

## 2.06% (5.00% p.a.) ZKB Reverse Convertible Defensive Novartis AG registered share

07.02.2024 - 05.07.2024 | Swiss Security Code 121 824 825

### Summary

This Summary is to be understood as an introduction to the present Final Terms. Any investment decision in relation to the products must be based on the information contained in the base prospectus and in these Final Terms in their entirety and not on the Summary. In particular, each investor should consider the risk factors contained in these 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 Final Terms and the base prospectus.

Information on the securities
<b>Type of product:</b> ZKB Reverse Convertible Defensive <b>SSPA Category:</b> Reverse Convertible (1220, acc. to the Swiss Derivative Map) <b>ISIN:</b> CH1218248255 <b>Symbol:</b> RCNOVZ <b>Issuer:</b> Zürcher Kantonalbank <b>Underlying:</b> Novartis AG registered share <b>Initial Fixing Date:</b> 31 January 2024 <b>Settlement Date:</b> 7 February 2024 <b>Final Fixing Date:</b> 28 June 2024 <b>Redemption Date:</b> 5 July 2024 <b>Type of settlement:</b> cash or physical <b>Coupon:</b> 5.00% p.a. <b>Cap Level:</b> 83.44% of Initial Fixing Level
Information concerning the offer and admission to trading
<b>Place of the offer:</b> Switzerland <b>Notional Amount/Denomination/Trading Units:</b> Up to EUR 3'000'000, with the right to increase / Denomination of EUR 100'000 per structured product / EUR 100'000 or multiples thereof <b>Issue price:</b> 100.00% of Denomination (EUR 100'000) <b>Information on listing:</b> Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 7 February 2024

### Final Terms

#### 1. Product Description

#### Product Category/Name

Yield Enhancement/Reverse Convertible (1220, 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

#### Rating of the Issuer

Standard & Poor's AAA, Moody's Aaa, Fitch AAA

#### Lead Manager, Paying Agent, Exercise Agent and Calculation Agent

Zürcher Kantonalbank, Zurich

#### Symbol/ Swiss Security Code/ISIN

**RCNOVZ/  
121 824 825/CH1218248255**

<b>Notional Amount/Denomination/ Trading Units</b>	Up to EUR 3'000'000, with the right to increase / Denomination of EUR 100'000 per structured product / EUR 100'000 or multiples thereof		
<b>Issue Price per structured product</b>	100.00% of the Denomination		
<b>Currency</b>	Quanto EUR		
<b>Underlying</b>	<b>Novartis AG registered share</b> /CH0012005267/SIX Swiss Exchange /Bloomberg: NOVN SE		
<b>Cap/Cap Level</b>	CHF 74.2157 / 83.44% of the Initial Fixing Level		
<b>Ratio</b>	<p>1 structured product equals</p> $\text{Nominal} \times \frac{FX_1}{\text{CapLevel}} \times \frac{FX_2}{FX_1}$ <p>Where  FX1 = FX at Initial Fixing Day = EUR/CHF  FX2 = FX at Final Fixing Day</p>		
<b>Coupon</b>	<b>2.0555% (5.00% p.a.)</b> per Denomination EUR 100'000, interest payment 1.3560% (EUR 1355.97), premium payment 0.6995% (EUR 699.53)		
<b>Coupon Payment Date(s)</b>	5 July 2024		
<b>Coupon Calculation Method</b>	30/360 (German), modified following		
<b>Initial Fixing Date</b>	31 January 2024		
<b>Settlement Date</b>	7 February 2024		
<b>Last Trading Date</b>	28 June 2024		
<b>Final Fixing Date</b>	28 June 2024		
<b>Redemption Date/ Date of Delivery</b>	5 July 2024		
<b>Initial Fixing Level</b>	CHF 88.945, Price of the Underlying at the time of sale, SIX Swiss Exchange , on 31 January 2024		
<b>Final Fixing Level</b>	Closing Price of the Underlying, SIX Swiss Exchange on 28 June 2024		
<b>Redemption Method</b>	<p>If the closing price of the Underlying trades at or above the Cap Level at Final Fixing Date, cash redemption will be 100% of the Denomination. If the closing price of the Underlying trades below the Cap Level at Final Fixing Date, the investor will receive a physical delivery of a number of Underlyings as defined in Ratio per Denomination, In this case, the applicable Ratio will not be determined until the Final Fixing Date (fractions will be paid in cash, no cumulation). The Coupon will be paid out on the defined Coupon Payment Date(s) independent of the performance of the Underlying.</p> <p>The product is currency hedged. In the case of physical delivery, exchange rate changes are offset in determining the Ratio (number of Underlyings to be delivered), so that they have no impact on the performance of the product (Quantity Adjusted Option, abbreviated as "Quanto"). The equivalent value of the redemption (i.e. the value of the Underlyings to be delivered together with the cash settlement of the fractions) in the product currency thus only reflects the performance of the Underlying to be delivered. Gains or losses due to exchange rate changes are not passed on.</p>		
<b>Listing</b>	Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 7 February 2024.		
<b>Secondary Market</b>	Under normal market conditions, Zürcher Kantonalbank intends to provide bid and/or ask prices for this product on a regular basis. There is no obligation to provide corresponding liquidity. The non-binding indicative quotes can be found at <a href="http://www.zkb.ch/finanzinformationen">www.zkb.ch/finanzinformationen</a> .		
<b>Type of quoting</b>	During the lifetime, this product is traded flat accrued interest, i.e. accrued interest is included in the trading price ('dirty price').		
<b>Clearing House</b>	SIX SIS AG/Euroclear/Clearstream		
<b>Distribution fees</b>	No distribution fees are incurred.		
<b>Sales: 044 293 66 65</b>	SIX Telekurs: .zkb Internet: <a href="http://www.zkb.ch/finanzinformationen">www.zkb.ch/finanzinformationen</a>	Reuters: ZKBSTRUCT Bloomberg: ZKBY <go> Zürcher Kantonalbank	2/5

## Key Elements of the product

ZKB Reverse Convertible Defensive combine a fixed income security with the sale of an out of the money put option. With an investment in ZKB Reverse Convertible Defensive the investor can take advantage of the current implied volatility of the Underlying. An above-average return will be reached if the Underlying trades sideways, slightly higher or even lower than at Initial Fixing Date. If the Underlying trades below the Cap Level at Final Fixing Date, the investor receives a physical delivery of a predefined number of the Underlying according to Redemption Method. Because of the Cap Level below 100%, the cost price of the Underlying in case of physical delivery is lower than the price of the Underlying at issue. As a result, the loss in case of physical delivery of the Underlying is lower than in case of a direct investment. If the Underlying trades at or above the Cap Level at Final Fixing Date, Redemption will be 100 % of the Denomination in cash. The guaranteed Coupon will be paid out in any case at the Coupon Payment Date(s), independent of the performance of the Underlying.

## Taxes

The product is considered as transparent and IUP (Intérêt Unique Prédominant). The Coupon of 2.0555% is divided in an option premium payment of 0.6995% and an interest payment of 1.3560%. The option premium part qualifies as capital gain and is not subject to Swiss income tax for private investors with Swiss tax domicile. The interest part is subject to Swiss income tax 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. The product is subject to Swiss withholding tax. The Federal securities transfer stamp tax is not levied on secondary market transactions for products with initial duration of less than one year. If the investor returns the product to the Issuer prior to maturity, an early redemption of the product takes place. The pro-rata income from the interest part is subject to Swiss income tax in compliance with the 'modifizierte Differenzbesteuerung' tax rule based on the ESTV Bondfloor Pricing method. Furthermore, the product is subject to Swiss withholding tax. The Federal securities transfer stamp tax will be levied on the basis of the Cap level in the case of physical delivery of the Underlyings 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 Final Terms (Endgültige Bedingungen) published in German and constituting the 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 Final Terms together with the applicable Base prospectus of the Issuer for the issuance of structured products approved by SIX Exchange Regulation Ltd (together with any supplements thereto, the "Base prospectus") constitute the product documentation for the present issue.

If this structured product was offered for the first time prior to the date of the respective applicable Base prospectus, the further legally binding product terms and conditions (the "Relevant Conditions") are derived from the Base prospectus or issuance program which was in force at the time of the first offer. The information on the Relevant Conditions is incorporated by reference of the respective Base prospectus or issuance program into the applicable Base prospectus in force at the time of issuance.

Except as otherwise defined in these Final Terms, the terms used in these Final Terms have the meaning given to them in the Base prospectus or the Relevant Conditions. In case of discrepancies between information or the provisions in these Final Terms and those in the Base prospectus or the Relevant Conditions, the information and provisions in these Final Terms shall prevail. The present products will be issued in the form of uncertificated securities (Wertrechte) and registered as book-entry securities (Bucheffekten) with SIX SIS Ltd. Investors have no right to require the issuance of any certificates or any proof of evidence for the products. **These Final Terms and the Base prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIS or by e-mail at [documentation@zkb.ch](mailto:documentation@zkb.ch). They are also available on <https://www.zkb.ch/finanzinformationen>.**

## Information on the Underlying

Information on the performance of the Underlying is publicly available on [www.bloomberg.com](http://www.bloomberg.com). Current annual reports are published on the website of the respective business entity. The transfer 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 Reverse Convertible Defensive

Underlying		Redemption		
Price	Percent	Structured product	Coupon	Performance %
CHF 35.58	-60%	EUR 47'938.64	EUR 2'055.50	-50.01%
CHF 53.37	-40%	EUR 71'907.96	EUR 2'055.50	-26.04%
CHF 71.16	-20%	EUR 95'877.28	EUR 2'055.50	-2.07%
CHF 88.95	0%	EUR 100'000.00	EUR 2'055.50	2.06%
CHF 106.73	+20%	EUR 100'000.00	EUR 2'055.50	2.06%
CHF 124.52	+40%	EUR 100'000.00	EUR 2'055.50	2.06%
CHF 142.31	+60%	EUR 100'000.00	EUR 2'055.50	2.06%

Source: Zürcher Kantonalbank

If at maturity the Underlying trades higher or equal to the Cap Level, the performance of the will be at the over the lifetime paid out Coupon (according to Coupon Payment Date(s)) of 2.06%. If, however, the Underlying trades below the Cap Level at maturity, the investor will receive a physical delivery of a predefined number of Underlyings per structured product takes place. Therefore, the investor may suffer a partial or total loss. The cost price of the delivered Underlyings is at 83.44% of the Initial Fixing Value. As a result, the negative performance of the structured product is lower than the negative performance of the Underlying.

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

### 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 Reverse Convertible Defensive is, limited to the difference between the purchase price of the ZKB Reverse Convertible Defensive and the price of the Underlying at maturity. The guaranteed Coupon reduces the negative performance of the ZKB Reverse Convertible Defensive compared to the Underlying. The value of the Underlying can then be lower than the Cap Level. This ZKB Reverse Convertible Defensive is denominated in EUR. If the currency of the Underlying differs from the currency of the product, the investor bears FX risk. If the reference currency of the investor differs from EUR, the investor bears the risk of currency fluctuations between the reference currency and the EUR.

#### 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 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.

##### 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 structured products 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 structured products which the previous Issuer owed in respect of these structured products, (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 structured products and the assumption of the obligations under the assigned structured products.

##### Market Disruptions

Compare specific provisions in the base prospectus.

##### 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.

##### Material Changes

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.

##### Responsibility for the Final Terms

Zürcher Kantonalbank, Zurich, assumes responsibility for the content of these Final Terms and hereby declares that, to its knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

Zurich, 31 January 2024, last update on 31 January 2024