS AG/Euroclear/Clearstream	
Annual Fee	0.50% p.a. The Annual Fee will be charged based on the value of the Structured Product and is pro rata temporis included in the trading price.	
Distribution fees	No distribution fees in the form of a discount on issue price, reimbursement of a part of the issue price or other one-off and/or periodic charges are paid out to one or several distribution partners of this Structured Product.	
Sales: 044 293 66 65	SIX Telekurs: .zkb Internet: www.zkb.ch/finanzinformationen	Reuters: ZKBSTRUCT Bloomberg: ZKBY <go>
Key Elements of the Product	The purchase of an ZKB Tracker Certificate reflects in terms of value the purchase of the Underlying. The investor has the possibility to fully participate in the Index performance through a single transaction.	
Taxes	<p>There are no income taxes in this product. Capital gains are tax-free. The product is not subject to Swiss withholding tax. The Federal securities transfer stamp tax is not levied on secondary market transactions.</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 can not substitute the personal tax advice to the investor.</p>	

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 investment objective of the ZKB SMI[®]Call Writing Index is to take synthetic exposure in the SMI[®] while enhancing the overall yield by systematically writing short-term call options on the SMI[®]. The synthetic long position in the SMI[®] is replicated by investing in the ZKB Swiss Equity Funded Future Index, which invests in the nearest future contract on the SMI[®]. The yield enhancement component consists of an option strategy. For this strategy, a call option on the SMI[®] with a 6-week expiry and 1/6 weight is sold each week (short call). The profit/loss of the option strategy is settled against the long position of the SMI[®] at rebalancing. 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.

For indexes with the Zürcher Kantonalbank as index sponsor, the general index regulations may be obtained from

<https://zkb-finance.mdgms.com/products/stp/classes/zkbmeinindex/index.html>. Specific information on ZKB SMI[®] Call-Schreiber Index may be obtained from the relevant index guide which can be ordered free of charge at Zürcher Kantonalbank, Sales Structured Products, IHHV, P.O. Box, 8010 Zurich or by e-mail at derivate@zkb.ch.

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 after Year 1

Profit and Loss Expectations after Year 1

ZKB Tracker Certificate

Index		Redemption	
Level	Percent	ZKB Tracker Certificate	Performance %
690.06	-30.00%	CHF 696.50	-30.35%
788.65	-20.00%	CHF 796.00	-20.40%
887.23	-10.00%	CHF 895.50	-10.45%
985.81	0.00%	CHF 995.00	-0.50%
1084.39	+10.00%	CHF 1094.50	9.45%
1182.97	+20.00%	CHF 1194.00	19.40%
1281.55	+30.00%	CHF 1293.50	29.35%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate follows the performance of the Underlying. Differences are due to the annual fees. Therefore, Profit and Loss expectations are analog to the performance of the components of the Underlying less any Fees.

The figures in the table above are valid after Year 1 only and cannot be considered as a price indication for the present Structured Product during 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 in the secondary market can differ substantially from the table above.

3. Material Risks for Investors

Credit Risk Relating to Issuer

Obligations under these Structured Products 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 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.

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. ZKB Tracker Certificate is an investment product whose price fluctuates to the same degree as the Underlying. Depending on price movements, the price of a ZKB Tracker Certificate could fall below the Issue Price. The risk profile is equal to the one of the Underlying. The ZKB Tracker Certificate is denominated in CHF. The investor bears all the risks in connection with a possible exchange rate risk between the product currency, the currency of the components of the Underlying, and his reference currency.

Conflicts of interest

Zürcher Kantonalbank and its affiliated companies may in its role as universal bank participate in any transactions, which are in direct relation to the Structured Product issued by Zürcher Kantonalbank. Zürcher Kantonalbank pursues such products either in the interest of its clients or in its own interest. Hence conflicts of interest between the investors in Structured Products issued by Zürcher Kantonalbank and Zürcher Kantonalbank itself may not be completely ruled out. Furthermore, Zürcher Kantonalbank may perform additional functions related to the issuance of Structured Products, such as the function as index sponsor, which potentially bear conflicts of interest. Zürcher Kantonalbank has set up its internal processes in order to avoid conflicts of interest or, if such avoidance is not sufficiently feasible, will disclose such conflicts of interest to affected clients. Further information regarding conflicts of interest may be found in the respective Issuance Programme.

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.

Market Disruptions

Compare specific provisions in the Issuance Programme.

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 (FinlAG; 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 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.
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	Zürcher Kantonalbank, Zurich, 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, 26 February 2020, last update on 23 November 2020