

# 4.513% (2.25% p.a.) ZKB Reverse Convertible on Lonza Group AG registered share

03.02.2022 - 05.02.2024 | Swiss Security Code 113 289 501

## 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
<b>Type of product:</b> ZKB Reverse Convertible <b>SSPA Category:</b> Reverse Convertible (1220, according to the Swiss Derivative Map) <b>ISIN:</b> CH1132895017 <b>Issuer:</b> Zürcher Kantonalbank Finance (Guernsey) Ltd <b>Underlying:</b> Lonza Group AG registered share <b>Initial Fixing Date:</b> January 27, 2022 <b>Payment Date:</b> February 3, 2022 <b>Final Fixing Date:</b> January 29, 2024 <b>Redemption Date:</b> February 5, 2024 <b>Settlement type:</b> cash or physical <b>Coupon:</b> 4.513% (2.25% p.a.) <b>Cap Level:</b> 75.00% of Initial Fixing Value
Information on the offer and admission to trading
<b>Place of the offer:</b> Switzerland <b>Issue amount/Denomination/Trading Units:</b> Up to CHF 20'000, without the possibility to increase/CHF 1'000 per product/CHF 1'000 or multiples thereof <b>Issue Price:</b> 100% of the Denomination (CHF 1'000) <b>Information on listing:</b> The product shall not be listed on an exchange.

## Final Terms

### 1. Product specific conditions and product description

#### Product Category/Name

Yield Enhancement/Reverse Convertible (1220, 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.**

#### Issuer

Zürcher Kantonalbank Finance (Guernsey) Ltd, St. Peter Port, Guernsey  
 Zürcher Kantonalbank Finance (Guernsey) Ltd is a fully owned subsidiary of Zürcher Kantonalbank. Zürcher Kantonalbank Finance (Guernsey) Ltd 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) Ltd 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) Ltd 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 annex of the publicly available base prospectus.

<b>Lead Manager, Paying Agent, Exercise and Calculation Agent</b>	Zürcher Kantonalbank, Zürich									
<b>Swiss Security Code/ISIN</b>	113 289 501 (not listed) / CH1132895017									
<b>Issue amount/ Denomination/ Trading Units</b>	Up to CHF 20'000, without the possibility to increase/ CHF 1'000 per product/ CHF 1'000 or multiples thereof									
<b>Issue Price</b>	100% of the Denomination									
<b>Currency</b>	CHF									
<b>Underlying</b>	Lonza Group AG registered share ISIN: CH0013841017 Swiss Security Code: 1 384 101 Bloomberg: LONN SE EQUITY Domicile: Switzerland Trading place/Price source: SIX Swiss Exchange									
<b>Initial Fixing Value (100.00%) Cap Level (75.00%) Ratio</b>	<table border="1"> <thead> <tr> <th>Underlying</th> <th>Initial Fixing Value</th> <th>Cap Level</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Lonza Group AG</td> <td>CHF 603.20</td> <td>CHF 452.40</td> <td>2.210433</td> </tr> </tbody> </table>	Underlying	Initial Fixing Value	Cap Level	Ratio	Lonza Group AG	CHF 603.20	CHF 452.40	2.210433	
Underlying	Initial Fixing Value	Cap Level	Ratio							
Lonza Group AG	CHF 603.20	CHF 452.40	2.210433							
<b>Initial Fixing Date/ Initial Fixing Value</b>	Theoretically calculated price on January 27, 2022 at 10:45h CET									
<b>Payment Date</b>	February 3, 2022									
<b>Last Trading Date</b>	January 29, 2024									
<b>Final Fixing Date/ Final Fixing Value</b>	Closing price on SIX Swiss Exchange on January 29, 2024									
<b>Redemption Date/ Date of delivery</b>	February 5, 2024									
<b>Coupon</b>	4.513% (2.25% p.a.) per Denomination CHF 1'000 interest part 0.00% p.a. (CHF 0.00), premium part 2.25% p.a. (CHF 22.50)									
<b>Coupon Dates/ Coupon</b>	<table border="1"> <thead> <tr> <th></th> <th>Coupon Date*</th> <th>Coupon</th> </tr> </thead> <tbody> <tr> <td>t = 1</td> <td>06.02.2023</td> <td>2.263% (CHF 22.63)</td> </tr> <tr> <td>t = 2</td> <td>05.02.2024</td> <td>2.25% (CHF 22.50)</td> </tr> </tbody> </table>		Coupon Date*	Coupon	t = 1	06.02.2023	2.263% (CHF 22.63)	t = 2	05.02.2024	2.25% (CHF 22.50)
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t = 1	06.02.2023	2.263% (CHF 22.63)								
t = 2	05.02.2024	2.25% (CHF 22.50)								
	* modified following business day convention									
<b>Coupon Calculation Method</b>	30/360 (German), modified following									
<b>Redemption method</b>	If the Final Fixing Value of the Underlying is at or above the Cap Level, the Redemption amounts to 100% of Denomination. If the Final Fixing Value of the Underlying is below the Cap Level, the investor receives a physical delivery of the Underlying. The number of Underlyings per Denominaion is defined in Ratio (fractions will be paid in cash, no cumulation). The Coupons are paid out on the respective Coupon Date independent of the performance of the Underlying.									
<b>Listing/Secondary market</b>	The product shall not be listed on an exchange. The Issuer commits to quote bid prices.									
<b>Quotation Type</b>	During the lifetime, this product is traded flat accrued interest, i.e. accrued interest is included in the trading price ('dirty price').									
<b>Clearing Agent</b>	SIX SIS AG									

<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 product.				
<b>Distribution fees outside the group</b>	No distribution fees are paid out to distribution partners of this product outside the group.				
<b>Distribution fees inside the group</b>	The Distribution Fees paid out to distribution partners inside the group amount to 0.2493% p.a.				
<b>Sales: 044 293 66 65</b>	<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: <a href="http://www.zkb.ch/finanzinformationen">www.zkb.ch/finanzinformationen</a></td> <td>Bloomberg: ZKBY &lt;go&gt;</td> </tr> </table>	SIX Telekurs: .zkb	Reuters: ZKBSTRUCT	Internet: <a href="http://www.zkb.ch/finanzinformationen">www.zkb.ch/finanzinformationen</a>	Bloomberg: ZKBY <go>
SIX Telekurs: .zkb	Reuters: ZKBSTRUCT				
Internet: <a href="http://www.zkb.ch/finanzinformationen">www.zkb.ch/finanzinformationen</a>	Bloomberg: ZKBY <go>				
<b>Key elements of the product</b>	This product is a combined investment instrument that consists of a fixed income security and the sale of a "out-of-the-money" put option. This allows the investor to benefit from the current volatility of the Underlying. The product pays out attractive Coupons during the term. An above-average return is achieved when prices fall slightly, stagnate or rise slightly. If the Final Fixing Value of the Underlying is at or above the Cap Level, the investor receives a cash redemption in the amount of the Denomination. If the Final Fixing Value of the Underlying is below the Cap Level, the investor will receive a physical delivery of a number of Underlyings as defined under "Redemption method".				
<b>Taxes</b>	<p>The product is considered as transparent and has no predominant one-off interest (Non-IUP). The Coupon of 2.25% p.a. is divided into a premium payment of 2.25% p.a. and an interest payment of 0.00% p.a.. 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 payment is subject to income tax at the time of payment. The Swiss withholding tax is not levied. In the case of physical delivery of the Underlying at maturity, the federal securities transfer stamp is levied on the basis of the Cap level. The Federal securities transfer stamp tax is levied on secondary market transactions.</p> <p>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. 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>				
<b>Documentation</b>	<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 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. <b>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 <a href="mailto:documentation@zkb.ch">documentation@zkb.ch</a>. They are also available on <a href="https://www.zkb.ch/finanzinformationen">https://www.zkb.ch/finanzinformationen</a>.</b></p>				

## Information on the Underlying

Information on the performance of the Underlying is publicly available on [www.bloomberg.com](http://www.bloomberg.com). The transfer of the Underlying is conducted in accordance with its statutes.

## 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.

## Governing Law/Jurisdiction

Swiss Law/Zurich

## 2. Profit and Loss Expectations

### Profit and Loss Expectations at Maturity

Underlying		Redemption		
Price	Percent	Product	Coupon	Performance in %
CHF 422.24	-30.00%	CHF 933.33	CHF 45.13	-2.1537%
CHF 482.56	-20.00%	CHF 1'000.00	CHF 45.13	4.513%
CHF 542.88	-10.00%	CHF 1'000.00	CHF 45.13	4.513%
CHF 603.20	0.00%	CHF 1'000.00	CHF 45.13	4.513%
CHF 663.52	10.00%	CHF 1'000.00	CHF 45.13	4.513%
CHF 723.84	20.00%	CHF 1'000.00	CHF 45.13	4.513%
CHF 784.16	30.00%	CHF 1'000.00	CHF 45.13	4.513%

If the Final Fixing Value of the Underlying is at or above the Cap Level, the performance of the product is always given by the Coupons paid out during the term (acc. "Coupon Dates"), in this case 4.513%. However, if the Final Fixing Value of the Underlying is below the Cap Level, the investor will receive a physical delivery of a number of Underlyings as defined in Ratio. Therefore, the investor may suffer a partial or total loss. The acquisition price of the delivered Underlyings is 75.00% of the Initial Fixing Value, which means that the performance of the product is less negative than the performance of the Underlying. This negative performance is reduced by the guaranteed Coupons paid out during the term.

The table above is valid at maturity only and is by no means meant as a price indication for the present product throughout its lifetime. Additional risk factors may have a significant impact on the value of the product during the term. The price quoted on the secondary market can therefore deviate substantially from the above table. Currency risks between the Underlying and the product are not considered in the table.

## 3. Material Risks for Investors

### Issuer Risk

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 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 Reverse Convertibles in the case of a title delivery is limited to the difference between the purchase price of the product and the cumulative value of the number of Underlyings as defined in 'Redemption Method'. The Coupon, which is paid out in any case, reduces the loss of the product compared to a direct investment in the Underlying. The price of the Underlying may be significantly below the Cap Level at redemption. The 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 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.

**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 structured products 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 structured products which the previous Issuer owed in respect of these structured products, (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 structured products and the assumption of the obligations under the assigned structured products.

**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 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 and Zürcher Kantonalbank.

**Responsibility for the Final Terms**

Zürcher Kantonalbank, Zürich, and Zürcher Kantonalbank Finance (Guernsey) Limited, St. Peter Port, 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, January 27, 2022