

# ZKB Capital Protection Note with Participation on worst of Geberit N/Givaudan N/Lonza Grp N/Sika N/Partners Group Hldg N and guaranteed Coupon of 0.25% p.a.\*\* with 100% Capital Protection

08.07.2022 - 08.07.2027 | Swiss Security Number 116'433'366

## 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.

<b>Information on the securities</b>
<b>Type of product:</b> ZKB Capital Protection Note with Participation and Coupon <b>SSPA Category:</b> Capital Protection Note with Participation (1100) <b>ISIN:</b> CH1164333663 <b>Symbol:</b> Z22BSZ <b>Issuer:</b> Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey <b>Underlyings:</b> Geberit rs/Givaudan rs/Lonza Grp rs/Sika rs/Partners Grp Hldg rs <b>Initial Fixing Date:</b> 01 July 2022 <b>Settlement Date:</b> 08 July 2022 <b>Final Fixing Date:</b> 01 July 2027 <b>Redemption Date:</b> 08 July 2027 <b>Mode of settlement:</b> cash <b>Minimum Redemption:</b> 100% <b>Guaranteed Coupon:</b> 0.25% p.a.** <b>Participation Rate:</b> 85%**
<b>Information concerning the offer and admission to trading</b>
<b>Place of the offer:</b> Switzerland <b>Issue amount/Denomination/Trading Units:</b> Up to CHF 15'000'000 with the right to increase/CHF 5'000 Denomination per structured product/CHF 5'000 or multiples thereof <b>Issue Price:</b> 100.00% of Denomination (CHF 5'000) <b>Information on listing:</b> Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 08 July 2022

## Indicative Final Terms

\*\* The information contained is merely indicative. The Issuer/Calculation Agent will fix the legally binding parameters on the Initial Fixing Date. The subscriber/investor takes notice of the fact, that the final and legally binding conditions of the present structured product will not be fixed until Initial Fixing Date. Furthermore, in subscribing to the present structured product, the Investor agrees to the final conditions.

### 1. Product Description

#### Product Category/Name

Capital Protection Note / Capital Protection Note with Participation (1100, acc. Swiss Derivative Map 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, Saint Peter Port, Guernsey  
 Zürcher Kantonalbank Finance (Guernsey) Limited 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 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**

**Z22BSZ/116'433'366/CH1164333663**

**Issue amount / Denomination / Trading Units**

Up to CHF 15'000'000, with the right to increase / CHF 5'000 Denomination per structured product / CHF 5'000 or multiples thereof

**Issue Price per structured product**

100.00% of Denomination

**Currency**

CHF

**Underlyings**

Lonza Group AG registered share/CH0013841017/SIX Swiss Exchange/LONN SE Equity  
Geberit AG registered share /CH0030170408/SIX Swiss Exchange/GEBN SE Equity  
Givaudan AG registered share /CH0010645932/SIX Swiss Exchange/GIVN SE Equity  
Sika AG registered share /CH0418792922/SIX Swiss Exchange/SIKA SE Equity  
Partners Group Holding AG registered share /CH0024608827/SIX Swiss Exchange/PGHN SE Equity

**Minimum Redemption Amount**

100% of Denomination per expiry

**Participation Rate**

85% in the Underlying with the relatively worst performance between the Initial Fixing Value and the Final Fixing Value.

**Exercise Price**

100% of the Initial Fixing Value of each Underlying

**Fixed Coupon**

The annual Fixed Coupon Payment of 0.25%\*\* is made on the respective Coupon Date.

**Redemption Method at Maturity**

The following repayment scenarios are possible:

If a Final Fixing Value of an Underlying is quoted equal to or lower than the Exercise Price, the Investor will receive for each structured product a cash amount equal to the Minimum Redemption Amount of 100% of Denomination. In addition, the investor receives the last Coupon Payment of 0.25% of the Denomination.

If the Final Fixing Values of all Underlyings are higher than the Exercise Price, the Investor will receive for each structured product an amount equal to the capital invested plus the last Fixed Coupon plus the performance of the worst performing Underlying multiplied by the Participation Rate; this corresponds to the following formula

$$N * \left[ KS + FC + P * \max\left(\frac{S_{wof FF} - K}{S_{wof IF}}, 0\right) \right]$$

where

N = Denomination

KS = Capital protection = 100%

FC = Fixed Coupon at maturity = 0.25%\*\*

P = Participation Rate = 85% in the Underlying having the worst relative performance (between Initial Fixing Date and Final Fixing Date)

$S_{wof FF}$  = Final Fixing Value of the worst performing Underlying (between Initial Fixing Date and Final Fixing Date)

$S_{wof IF}$  = Initial Fixing Value of the worst performing Underlying (between Initial Fixing Date and Final Fixing Date)

K = Exercise Price

**Coupon Date / Coupon Payment**

Yearly, Coupon Payment t, where t=1 to 5

	Coupon Date <sub>t</sub>	Coupon Payment <sub>t</sub> **
t = 1	10.07.2023	0.25%
t = 2	08.07.2024	0.25%
t = 3	08.07.2025	0.25%
t = 4	08.07.2026	0.25%
t = 5	08.07.2027	0.25%

<b>Subscription Period</b>	Subscriptions for these structured products may be made until <b>01 July 2022, 16:00h CET**</b> . The Issuer shall have the right to reduce the number of structured products issued or to withdraw them from the issue for any reason. Furthermore, the Issuer shall have the right to close the offer prematurely or to postpone the Subscription Period.												
<b>Initial Fixing Date</b>	01 July 2022												
<b>Settlement Date</b>	08 July 2022												
<b>Last Trading Date</b>	01 July 2027												
<b>Final Fixing Date</b>	01 July 2027												
<b>Redemption Date</b>	08 July 2027												
<b>Initial Fixing Value (100.00%)</b>	Closing price of the Underlyings on the reference exchanges on 01 July 2027												
	<table border="1"> <thead> <tr> <th><b>Underlying</b></th> <th><b>Initial Fixing Value</b></th> </tr> </thead> <tbody> <tr> <td>Geberit rs</td> <td>CHF 526.00 **</td> </tr> <tr> <td>Givaudan rs</td> <td>CHF 3465.00 **</td> </tr> <tr> <td>Lonza rs</td> <td>CHF 573.60 **</td> </tr> <tr> <td>Sika rs</td> <td>CHF 261.70 **</td> </tr> <tr> <td>Partners Group Hldg rs</td> <td>CHF 999.20 **</td> </tr> </tbody> </table>	<b>Underlying</b>	<b>Initial Fixing Value</b>	Geberit rs	CHF 526.00 **	Givaudan rs	CHF 3465.00 **	Lonza rs	CHF 573.60 **	Sika rs	CHF 261.70 **	Partners Group Hldg rs	CHF 999.20 **
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<b>Final Fixing Value</b>	Closing price of the Underlyings on the reference exchanges on 01 July 2027												
<b>Listing</b>	Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 08 July 2022.												
<b>Type of quoting</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 House</b>	SIX SIS AG / Euroclear / Clearstream												
<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 structured product.												
<b>Distribution fees to partners outside the group</b>	Distribution fees are paid out to distribution partners of this structured product outside the group and may amount up to 0.20% p.a.												
<b>Distribution fees to partners inside the group</b>	Distribution fees are paid out to the Lead Manager and amount to 0.036% p.a.												
<b>Key Elements of the product</b>	ZKB Capital Protection Note with Participation on worst of is an investment product which combines the purchase of a worst of "at the money" call option and a bond investment. At Maturity the investor participates in the positive performance of the worst performing Underlying (from the Exercise Price) to the extent of the participation rate shown. In addition, the specified capital protection guarantees a Minimum Redemption Amount at expiry, which is paid out regardless of the performance of the Underlyings, as well as a guaranteed Fixed Coupon, which is paid out regardless of the performance of the Underlyings.												
<b>Taxes</b>	<p>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 1.35%** p.a., present value of bond part at issue 94.68%** ) and is determined in compliance with the "modifizierte Differenzbesteuerung" tax rule based on the ESTV Bondfloor Pricing method. 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. 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 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) 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 indicative 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 indicative Final Terms, the terms used in these indicative 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 indicative Final Terms and those in the Base prospectus or the Relevant Conditions, the information and provisions in these indicative Final Terms shall prevail. The present products will be issued in the form of uncertificated securities (Wertrechte) and registered as book-entry securities (Bucheffekten) with SIX SIS Ltd. 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](mailto: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](http://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

## Profit and Loss Expectations at Maturity

## 2. Profit and Loss Expectations at Maturity

### ZKB Capital Protection Note with Participation and Coupon

The following repayment scenarios are possible:

If the Final Fixing Value of at least one of the Underlyings is equal to or below the Exercise Price, only the Fixed Coupon will be paid and the redemption of the certificate will be 100% of the Denomination plus the last Fixed Coupon, in this case 0.25% of the Denomination.

Worst Underlying		Fixed Coupon	Redemption	Product-performance %
Price	Percent			
CHF 263.00	-50.0%	0.25%	CHF 1002.50	1.25%
CHF 315.60	-40.0%	0.25%	CHF 1002.50	1.25%
CHF 368.20	-30.0%	0.25%	CHF 1002.50	1.25%
CHF 420.80	-20.0%	0.25%	CHF 1002.50	1.25%
CHF 473.40	-10.0%	0.25%	CHF 1002.50	1.25%

Source: Zürcher Kantonalbank

If the Final Fixing Values of all Underlyings are quoted above their respective Exercise Prices, an amount equal to the capital invested plus the last Fixed Coupon plus the performance of the worst performing Underlying multiplied by the Participation Rate will be paid out.

Worst Underlying		Redemption			Product-performance %
Price	Percent	Fixed Coupon	Participation	Redemption	
CHF 526.00	0.0%	0.25%	85%	CHF 1002.50	1.25%
CHF 578.60	10.0%	0.25%	85%	CHF 1087.50	9.75%
CHF 631.20	20.0%	0.25%	85%	CHF 1172.25	18.25%
CHF 683.80	30.0%	0.25%	85%	CHF 1257.50	26.75%
CHF 736.40	40.0%	0.25%	85%	CHF 1342.50	35.25%

Source: Zürcher Kantonalbank

Coupon payments are made irrespective of the performance of the Underlyings.

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 Geberit rs 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. Zürcher Kantonalbank Finance (Guernsey) Limited does not have a rating.

### Specific Product Risks

The loss potential of an investment in ZKB Capital Protection Note with Participation and Coupon is limited at maturity to the difference between the purchase price and the Minimum Redemption Amount. Nevertheless, during the lifetime of the product, the ZKB Capital Protection Note with Participation and Coupon may trade at a lower value than the Minimum Redemption Amount guaranteed per maturity.

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 product is denominated in CHF. If the reference currency of the investor differs from CHF, the investor bears the exchange rate risk between his reference currency and the CHF.

#### 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 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.

##### **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 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, 13 June 2022