

11.2500% p.a.** ZKB Autocallable BRC on worst of IBM s/HP Inc s/Oracle s

21.07.2020 - 21.01.2022 | Swiss Security Code 52 190 457

New Issue / indicative termsheet

** The information contained herein is purely of an indicative nature. The Issuer/Calculation Agent shall fix the legally binding parameters on the Initial Fixing Date. The Investor acknowledges that the Final Terms of the present Structured Product shall not be fixed until the Initial Fixing Date, and by subscribing to the present Structured Product is indicating his agreement with the Final Terms.

1. Product Description

Product Category/Name	Yield Enhancement/Barrier Reverse Convertible with Autocallable Feature (1230*, 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, Guernsey Zürcher Kantonalbank Finance (Guernsey) Limited, Saint Peter Port, Guernsey 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	Z00OWZ/ 52 190 457/CH0521904570																				
Notional Amount/Denomination/ Trading Units	Up to USD 3'000'000, with the right to increase / denomination of USD 1'000 per Structured Product / USD 1'000 or multiples thereof																				
Issue Price	100.00% of Denomination																				
Currency	USD																				
Underlying	Intl Business Machines Corp. IBM share/US4592001014/New York Stock Exchange/Bloomberg: IBM UN HP Inc share/US40434L1052/New York Stock Exchange/Bloomberg: HPQ UN Oracle Corp share/US68389X1054/NASDAQ/Bloomberg: ORCL UN																				
Initial Fixing Level (100.00%)** Call Level (95.00%)** Knock-in Level (50.00%)** Ratio**	<table><tr><th>Underlying</th><th>Initial Fixing Level**</th><th>Call Level**</th><th>Knock-in Level**</th><th>Ratio**</th></tr><tr><td>IBM s</td><td>120.0100</td><td>114.0095</td><td>60.0050</td><td>8.332634</td></tr><tr><td>HP Inc s</td><td>17.7793</td><td>16.8903</td><td>8.8897</td><td>56.244965</td></tr><tr><td>Oracle s</td><td>56.9214</td><td>54.0753</td><td>28.4607</td><td>17.568073</td></tr></table>	Underlying	Initial Fixing Level**	Call Level**	Knock-in Level**	Ratio**	IBM s	120.0100	114.0095	60.0050	8.332634	HP Inc s	17.7793	16.8903	8.8897	56.244965	Oracle s	56.9214	54.0753	28.4607	17.568073
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Call Level	95.00%** of Initial Fixing Level																				
Knock-in Level	50.00%** of Initial Fixing Level																				

Coupon

The Coupon Payment of 2.8125%** quarterly occurs independently of the levels of the Underlyings on the respective Observation Date.

Interest payment: 0.3686% p.a.**; premium payment: 10.8814% p.a.**

Coupon Payment Dates/Payments

	Coupon Payment Date _t *	Coupon Payment _t **
t = 1	21/10/2020	2.8125%
t = 2	21/01/2021	2.8125%
t = 3	21/04/2021	2.8125%
t = 4	21/07/2021	2.8125%
t = 5	21/10/2021	2.8125%
t = 6	21/01/2022	2.8125%

* modified following business day convention

Coupon Calculation Method

30/360 (German), modified following

Observation Dates/Early Redemption Dates

Observations Dates t, whereas t=1 to 4

	Observation Date _t	Early Redemption Date _t *
t = 1	13/01/2021	21/01/2021
t = 2	14/04/2021	21/04/2021
t = 3	14/07/2021	21/07/2021
t = 4	14/10/2021	21/10/2021

* modified following business day convention

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.

Subscription Period

Subscriptions for these Structured Products can be made **until 14 July 2020, 16:00 CET**.

The Issuer has the right to decrease the Number of Structured Products issued or to withdraw the issuance of the Structured Products for any reason. Furthermore, the Issuer shall have the right to close the offer prematurely or to postpone the Subscription Period.

Initial Fixing Date

14 July 2020

Settlement Date

21 July 2020

Last Trading Date

14 January 2022

Final Fixing Date

14 January 2022

Redemption Date

21 January 2022, early redemption possible for the first time on 21 January 2021

Initial Fixing Level

Closing prices of Underlyings on Related Exchanges, on 14 July 2020

Final Fixing Level

Closing prices of Underlyings on Related Exchanges on 14 January 2022

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% of the Denomination.
- 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, there are the following possible redemption scenarios:

If the price of none of the Underlyings has traded at or below the Knock-in Level between the Initial Fixing Date and the Final Fixing Date, redemption will be 100% of the Denomination independent of the Final Fixing Level of the Underlyings.

If the price of one or more of the Underlyings has traded at or below the Knock-in Level between Initial Fixing Date and Final Fixing Date,

- redemption will be 100% of the Denomination if the Final Fixing Levels of all Underlyings are at or higher than the Initial Fixing Level or
- the investor will receive a physical delivery of a number of Underlyings as defined in Ratio per Denomination of the worst performing Underlying between Initial Fixing Date and Final Fixing Date (Fractions will be paid in cash, no cumulation).

The Coupon will be paid out on the defined Payment Date(s) independent of the performance of the Underlyings.

Listing

Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 21 July 2020

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 0.5000% p.a.

Distribution fees to partners inside the group

Distribution fees are paid out to the Lead Manager and may amount up to 0.3333% 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

ZKB Autocallable BRC on worst of is an investment product, which can be redeemed early quarterly - depending on the performance of the Underlyings. The product pays attractive quarterly Coupons during its lifetime

During the lifetime, ZKB Autocallable BRC 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 Non-IUP (Intérêt Unique Prédominant). The Coupon of 11.2500% (11.2500% p.a.)** is divided in an option premium payment of 11.1579% (10.8814% p.a.)** and an interest payment of 0.0922% (0.3686% p.a.)**. The option premium part qualifies as capital gain and is not subject to Swiss income tax for privat investors with Swiss tax domicile. The interest part is subject to Swiss income tax at payment time. The Product is not subject to Swiss withholding tax.

The Federal securities transfer stamp tax is levied on secondary market transactions of this product. In the case of physical delivery of the underlying securities at maturity the Federal securities transfer stamp tax will be levied on the basis of the Cap Level.

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 cannot substitute the personal tax advice to the investor.

Documentation

This document constitutes indicative values (marked **). The Final Terms under Article 21 of the Additional Rules for the Listing of Derivates of SIX Swiss Exchange are set at initial fixing date. These Final Terms supplement the base prospectus of the Issuer dated 15 April 2020 published in German in the version applicable at the time of issuance. These Final Terms and the base prospectus 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 base prospectus. In case of discrepancies between information or the provisions in these Final Terms and those in the base prospectus, 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 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. This document is not a prospectus in accordance with articles 652a or 1156 of the Swiss Code of Obligations.

Information on the Underlying

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

2. Profit and Loss Expectations at Maturity

Profit and Loss Expectations at Maturity

ZKB Autocallable BRC on worst of

Worst Underlying		Redemption			
Price	Percent	Knock-in Level touched	Performance %	Knock-in Level untouched	Performance %
USD 48.0040	-60%	USD 568.75	-43.13%	Knock-in Level touched	
USD 72.0060	-40%	USD 768.75	-23.13%	USD 1'168.75	16.88%
USD 96.0080	-20%	USD 968.75	-3.13%	USD 1'168.75	16.88%
USD 120.0100	0%	USD 1'168.75	16.88%	USD 1'168.75	16.88%
USD 144.0120	+20%	USD 1'168.75	16.88%	USD 1'168.75	16.88%
USD 168.0140	+40%	USD 1'168.75	16.88%	USD 1'168.75	16.88%
USD 192.0160	+60%	USD 1'168.75	16.88%	USD 1'168.75	16.88%

Source: Zürcher Kantonalbank

The possibility of an early redemption has been neglected in the above table.

If all Underlyings always trade above the Knock-in Level during the lifetime of the product or if the Final Fixing Level of all Underlyings trades above the Initial Fixing Level, the redemption equals 100.00% of Denomination (USD 1'000**). In these cases, the performance of the product corresponds to the sum of the guaranteed Coupons paid out during the lifetime: 16.8750%**.

If the price of at least one Underlying trades at or below the Knock-in Level during the lifetime of the product and the Final Fixing Level of at least one Underlying trades below the Initial Fixing Level, refer to column "Knock-in Level touched", the performance equals the percentual difference between the Initial Fixing Level and the Final Fixing Level of the worst performing Underlying. This negative performance is reduced by the guaranteed Coupons paid out during the lifetime of the product. The Coupon Payment occurs independently of the level of the Underlyings on the respective Coupon Observation Date.

The redemption scenario above neglects early redemption. 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. It was assumed, that IBM s 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.

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 Autocallable BRC on worst of is in case of a Knock-in Event equal to the one of the Underlying with the worst Performance minus the coupon paid out. The price of the Underlying can trade at redemption considerably below the Initial Fixing Level. The Product is denominated in USD. If the investor's reference currency differs from the USD, the investor bears the risk between the USD and his reference currency.

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 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 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 Structured 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 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.

Market Disruptions

Compare specific provisions in the base prospectus.

Selling Restrictions

EEA, U.S.A./U.S. persons, United Kingdom, Guernsey

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.

Zurich, 7 July 2020, last update on 7 July 2020