Zürcher Kantonalbank

Key Information Document

CH0473232939 (the Product)

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product name	ZKB Barrier Reverse Convertible with Coupon in CHF linked to several Underlyings (Nestlé N (Share), Novartis N (Share), Roche Hldg G (Share), The Swatch Grp I (Share), Swisscom N (Share). each an Underlying and together the Underlyings)
ISIN	CH0473232939 (the Product)
Product Manufacturer	Zürcher Kantonalbank, our website: zkb.ch/strukturierteprodukte, call +41 (0)44 293 66 65 for more information.
Issuer	Zürcher Kantonalbank Finance (Guernsey) Ltd
Competent regulatory authority	

This document was created on 12 November 2019, 17:53 CET. **You are about to purchase a product that is not simple and may be difficult to understand.**

What is this Product?

Type: This Product is a bond in uncertificated and dematerialised book-entry form issued under Swiss law.
It is a Structured Product. It 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.

Objectives: The Product is a complex financial instrument linked to several Underlyings (each an Underlying and together the Underlyings, see table below). By investing in the Product, the investor obtains returns in the form of Coupons which are not dependent on the performance of the Underlyings. The Coupons are equal to 3.7500% p.a. of the Denomination and are payable on the Coupon Payment Dates.

If the investor holds the Product until the Redemption Date, the maximum amount the investor may receive will be the Redemption Amount plus the sum of the Coupons due on the Coupon Payment Dates. The investor will not participate in any positive performance of the Underlyings.

By investing in the Product, the investor may obtain on the Redemption Date a Redemption Amount equal to the Denomination provided that the Underlyings perform favourably for the investor. If the Underlyings perform unfavourably for the investor, the Redemption Amount may be lower. In detail:

- If the level of each Underlying is above its Knock-In Level at all times during the Knock-In Level Observation: The Product is redeemed at the Denomination.
- If the level of at least one Underlying is at or below its Knock-In Level at any time during the Knock-In Level Observation and
  - If the Final Fixing Level of each Underlying is at or above its Cap Level: The Product is redeemed at the Denomination;or
  - If the Final Fixing Level of at least one Underlying is below its Cap Level: The Product is redeemed by delivery of the number of Worst-Performing Underlyings specified in the Ratio of the Worst-Performing Underlying, i.e. the Redemption Amount will be linked to the negative performance of the Worst-Performing Underlying. Any remaining fractions will not be delivered, but compensated by a payment in CHF. In such case the Final Redemption Amount will generally be less than the amount you invested.

The risk and return profile of the Product described above will differ if the Product is sold before the Redemption Date.

Product data

Issue Price	100.00% of the Denomination (CHF 1'000)	**Settlement Date**	18/11/2019
Denomination	CHF 1'000	**Trading Units**	CHF 1
Initial Fixing Level	100.00% of the closing level of each Underlying on the Initial Fixing Date.	**Cap Level**	100.00% of the Initial Fixing Level of each Underlying
Initial Fixing Date	12/11/2019	**Ratio**	For each Underlying an amount equal to the Denomination divided by its Cap Level.
Last Trading Date	11/11/2022	**Redemption Date (maturity)**	18/11/2022
Final Fixing Date	11/11/2022	**Final Fixing Level**	100.00% of the closing level of each Underlying on the Final Fixing Date.
Worst Performing Underlying	Out of all the Underlyings, the Underlying in respect of which its Final Fixing Level divided by its Cap Level results in the lowest value	**Coupon**	3.75% p.a. of the Denomination

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Coupon Payment Dates	18/11/2020, 18/11/2021 and 18/11/2022	**Knock-In Level**	49.00% of the Initial Fixing Level of each Underlying
Knock-In Level Observation	From 12/11/2019 (including) until 11/11/2022 (including)	**Currency**	Swiss Franc (CHF)

Underlying data

Underlyings	**Initial Fixing Level**
Nestlé N (Share)	CHF 103.7800
Novartis N (Share)	CHF 88.8000
Roche Hldg G (Share)	CHF 298.1000
The Swatch Grp I (Share)	CHF 273.5000
Swisscom N (Share)	CHF 515.6000

Intended retail investor: This Product is intended for retail investors, with sufficient knowledge and experience in Structured Products: Participation / Yield Enhancement and similar products, an average ability to bear investment loss and a mid-term investment horizon.

Term: The term of the product ends on the Redemption Date of 18 November 2022. The Product provides that if certain extraordinary events occur, the Issuer may terminate the Product early. These events principally relate to the Product, the Issuer and the Underlyings. The amount you receive on such extraordinary early termination will be different and may be less than the amount you invested.

Any dividend payments made on any of the Underlyings, which is a share or similar equity instrument, will not be distributed to investors.

What are the risks and what could I get in return?

Summary Risk Indicator

Lower Risk ❮ **1** 2 3 4 **5** 6 7 ❯ Higher Risk

The risk indicator assumes you keep the Product until maturity. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your Product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets or because we are not able to pay you. We have classified this Product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions are very unlikely to impact our capacity to pay you. **Be aware of currency risk** if your reference currency differs from the currency of the Product. You might receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. This Product does not include any protection from future market performance so you could lose some or all of your investment. In case of redemption of the Product by delivery of a number of Underlyings, you may incur losses from the Final Fixing Date to the date, when the Underlyings are deposited in your account and thereafter. If we are not able to pay you what is owed, you could lose your entire investment return.

Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Investment CHF 10'000

Scenarios		**1 year**	**2 years**	**3 years** (recommended holding period till 18/11/2022)
Stress scenario	**What you might get back after costs**	**CHF 3'588.6107**	**CHF 4'122.6284**	**CHF 4'284.9203**
	Average annual return	-64.11% p.a.	-36.88% p.a.	-26.22% p.a.
Unfavourable scenario	**What you might get back after costs**	**CHF 4'764.8637**	**CHF 4'977.5027**	**CHF 4'750.7416**
	Average annual return	-52.35% p.a.	-30.26% p.a.	-23.32% p.a.
Moderate scenario	**What you might get back after costs**	**CHF 10'350.1214**	**CHF 10'725.0001**	**CHF 11'125.0000**
	Average annual return	3.50% p.a.	3.63% p.a.	3.75% p.a.
Favourable scenario	**What you might get back after costs**	**CHF 10'350.1214**	**CHF 10'725.0001**	**CHF 11'125.0000**
	Average annual return	3.50% p.a.	3.63% p.a.	3.75% p.a.

This table shows the money you could get back over the next 3 years, under different scenarios, assuming that you invest CHF 10'000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other Products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the Product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all costs of the Product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Zürcher Kantonalbank Finance (Guernsey) Ltd is unable to pay out?

If Zürcher Kantonalbank Finance (Guernsey) Ltd becomes insolvent, investors should in the worst case be prepared to suffer a total loss of their investment. The Product is not covered by any statutory or other deposit protection scheme. If the issuer and/or the guarantor are subject to any resolution measures (e.g. bail-in), your claim rights may be reduced to zero, converted into equity or its maturity date may be altered.

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What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the Product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest CHF 10'000. The figures shown are estimates and may change in the future.

Costs over time

The person selling you or advising you about this Product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment CHF 10'000

Scenarios	If you cash in after 1 year	If you cash in after 2 years	If you cash in at the end of the recommended holding period
Total costs	CHF 545.00	CHF 545.00	CHF 520.00
Impact on return (RIY) per year	5.94% p.a.	2.98% p.a.	1.93% p.a.

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	**Entry costs**	**1.93% p.a.**	The impact of the costs you pay when entering your investment and the costs already included in the price. This is the most you will pay and you could pay less.
	Exit costs	**n/a**	The impact of the costs of exiting your investment when it matures.
Ongoing costs	**Portfolio transaction costs, other ongoing costs**	**n/a**	Ongoing costs do not apply for this Product.
Incidental costs	**Performance fees, carried interests**	**n/a**	Incidental costs do not apply for this Product.

How long should I hold it and can I take money out early?

Recommended Holding Period: until 18 November 2022 (maturity)

The Product has remaining duration of 3 years. It does not provide for an early termination right of the investor. Therefore, investors should be prepared to stay invested for the term of the Product. The only possibility to cash in the Product earlier is by selling the Product through the exchange where the Product is listed or to the Product Manufacturer/Issuer outside of such exchange. The Product Manufacturer will endeavour to provide bid and offer prices for the Product on each business day under normal market conditions, but is under no legal obligation to do so. A sale of the Product may in particular not be possible under exceptional market circumstances or in case of technical disruptions. An investor selling the Product during the term may potentially receive sales proceeds below the amount that the investor would receive at maturity.

How can I complain?

Any complaint regarding the person advising on, or selling, the product can be submitted directly to that person via the relevant website. Any complaint regarding the Product (terms), this document or the conduct of the Product Manufacturer can be submitted in writing to Zürcher Kantonalbank, Betreuungscenter, PO Box, 8010 Zurich, or via e-mail to documentation@zkb.ch, or visit our website zkb.ch/strukturierteprodukte.

Other relevant information

This key information document does not contain all information relating to this Product. Please refer to the underlying prospectus for the legally binding terms and conditions of the Product as well as a detailed description of the risks and rewards associated with this Product. The prospectus is available on zkb.ch/strukturierteprodukte, and a paper copy of this document may be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, Switzerland, to the attention of Documentation Trading Products. The information contained in this key information document does not constitute a recommendation to buy or sell the Product and is no substitute for individual consultation with the investor's bank or advisor. Any updated version of this key information document will be published on: zkb.ch/strukturierteprodukte.

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