

Termsheet as of 18/07/2022

17.1136% (8.557% p.a.) ZKB Reverse Convertible Defensive on worst of Alphabet Inc/Apple Inc/Microsoft Corp

31/05/2022 - 31/05/2024 | Swiss Security Code 113,976,737

This document is for advertising purposes only

Important indications

This document constitutes an advertisement within the meaning of Art. 68 of the Swiss Federal Act on Financial Services (FinSA). It does not constitute a Base Prospectus, Final Terms, Key Information Document or any other equivalent document under FinSA and has neither been filed with nor submitted for review by a review body pursuant to Art. 51 et seq. FinSA. For information on the legally binding product documentation, please refer to the section "Documentation" below.

This document may not be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction other than Switzerland and does not constitute an offer to, or solicitation by, any person in any jurisdiction other than Switzerland.

This document is a term sheet prepared in view of the issuance of the product described herein and will be amended during the term of the product if events occur that affect the product or if the terms and conditions of the product change for any reason.

Summary

This Summary is to be understood as an introduction to the present product terms and conditions. However, any investment decision in relation to the products must be based on the legally binding product documentation including risk disclosure and not on this Summary and the product terms and conditions reflected in this document.

Information on the securities	
Type of product:	ZKB Reverse Convertible on worst of
SSPA category:	Reverse Convertible (1220, acc. Swiss Structured Products Association)
ISIN:	CH1139767375
Issuer:	Zürcher Kantonalbank
Underlyings:	Alphabet Inc/Apple Inc/Microsoft Corp
Initial Fixing Date:	23/05/2022
Payment Date:	31/05/2022
Final Fixing Date:	23/05/2024
Redemption Date:	31/05/2024
Cap Level:	80.00% of Initial Fixing Value
Mode of settlement:	cash or physical
Coupon:	17.1136% (8.557% p.a.) of Denomination
Information on the offer and admission to trading	
Place of the offer:	Switzerland
Issue amount/ Denomination/Trading	USD 25,000, without the right to increase/USD 5,000 Denomination per structured product/USD 5,000 or multiples

units:	thereof
Issue price:	100.00% of Denomination (USD 5,000)
Information on listing:	The product shall not be listed on an exchange.

1. Product specific conditions and product description

Derivative Category/Designation	Yield Enhancement / Reverse Convertible (1220, acc. 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, Zurich
Rating of the Issuer	Standard & Poors AAA, Moody's Aaa, Fitch AAA
Lead Manager, Paying Agent, Exercise Agent and Calculation Agent	Zürcher Kantonalbank, Zurich
Swiss Security Code/ISIN	113,976,737/CH1139767375
Issue amount/ Denomination/Trading units	USD 25,000, without the right to increase/USD 5,000 Denomination per structured product/USD 5,000 or multiples thereof
Issue price	100.00% of Denomination (USD 5,000)
Currency	USD
Currency Hedge	No
Mode of settlement	cash or physical

Underlying(s)

Underlying	Type of Underlying Domicile	ISIN Bloomberg	Reference exchange/ Price source
Alphabet Inc	Stammaktie	US02079K3059	NASDAQ
	USA	GOOGL UW Equity	
Apple Inc	Stammaktie	US0378331005	NASDAQ
	USA	AAPL UW Equity	
Microsoft Corp	Stammaktie	US5949181045	NASDAQ
	USA	MSFT UW Equity	

Information on Levels

Underlying	Initial Fixing Value	Cap Level	Ratio
Alphabet Inc	USD 111.2078 (100.00% of Initial Fixing Value)	USD 88.9662 (80.00% of Initial Fixing Value)	56.201119
Apple Inc	USD 140.6050 (100.00% of Initial Fixing Value)	USD 112.4840 (80.00% of Initial Fixing Value)	44.450766
Microsoft Corp	USD 257.9150 (100.00% of Initial Fixing Value)	USD 206.3320 (80.00% of Initial Fixing Value)	24.232790

Coupon 17.1136% (8.557% p.a.) per Denomination USD 5,000
Interest part: 5.2901%; Premium part: 11.8235%

Coupon Date(s)/ Coupon Payment(s)	Coupon Date _t *	Coupon Payment _t
t = 1	31/08/2022	2.1392%

t = 2	30/11/2022	2.1392%
t = 3	28/02/2023	2.1392%
t = 4	31/05/2023	2.1392%
t = 5	31/08/2023	2.1392%
t = 6	30/11/2023	2.1392%
t = 7	29/02/2024	2.1392%
t = 8	31/05/2024	2.1392%

* modified following business day convention

Coupon Calculation Method

30/360

**Initial Fixing Date/
Initial Fixing Value**

Alphabet Inc: theoretically calculated price of the underlying at 16:40:13 CET on 23/05/2022
 Apple Inc: theoretically calculated price of the underlying at 16:40:13 CET on 23/05/2022
 Microsoft Corp: theoretically calculated price of the underlying at 16:40:13 CET on 23/05/2022

Payment Date

31/05/2022

Last Trading Date

23/05/2024

**Final Fixing Date/
Final Fixing Value**

Alphabet Inc: closing price of the underlying on NASDAQ on 23/05/2024
 Apple Inc: closing price of the underlying on NASDAQ on 23/05/2024
 Microsoft Corp: closing price of the underlying on NASDAQ on 23/05/2024

Redemption Date

31/05/2024

Redemption method

If the Final Fixing Value of all Underlyings is at or above the Cap Level, the product will be redeemed in cash at Denomination.
 If the Final Fixing Value of at least one Underlying is below its Cap Level, a physical delivery of the worst performing Underlying (between Initial Fixing Date and Final Fixing Date). The number of Underlyings per Denomination is defined in Ratio (fractions will be paid in cash, no cumulation).
 The Coupons are paid out on the respective Coupon Date not depending on the performance of the Underlyings.

Listing

The product shall not be listed on an exchange. The Issuer commits to quote bid prices.

Quotation Type

During the lifetime, this product is traded flat accrued interest, i.e. accrued interest is included in the trading price ('dirty price').

Clearing Agent

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 product. The Distribution Fees paid out to distribution partners may amount up to 0.60% p.a..

Sales: 044 293 66 65

SIX Telekurs: .zkb Reuters: ZKBSTRUCT
 Internet: www.zkb.ch/finanzinformationen Bloomberg: ZKBY <go>

Key elements of the product

The product pays out coupons on defined dates during the term. This product is a combined investment instrument that essentially consists of a fixed income security and the sale of a put option. This allows the investor to benefit from the current volatility of the Underlyings. An above-average return is achieved when prices fall slightly, stagnate or rise slightly. If the Final Fixing Value of all Underlyings is at or above the Cap Level, the investor receives a cash redemption in the amount of the Denomination. If the Final Fixing Value of the Underlying is below the Cap Level, the investor will receive a physical delivery of a number of Underlyings of the Underlying with the worst performance between Initial Fixing Date and Final Fixing Date.

Tax aspects

The product is considered as transparent and has no predominant one-off interest (Non-IUP). The Coupon of 8.557% p.a. is divided into a premium payment of 5.9119% p.a. and an interest payment of 2.6451% p.a.. 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 payment is subject to income tax at the time of payment. The Swiss withholding tax is levied. In the case of physical delivery of the Underlying at maturity, the federal securities transfer stamp is levied on the basis of the Cap Level. The Federal securities transfer stamp tax is levied on secondary market transactions.

The product may be subject to further withholding taxes or duties, in particular under the rules of FATCA or Sect. 871(m) U.S. Tax Code or foreign financial transaction taxes. All payments from this product are made after deduction of any withholding taxes and levies. The information above is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of these 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

The complete information on the Product, in particular the legally binding Terms and Conditions as well as the information on the Issuer, can be found in the respective Final Terms and the respective applicable base prospectus of the Issuer for the issuance of structured products approved by SIX Exchange Regulation AG (together with any supplements, the "Base Prospectus"). Only the Final Terms, which will be available at the latest on the Settlement Date, together with the applicable Base Prospectus, constitute the legally binding documentation of the Product ("Product Documentation"). The Final Terms will be filed with SIX Exchange Regulation AG in its capacity as Swiss Prospectus Review Agent. The Final Terms should always be read with the Base Prospectus.

The Final Terms, the Base Prospectus and, if available, the Key Information Document may be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, department VRIE, as well as via the e-mail address documentation@zkb.ch. In addition, they are available at www.zkb.ch/finanzinformationen.

Information on the Underlyings

Information on the performance of the Underlying is publicly available on www.bloomberg.com. The latest annual reports can be accessed directly via the companies' website. The transferability of the Underlyings/Components of the underlying is governed by their statutes.

Notifications

Any notice by the Issuer in connection with this product, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website www.zkb.ch/finanzinformationen. The Swiss security code search button will lead you directly to the relevant product.

Governing Law/ Jurisdiction

Swiss Law/Zurich

2. Profit and Loss Expectations at Maturity

Profit and Loss Expectations at Maturity

ZKB Reverse Convertible Defensive on worst of

Value Worst Underlying	Percent	Redemption	Performance in %
USD 61.16426	-45%	USD 4293.18	-14.14%
USD 77.84543	-30%	USD 5230.68	4.61%
USD 94.52659	-15%	USD 5855.68	17.11%
USD 111.20775	0%	USD 5855.68	17.11%
USD 127.88891	15%	USD 5855.68	17.11%
USD 144.57008	30%	USD 5855.68	17.11%
USD 161.25124	45%	USD 5855.68	17.11%

If the Final Fixing Value of all Underlyings is at or above the Cap Level, the performance of the product is always given by the Coupons paid out during the term. However, if the Final Fixing Value of at least one Underlying is below the Cap Level, the investor will receive a physical delivery of a number of Underlyings as defined in Ratio of the Underlying having the largest

negative performance. The acquisition price of the delivered Underlyings is 80.00% of the Initial Fixing Value, which means that the performance of the product is less negative than the performance of the Underlying. This negative performance is reduced by the guaranteed Coupons paid out during the term. The table above is valid at maturity only and is by no means meant as a price indication for the present product throughout its lifetime. Additional risk factors may have a significant impact on the value of the product during the term. The price quoted on the secondary market can therefore deviate substantially from the above table. For this table it was assumed, that Alphabet Inc was the worst performing Underlying. This selection is just a representative example of the possible alternatives. If the Final Fixing Value of all Underlyings is at or above the Cap Level, the performance of the product is always given by the Coupons paid out during the term.

3. Material Risks for Investors

Issuer Risk	Obligations under these products 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 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 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 on worst of in the case of a title delivery is limited to the difference between the purchase price of the product and the cumulative value of the number of Underlyings as defined in 'Redemption Method'. The Coupon, which is paid out in any case, reduces the loss of the product compared to a direct investment in the worst performing Underlying. 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 an Underlying/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.
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 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 products which the previous Issuer owed in respect of these 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 products and the assumption of the obligations under the assigned 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 the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.
Further indications	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.

Zurich, 23/05/2022