

ZKB Express Certificate Last Look on worst of SMI® Index/EURO STOXX 50® Index/S&P 500® Index

13.03.2015 - 13.03.2020 | Swiss Security Code 26 337 939

New Issue

1. Product Description

Product Category/Name	Yield Enhancement/Express Certificate (1260, according to the 'Swiss Derivative Map' provided by the Swiss Structured Products Association)				
CISA Notification	These products constitute Structured Products. 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. Investors bear the Issuer Risk.				
Issuer	Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey is a fully 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 any 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 can be found under Annex 3 of the Issuance Programme.				
Lead Manager, Paying Agent, Exercise Agent and Calculation Agent	Zürcher Kantonalbank, Zurich				
Symbol/ Swiss Security Code/ISIN	ZKB5BQ/ 26 337 939/CH0263379395				
Notional Amount/Denomination/ Trading Units	Up to CHF 5'000'000, with the right to increase/Denomination CHF 1'000 each/CHF 1'000 or multiples thereof				
Issue Price	100.00% of Denomination (100.00% bond part, IRR 0.00% p.a.)				
Currency	Quanto CHF				
Underlying	SMI® Index /CH0009980894/Bloomberg: SMI EURO STOXX 50® Index /EU0009658145/Bloomberg: SX5E S&P 500® Index /US78378X1072/Bloomberg: SPX				
Initial Fixing Level (100.00%) Call Level (100.00%) Knock-in Level (67.00%) Ratio	Underlying	Initial Fixing Level	Call Level	Knock-in Level	Ratio
	SMI® Index	9034.65	9034.6500	6053.2155	n.a.
	EURO STOXX 50® Index	3617.62	3617.6200	2423.8054	n.a.
	S&P 500® Index	2071.26	2071.2600	1387.7442	n.a.
Call Level	100.00% of Initial Fixing Level				
Knock-in Level	67.00% of Initial Fixing Level				
Coupon Level	67.00% of Initial Fixing Level				

Coupon

The Coupon Payment of 2.00% semi-annually depends on the price of the Underlyings on the respective Observation Date:

- If the closing prices of all Underlyings on the Observation Date trade above the Coupon Level, a Coupon of 2.00% will be paid, while unpaid Coupons may be recovered thanks to the memory effect. The Coupon amount is calculated according to the following formula:

$$Coupon_t = t \times Coupon - \sum_{k=0}^{t-1} Coupon_k$$

where

Coupon = 2.00%

Coupon_k = Coupon paid on earlier observation dates

- If the closing price of at least one Underlying trades on the Observation Date at or below the Coupon Level, no Coupon will be paid.

Observation Dates/Payment Dates

semi-annually, Observations Dates t , whereas $t=1$ to 10

Observation Date _{t}		Observation Date _{t}	
$t = 1$	07.09.2015	$t = 6$	06.03.2018
$t = 2$	07.03.2016	$t = 7$	06.09.2018
$t = 3$	06.09.2016	$t = 8$	06.03.2019
$t = 4$	06.03.2017	$t = 9$	06.09.2019
$t = 5$	06.09.2017	$t = 10$	06.03.2020

If an exchange is closed on an Observation Date, the next following day where all exchanges are open will be used for the calculation of the Underlying (modified following business day convention).

Coupon payment date _{t} *		Coupon payment date _{t} *	
$t = 1$	14.09.2015	$t = 6$	13.03.2018
$t = 2$	14.03.2016	$t = 7$	13.09.2018
$t = 3$	13.09.2016	$t = 8$	13.03.2019
$t = 4$	13.03.2017	$t = 9$	13.09.2019
$t = 5$	13.09.2017	$t = 10$	13.03.2020

Initial Fixing Date

6 March 2015

Settlement Date

13 March 2015

Early Redemption Right of the Issuer

The Issuer has the right to call the Structured Product for Early Redemption each year per 15 December (Exercise Date) which has to be announced at least 20 banking days in advance without any reasons (for the first time per 15 December 2015, modified following). The information to the holder of the Structured Product will be published by the SIX Swiss Exchange.

Last Trading Date

6 March 2020

Final Fixing Date

6 March 2020

Redemption Date

13 March 2020, early redemption possible for the first time on 14 September 2015

Initial Fixing Level

Closing prices of Underlyings on Related Exchanges, on 06 March 2015

Final Fixing Level

Closing prices of Underlyings on Related Exchanges, on 06 March 2020

Redemption Method

Early Redemption:

Early Redemption is dependent on the Underlying's price level on the respective Observation Date.

- If the closing price of all Underlyings on the Observation Date trade at or above the Call Level, the product will be redeemed early at 100.00% of the Denomination. In addition, a Coupon will be paid out (refer to Coupon).
- If one or more Underlyings trades below the Call Level on the Observation Date, the product continues.

Redemption at Maturity:

If no Early Redemption event has occurred, the following redemption scenarios are possible:

- If the Final Fixing Level of each Underlying trades above the Knock-in Level, the product will be redeemed at 100.00% of Denomination.
- If the Final Fixing Level of at least one Underlying quotes at or below the Knock-in Level, the redemption amount equals the Denomination minus the negative performance of the worst performing Underlying between the Initial Fixing Date and Final Fixing Date.

The calculation of the Redemption is independent of any changes in foreign exchange rates between CHF and the currency of the Underlying (Quanto Style).

Listing

Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 13 March 2015.

Clearing House

SIX SIS AG/Euroclear/Clearstream

Total Expense Ratio (TER)/Distribution fees

A TER - in the sense implied by the definition of the Swiss Funds & Asset Management Association - of **0.50% p.a.** is pursued.

The TER includes production and distribution fees charged to the Structured Product. One-off costs are spread over the entire product maturity in calculating the TER. Risk and transaction costs, typically to be found in bid-ask spreads for option trades, are not accounted for in the TER.

Distribution fees in the form of either a discount on issue price, an issue surcharge or other one-off and/or periodic charges may have been paid to one or several distribution partners in relation with the present Structured Product. Distribution fees are included in the TER and amount up to **0.15% p.a.**

Sales: 044 293 66 65

SIX Telekurs: 85,ZKB
Internet: www.zkb.ch/strukturierteprodukte

Reuters: ZKBSTRUCT
Bloomberg: ZKBY <go>

Key Elements of the Product

ZKB Express Certificate Last Look on worst of is an investment product, which can be redeemed early semi-annually - depending on the performance of the underlyings. The product pays attractive semi-annually coupons during its lifetime - also depending on the performance of the underlyings - Due to the memory effect, Coupons that were not paid could be made up in subsequent coupon payments.

During the lifetime, ZKB Express Certificate Last Look on worst of are traded flat accrued interest, i.e. accrued interest is included in the trading price.

Taxes

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. . 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“).

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 cannot substitute the personal tax advice to the investor.

Documentation

This document constitutes the Final Terms in accordance with 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 15 April 2014 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. IFSDS 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.

Information on the Underlying

The SMI® is made up of a maximum of 20 of the largest and most liquid stocks from the SPI® Large- and Mid-cap Segment. As with all SIX stocks indices, the stocks are weighted within the index according to their free float market capitalisation. The index is updated in real time after each transaction and published every three seconds. The SMI® is a price index. These securities are not in any way sponsored, endorsed, sold or promoted by the SIX Swiss Exchange and the SIX Swiss Exchange makes no warranty or representation. SMI® is a registered trademark of the SIX Swiss Exchange. Its use is license requiring.

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 component'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.

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The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Zürcher Kantonalbank. Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Zürcher Kantonalbank. Zürcher Kantonalbank's Products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

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 index provider.

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://zkb-finance.mdgms.com/products/stp/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/published_notifications/official_notices_de.html

Governing Law/Jurisdiction

Swiss Law/Zurich 1

Profit and Loss Expectations at Maturity

2. Profit and Loss Expectations at Maturity

ZKB Express Certificate Last Look on worst of

worst Underlying		Redemption	
Price	Percent	ZKB Express Certificate Last Look on worst of	Performance %
CHF 3'613.86	-60%	CHF 400.00	-60.00%
CHF 5'420.79	-40%	CHF 600.00	-40.00%
CHF 7'227.72	-20%	CHF 1'020.00	20.00%
CHF 9'034.65	0%	CHF 1'020.00	20.00%
CHF 10'841.58	+20%	CHF 1'020.00	20.00%
CHF 12'648.51	+40%	CHF 1'020.00	20.00%
CHF 14'455.44	+60%	CHF 1'020.00	20.00%

Source: Zürcher Kantonalbank

If the Final Fixing Level of each Underlying trades above the Knock-in Level, the product will be redeemed at 100% of Denomination. In these cases, the performance of the product corresponds to the sum of the Coupons that have been paid.

If the Final Fixing level of at least one Underlying quotes at or below the Initial Fixing Level, the performance of the product equals to the performance of the worst performing Underlying. This negative performance is reduced by the Coupons potentially paid out.

The redemption scenario above neglects early redemption. It was assumed, that the SMI® Index was the worst performing Underlying. This selection is just a representative example of the possible alternatives.

The table above is valid at maturity only and is by no means meant as a price indication for these derivative series throughout its lifetime. The price of these derivative series 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.

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 Express Certificate Last Look on worst of is in case of a Knock-in Event equal to the one of the Underlying with the worst Performance. The price of the Underlying can trade at redemption considerably below the Initial Fixing Level. The ZKB Express Certificate Last Look on worst of 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 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 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.

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).

In particular must this publication and the information contained within not be distributed and / or redistributed, used or relied upon, by any person (whether individual or entity) who may be a US person under Regulation S under the US Securities Act of 1933. US persons include any US resident; any corporation, company, partnership or other entity organized under any law of the United States; and other categories set out in Regulation S.

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, Laupenstrasse 27, CH-3003 Bern, <http://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.

Zurich, 20 February 2015, last update on 9 March 2015