

ZKB Outperformance Bonus Certificate on a Basket Swiss Life rs/Swiss Re rs/Zurich Insurance rs

14.04.2021 - 14.04.2023 | Swiss Security Code 58 531 434

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.

Information on the securities
Type of product: ZKB Outperformance Bonus Certificate SSPA Category: Bonus Outperformance Certificate (1320, acc. to the Swiss Derivative Map) ISIN: CH0585314344 Symbol: Z21BDZ Issuer: Zürcher Kantonalbank Finance (Guernsey) Limited Underlyings: <ul style="list-style-type: none"> - Swiss Life Holding AG registered share - Swiss Re Ltd registered share - Zurich Insurance Group AG registered share Initial Fixing Date: 7 April 2021 Settlement Date: 14 April 2021 Final Fixing Date: 6 April 2023 Redemption Date: 14 April 2023 Type of settlement: cash or physical Bonus Payment: 100%** of Denomination Knock-out Level: 75.00%** of Initial Fixing Level
Information concerning the offer and admission to trading
Place of the offer: Switzerland Subscription period: 7 April 2021, 16:00h CET** 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 14 April 2021

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

Participation Product/Bonus Outperformance Certificate (1320, 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 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	Z21BDZ/ 58 531 434/CH0585314344																				
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	CHF 1'000.000** per Structured Product																				
Currency	CHF																				
Underlying	Swiss Life Holding AG registered share /CH0014852781/SIX Swiss Exchange /Bloomberg: SLHN SE Swiss Re Ltd registered share /CH0126881561/SIX Swiss Exchange /Bloomberg: SREN SE Zurich Insurance Group AG registered share /CH0011075394/SIX Swiss Exchange /Bloomberg: ZURN SE																				
Initial Fixing Level (100%) Weight Knock-out Level (75%**) Ratio	<table border="1"> <thead> <tr> <th>Underlying Component</th> <th>Initial Fixing Level**</th> <th>Weight in %</th> <th>Knock-out Level**</th> <th>Ratio**</th> </tr> </thead> <tbody> <tr> <td>Swiss Life rs</td> <td>460.80</td> <td>33.33</td> <td>345.60</td> <td>2.170139</td> </tr> <tr> <td>Swiss Re rs</td> <td>93.00</td> <td>33.33</td> <td>69.75</td> <td>10.752688</td> </tr> <tr> <td>Zurich Insurance rs</td> <td>399.00</td> <td>33.33</td> <td>299.25</td> <td>2.506266</td> </tr> </tbody> </table>	Underlying Component	Initial Fixing Level**	Weight in %	Knock-out Level**	Ratio**	Swiss Life rs	460.80	33.33	345.60	2.170139	Swiss Re rs	93.00	33.33	69.75	10.752688	Zurich Insurance rs	399.00	33.33	299.25	2.506266
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Bonus Level / Bonus Payment	100%** of Denomination / CHF 1'000.00** if the Knock-out Level has not been touched or undercut during the product's lifetime.																				
Participation Rate	250.00%** on performance above the Bonus Level																				
Subscription Period	Subscriptions for these Structured Products may be made until 7 April 2021, 16:00 CET** . 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.																				
Initial Fixing Date	7 April 2021																				
Settlement Date	14 April 2021																				
Last Trading Date	6 April 2023																				
Final Fixing Date	6 April 2023																				
Redemption Date/ Date of Delivery	14 April 2023																				
Initial Fixing Level	Closing prices of the components of the Underlying on Related Exchanges, on 7 April 2021																				
Final Fixing Level	Closing prices of the components of the Underlying on Related Exchanges, on 6 April 2023																				

Basket Value

The Basket Value at time t is calculated as follows:

$$\text{Basket Value}_t = \text{Denomination} \times \sum_{i=1}^n w_i \times \frac{\text{UnderlyingComponent}_{i,t}}{\text{UnderlyingComponent}_{i,IF}}$$

where

w_i = Weight of the Underlying Component i

$\text{UnderlyingComponent}_{i,t}$ = Price of the Underlying Component i at time t

$\text{UnderlyingComponent}_{i,IF}$ = Price of the Underlying Component i at Initial Fixing Date

Redemption Method

If none of the Underlying Components' fixings has been trading at or below the respective Knock-out Level between Initial Fixing Date and Final Fixing Date, the Bonus Payment will be paid. If the Basket Value on the Final Fixing Date is higher than the Bonus Payment, the difference between the two values multiplied by the Participation Rate will additionally be paid, according to the following formula:

$$\text{Denomination} \times (\text{BonusLevel} + \text{ParticipationRate} \times \max(0, \text{BasketLevel}_{FF} / \text{BasketLevel}_{IF} - \text{BonusLevel}))$$

where:

BasketLevel_{IF} = Basket Value on Initial Fixing Date

BasketLevel_{FF} = Basket Value on Final Fixing Date

BonusLevel = 100.00%**

ParticipationRate = 250.00%**

If at least one of the Underlying Components' fixings has been trading at or below the respective Knock-out Level between Initial Fixing Date and Final Fixing Date, the Investor participates in the Underlying Component with the worst performance. In case the worst performing Underlying Component prices at or below the Bonus Level, a physical delivery of this Underlying Component will be paid. The number of Underlying Components per notional amount is determined according to Ratio (Fractions will be paid in cash, no cumulation). In case the worst performing Underlying Component prices higher on Final Fixing Date than the Bonus Payment, the corresponding Cash Amount will be paid.

Listing

Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 14 April 2021.

Clearing House

SIX SIS AG/Euroclear/Clearstream

Distribution fees

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.

Distribution fees to partners outside the group

Distribution fees are paid out to distribution partners of this Structured Product outside the group and may amount up to 0.3750% p.a.

Distribution fees to partners inside the group

Distribution fees are paid out to the Lead Manager and amount to 0.1750% p.a.

Sales: 044 293 66 65

SIX Telekurs: .zkb

Internet: www.zkb.ch/finanzinformationen

Reuters: ZKBSTRUCT

Bloomberg: ZKBY <go>

Key Elements of the Product

The ZKB Outperformance Bonus Certificate on a Basket is an investment product which offers the Investor on the Redemption Date, under certain conditions, a Cash Amount equal to the Bonus Payment (CHF 1'000.00**). In addition, the Investor has the opportunity to participate with 250.00%** in the performance of the Basket above the Bonus Level.

If at least one of the Underlying Components' fixings has been trading at or below the respective Knock-out Level between Initial Fixing Date and Final Fixing Date, the Investor participates in the Underlying Component with the worst performance. In case the worst performing Underlying Component prices at or below the Bonus Level, the Investor will receive a number of Underlying Components according to Ratio. In case the worst performing Underlying Component prices higher on Final Fixing Date than the Bonus Payment, the corresponding Cash Amount will be paid.

Tax Issues

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 0.00% p.a.** , present value of bond part at issue 100.00%**) 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 of this product. The Federal securities transfer stamp tax will be charged in the case of physical delivery of the underlying securities at maturity. 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.

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 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). The English language translation is provided for convenience only.

The binding German version of these indicative Final Terms supplements the Base Prospectus approved by the SIX Exchange Regulation Ltd and published in German by the Issuer on 16 November 2020. These indicative 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 indicative 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 indicative 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 indicative 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 indicative 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 indicative Final Terms, the terms used in these indicative Final Terms have the meaning given to them in the Base Prospectus. In case of discrepancies between information or the provisions in these indicative Final Terms and those in the Base Prospectus, the information and provisions in these indicative 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 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. 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. 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 Outperformance Bonus Certificate on a Basket **

Scenario "Knock-out Level touched"

Worst Underlying Component		Basket		Redemption	
Price	Percent	Value	Percent	Amount	Product Performance
CHF 184.32	-60%	Knocked out	n/a	CHF 400.00	-60.00%
CHF 276.48	-40%	Knocked out	n/a	CHF 600.00	-40.00%
CHF 368.64	-20%	Knocked out	n/a	CHF 800.00	-20.00%
CHF 460.80	0%	Knocked out	n/a	CHF 1'000.00	0.00%
CHF 552.96	+20%	Knocked out	n/a	CHF 1'200.00	20.00%
CHF 645.12	+40%	Knocked out	n/a	CHF 1'400.00	40.00%
CHF 737.28	+60%	Knocked out	n/a	CHF 1'600.00	60.00%

Source: Zürcher Kantonalbank

Scenario "Knock-out Level not touched"

Worst Underlying Component		Basket		Redemption	
Price	Percent	Value	Percent	Amount	Product Performance
CHF 184.32	-60%	Knocked out	n/a	Knocked out	Knocked out
CHF 276.48	-40%	Knocked out	n/a	Knocked out	Knocked out
n/a	n/a	CHF 800.00	-20%	CHF 1'000.00	0.00%
n/a	n/a	CHF 1000.00	0%	CHF 1'000.00	0.00%
n/a	n/a	CHF 1200.00	+20%	CHF 1'500.00	50.00%
n/a	n/a	CHF 1400.00	+40%	CHF 2'000.00	100.00%
n/a	n/a	CHF 1600.00	+60%	CHF 2'500.00	150.00%
n/a	n/a	CHF 1800.00	+80%	CHF 3'000.00	200.00%

Source: Zürcher Kantonalbank

If none of the Underlying Components' fixings has been trading at or below the Knock-out Level during the product's lifespan, the performance of the Certificate will be at least 0.00% ** and above that level will be analogous to the performance of the Underlying, multiplied by the Participation Rate, see Scenario "Knock-out Level not touched". If at least one of the Underlying Components' fixings has been trading at or below the Knock-out Level, the Performance of the Certificate at redemption will be analogous to that of the Underlying Component with the worst performance, see Scenario "Knock-out Level touched". In this table, the assumption was made that Swiss Life rs was the worst performing Underlying Component. The selection is purely exemplary.

The above table is valid at maturity and is by no means meant as a price indication by the Issuer for this Structured Product throughout its lifetime. The value 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 table above.

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.

Specific Product Risks

Structured Products are complex investment instruments that entail considerable risks and are therefore only intended for experienced investors who understand and are able to bear the associated risks.

The loss potential of this Certificate corresponds exactly to that of the Underlying Component with the worst performance if the Knock-out Level has been touched. The value of this Underlying Component may be significantly lower at redemption than on the Initial Fixing Date. The Certificate is denominated in CHF. The Investor bears all the exchange rate risks arising in connection with the Structured Product between the Product currency, the currency of the Underlying Components, and against its reference currency.

4. Additional Terms

Modifications	<p>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.</p>
Change of Obligor	<p>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 Derivatives 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 Derivatives which the previous Issuer owed in respect of these Derivatives, (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 Derivatives and the assumption of the obligations under the assigned Derivatives.</p>
Market Disruptions	<p>Compare specific provisions in the Base Prospectus.</p>
Selling Restrictions	<p>EEA, U.S.A./U.S. persons, United Kingdom, Guernsey</p>
Prudential Supervision	<p>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.</p>
Recording of Telephone Conversations	<p>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.</p>
Further Information	<p>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.</p>
Material Changes	<p>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.</p>
Responsibility for the indicative Final Terms	<p>Zürcher Kantonalbank, Zürich, 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.</p>

Zurich, 25 March 2021