

NEW ISSUE

Last Look Bonus-Certificate on EURO STOXX 50® Index

26.01.2011 - 24.01.2014

Swiss Security Code 12 013 275



**Zürcher
Kantonalbank**

NOTENSTEIN
PRIVATBANK

1. Product Description

Product Category / Name	Participation Product / Bonus-Certificate (1320, according to the "Swiss Derivative Map" provided by the Swiss Structured Products Association)
CISA Notification	These products constitute Structured Products in Switzerland. They do not constitute collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA). They are not subject to an authorisation or supervision by the FINMA and investors do not benefit from protection under the CISA.
Issuer	Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey
Keep-Well Agreement	With Zürcher Kantonalbank (full text in Annex 3 of the Issuance Programme); Zürcher Kantonalbank obtained the following ratings: Standard & Poor's: AAA, Moody's: Aaa, Fitch: AAA
Lead Manager, Paying Agent, Exercise Agent and Calculation Agent	Zürcher Kantonalbank, Zurich
Co-Lead Manager	Notenstein Privatbank AG until 27.01.2012: Wegelin & Co. Privatbankiers, Gesellschafter Bruderer, Hummler, Tolle & Co.
Symbol / Swiss Security Code / ISIN	ZKB1AO / 12 013 275 / CH0120132755
Notional Amount / Denomination / Trading Units	EUR 4 380 600.00 / EUR 292.04 / 1 Structured Product or multiples thereof
Number of Structured Products	Up to 15 000, with the right to increase
Issue Price	EUR 292.04 per Structured Product
Currency	EUR
Underlying	EURO STOXX 50® Index
Ratio	1 Structured Product corresponds to 0.100000 Underlyings
Bonus Payment	EUR 330.01 / 113 % of Notional Amount if Knock-out Level has never been touched during lifetime, see Redemption Method
Knock-out Level	EUR 2 044.28 / 70 % of Initial Fixing Level on the Initial Fixing Date
Initial Fixing Date	14 January 2011
Settlement Date	26 January 2011
Last Trading Date	14 January 2014
Final Fixing Date	14 January 2014
Redemption Date	24 January 2014

Initial Fixing Level	2 920.40 points, Closing Level of Underlying, on 14. January 2011
Final Fixing Level	Closing Price of Underlying, on 14 January 2014
Redemption Method	<p>If the Underlying does not trade at or below the Knock-out Level on the Final Fixing Date, the investor receives a cash amount that equals the greater of either the Bonus Payment or the performance of the Underlying multiplied by the Denomination:</p> $\max \left[\text{Bonus Payment}; \text{Denomination} \times \frac{\text{FinalFixingLevel}}{\text{InitialFixingLevel}} \right]$ <p>If the Underlying trades at or below the Knock-out Level on the Final Fixing Date, the investor will receive a cash amount corresponding to the performance of the Underlying between the Initial Fixing Date and the Final Fixing Date multiplied by the Denomination.</p>
Listing	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 26 January 2011
Clearing House	SIX SIS AG / Euroclear / Clearstream
Sales: Tel +41 44 293 66 65	<p>SIX Telekurs: 85,ZKB Internet: www.zkb.ch/strukturierteprodukte</p> <p>Reuters: ZKBSTRUCT Bloomberg: ZKBY <go></p>
Key Elements of the Product	The Last Look Bonus-Certificate is an investment product which permits an unrestricted performance participation in the Underlying and, under certain conditions, guarantees a Minimum Redemption (Bonus Payment). If the Knock-out Level is not been touched on the Final Fixing Date, a capital protection in the amount of the Bonus Payment applies. If the Knock-out Level is touched on the Final Fixing Date, the Bonus Payment will be forfeited and the investor receives a cash redemption equivalent to the Underlying value on the Final Fixing Date multiplied with the Ratio.
Tax Issues	<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 1.65 % p.a., present value of bond part at issue 95.21 %) and is determined in compliance with the 'modifizierte Differenzbesteuerung' tax rule based on the ESTV Bondfloor Pricing method. The applicable daily exchange rate for foreign currency translation purposes may be an important factor. 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. For Swiss paying agents this product is not subject to the EU taxation of savings income (SIX Telekurs EU-Tax classification code: 7, „out of scope“).</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	<p>This document constitutes the Final Terms in accordance to article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. These Final Terms supplement the Issuance Programme of the Issuer dated 12 April 2010 and published in German in the currently valid version. These Final Terms and the Issuance Programme constitute the complete Issuance and Listing Prospectus for this issuance (the 'Listing Prospectus'). Except as otherwise defined in these Final Terms, capitalised terms used in these Final Terms have the meaning as defined in the Glossary in the Issuance Programme. In case of discrepancies between information or the provisions in these Final Terms and those in the Issuance Programme, the information and provisions in these Final Terms shall prevail. Structured Products will be issued as uncertified rights (Wertrechte) and registered as book entry securities (Bucheffekten) with SIX SIS AG. Investors have no right to require the issuance of any certificates or proves of evidence for the Structured Products. These Final Terms and the Issuance Programme can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. IFDS or by e-mail at documentation@zkb.ch. This document is not a prospectus in accordance with articles 652a or 1156 of the Swiss Code of Obligations.</p>
Information on the Underlying	<p>The EURO STOXX 50® Index likewise consists of 50 stocks covering the largest supersector leaders in the EURO STOXX Index. The Index is weighted by free-float market capitalisation. Each components's weight is capped at 10 % of the Index's total free-float market capitalisation. The free-float weights are reviewed quarterly. The EURO STOXX 50® Index is a price index. Calculation/Distribution: Price EUR: Every 15 seconds during local trading hours.</p> <p>The EURO STOXX 50® index (or other applicable index) is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors (Licensors), which is used under license. The securities (or financial instruments, or options or other technical term) based on the index are in no way sponsored, endorsed, sold or promoted by STOXX and its licensors and neither STOXX nor its licensors shall have any liability with respect thereto. 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.</p>
Notices	<p>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 http://zkb.is-teledata.ch/html/boersenMaerkte/marktUebersicht/schweiz/index.html under the relevant Structured Product. The Swiss security code search button will lead you directly to the relevant Structured Product. If the product is listed on SIX Swiss Exchange, the notices will also be published in accordance with the rules issued by SIX Swiss Exchange for IBL (Internet Based Listing) on the website http://www.six-exchange-regulation.com/publications/communiques/official_notices_d.html.</p>
Governing Law / Jurisdiction	<p>Swiss Law / Zurich 1</p>

2. Profit and Loss Expectations at Maturity

Profit and Loss Expectations at Maturity

Last Look Bonus-Certificate					
Underlying		Redemption			
Price	Percent	Knock-out Level touched	Performance %	Knock-out Level untouched	Performance %
EUR 1168.16	-60 %	EUR 116.82	-60.00 %	Knock-out Level touched	
EUR 1752.24	-40 %	EUR 175.22	-40.00 %	Knock-out Level touched	
EUR 2336.32	-20 %	EUR 233.63	-20.00 %	EUR 330.01	+13.00 %
EUR 2920.40		EUR 292.04	0.00 %	EUR 330.01	+13.00 %
EUR 3504.48	+20 %	EUR 350.45	+20.00 %	EUR 350.45	+20.00 %
EUR 4088.56	+40 %	EUR 408.86	+40.00 %	EUR 408.86	+40.00 %
EUR 4672.64	+60 %	EUR 467.26	+60.00 %	EUR 467.26	+60.00 %

Source: Zürcher Kantonalbank

If the Underlying does not touch the Knock-out Level on the Final Fixing Date, the performance of the Last Look Bonus-Certificate is at least 13.00 % and is analogous to the performance of the Underlying (see column "Knock-out Level not touched"). If the Knock-out Level has been touched, then the performance of the Last Look Bonus-Certificate corresponds at maturity to the performance of the Underlying (see column "Knock-out Level touched").

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.

3. Material Risks for Investors

Credit Risk Relating to Issuer

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 Products 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. Zürcher Kantonalbank Finance (Guernsey) Limited does not have any rating.

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.

In case of touching the Knock-out Level, the risk profile of the equals the risk profile of the Underlying. During the lifetime as well as at maturity, the value of the may be lower than on issue date.

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 (force majeure) occurs, which makes it impossible or particularly cumbersome for the Issuer, to fulfil 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.

Change of Issuer	The Issuer is entitled at any time and without the approval of the investors to transfer the rights and claims from collective or individual Structured Products in their entirety (but not partially) to a Swiss or foreign subsidiary, branch or holding company of Zürcher Kantonalbank (the "New Issuer"), provided (i) the New Issuer fully assumes all liabilities from the transferred Structured Products owed by the previous Issuer to the investors through these Structured Products, (ii) Zürcher Kantonalbank concludes a Keep-Well Agreement with the New Issuer, with identical content to the one between Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited, and (iii) the New Issuer has received all the requisite approvals to issue Structured Products and assume obligations connected to the transferred Structured Products from the national authorities of country in which said New Issuer is based.
Market Disruptions	Compare specific provisions in the Issuance Programme.
Selling Restrictions	The selling restrictions contained in the Issuance Programme are applicable (EEA, U.S.A. / U.S. persons, Guernsey). The Issuer has not undertaken any actions to permit the public offering of the Structured Products or the possession or the distribution of any document produced in connection with the issuance of the Structured Products in any jurisdiction other than Switzerland. The distribution of these Final Terms or other documents produced in connection with the issuance of the Structured Products and the offering, sale and delivery of the Structured Products in certain jurisdictions may be restricted by law. Persons, which have received these Final Terms or any other documents produced in connection with the issuance of the Structured Products, such as the Issuance Programme, Termsheets, marketing or other selling material, are required by the Issuer to inform themselves about and to observe any such restrictions.
Prudential Supervision	Zürcher Kantonalbank is a bank according to the Swiss Federal Act on Banks and Saving Institutions (BankG; SR 952.0) and a securities dealer according to the Swiss Federal Act on Securities Exchanges and Securities Trading (BEHG; SR 954.1) and subject to the prudential supervision of the FINMA, Einsteinstrasse 2, CH-3003 Bern, http://www.finma.ch . Zürcher Kantonalbank Finance (Guernsey) Limited is not subject to any direct prudential supervision neither in Guernsey nor in Switzerland, but is a fully owned and fully consolidated subsidiary of Zürcher Kantonalbank.
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.

Zurich, 14 January 2011