

Pfandbriefbank Pool

30 June 2017, semi-annual publication (since June 2012), unaudited

1 Pfandbriefbank

1.1 Contact address

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1.2 Rating

Rating agency Moody's Investors Service Ltd, London
Issuance rating Aaa (since 2002, last issuer rating report dated 21 October 2010, ratings per ISIN are published shortly after issuance)

1.3 Business model

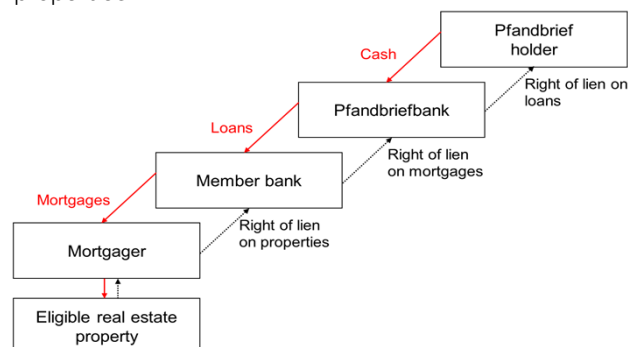
Pfandbriefbank

- Founded 1930, incorporated 1931
- Based on Pfandbrief act, which came into effect in 1930
- Special institute with limited scope (issuance of Swiss Pfandbriefe, loans to member banks and investment of own funds)
- No currency risk, no maturity mismatch, no interest rate risk
- Swiss Federal Council authorises bylaws and valuation regulations and nominates one member of the board of directors
- Swiss Financial Market Supervisory Authority (FINMA) supervises Pfandbriefbank and its member banks

Cover pool

- Regulated by law (not only a private agreement)
- Only first-class mortgages in Swiss francs (CHF) on properties located in Switzerland are eligible
- Cover value of each member bank's cover pool must be at least 108 % of the bank's liabilities to Pfandbriefbank
- Loan to value 42 % (by law limited at max. 66 2/3 % for residential properties or lower for other property types)
- More than 99 % of the underlying properties are residential
- Pfandbriefbank supervises eligibility and overcollateralisation daily
- Member bank legally obliged to increase coverage in case of insufficient overcollateralisation and to replace impaired or non-performing loans
- Around 12 % of Swiss mortgages refinanced through Swiss Pfandbriefe
- Pfandbriefbank values the cover value of a mortgage independently
- Mortgages stay on balance sheet of member bank
- Unique historical track: No loss since 1931

Investors' fourfold security 1. The capital of Pfandbriefbank, 2. the capital of the member banks, 3. the capital of the proprietors of the real estate property and 4. the market value of the real estate properties.



1.4 Planned events

Issuances 17/08, 12/09, 04/10, 01/11, 01/12/2017 and 09/01/2018
General meeting 05/2018

2 Swiss Economics

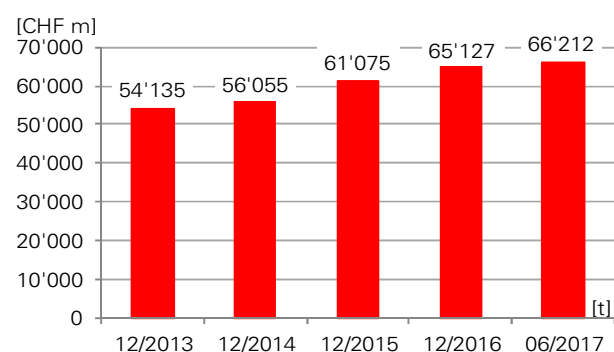
2.1 General	Source, units	12/2016	12/2015	12/2014	12/2013
Gross domestic product (GDP)	SNB, CHF bn	650	646	644	635
Unemployment rate	Seco, Ø %	3.3	3.2	3.0	3.2
Eidgenossen (Gov), 10Y rate	SNB, %	-0.14	-0.04	0.38	1.25

2.2 Mortgage market

Mortgage volume of banks	SNB, CHF bn	962	938	913	882
Swiss Pfandbriefe ¹	CHF bn	113	104	94	88
SWX IAZI Price Indices					
Private Real Estate	CH0030532342	178	173	171	167
Investment Real Estate	CH0030532391	168	168	169	161

3 Market

3.1 Pfandbriefbank - Outstanding Pfandbriefe

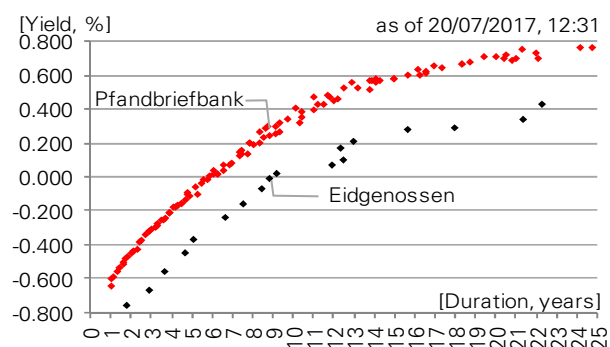


Source: Pfandbriefbank, semi-annual reports

In 2016 Pfandbriefbank issued Swiss Pfandbriefe of CHF 9'018 m. CHF 4'966 m matured. Net growth amounts to CHF 4'052 m.

The three joint lead banks responsible for our primary market issuances are Credit Suisse AG (in charge), UBS AG and Raiffeisen Schweiz Genossenschaft.

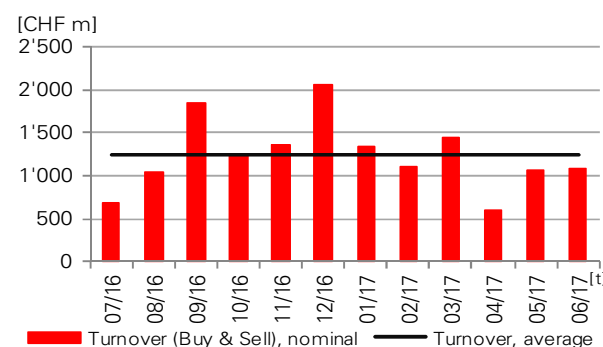
3.2 Pfandbriefbank - Yield per ISIN



Source: SIX Swiss Exchange AG

Pfandbriefbank's yield curve has a high density and supports portfolio duration adjustments in primary or secondary market.

3.3 Pfandbriefbank - Traded nominal volumes on secondary market



Source: SIX Swiss Exchange AG

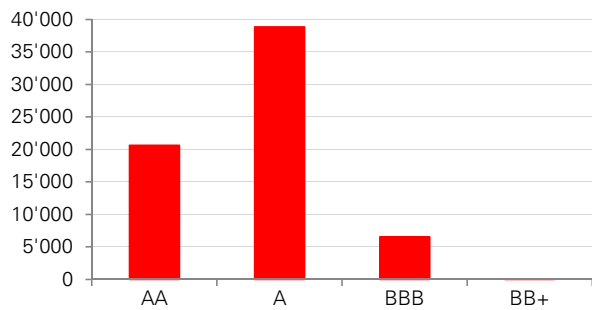
The joint lead banks are requested to organise the market making in the secondary market at SIX Swiss Exchange AG. For the last 12 months average monthly nominal turnover exceeded CHF 1'200 m (min/median/max: CHF 604 m/CHF 1'164 m/CHF 2'057 m).

4 Maturity structure

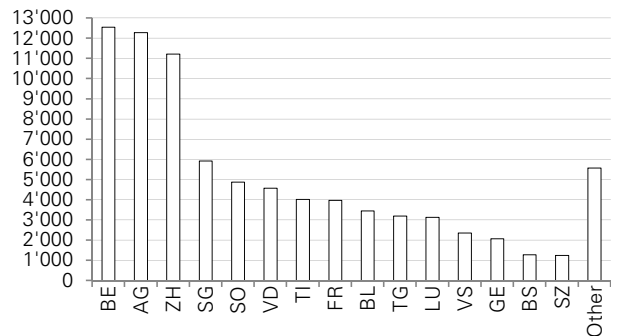
Contractual Cashflows 30/06/2017 CHF m (A/L denominated in CHF)		Total	Maturity Buckets (in years)				
			≤ 1y	> 1y and ≤ 5y	> 5y and ≤ 10y	> 10y and ≤ 15y	> 15y
Assets (stylised)		68'252					
thereof	Loans to member banks	66'212	3'955	22'381	18'935	9'266	11'675
	Bonds	1'282	60	414	426	382	0
	- thereof SNB GC Basket	1'282					
	- thereof pledged	0					
	Share capital not paid in	504	504				
Liabilities (stylised)		-68'252					
thereof	Swiss Pfandbriefe	-66'212	-3'955	-22'381	-18'935	-9'266	-11'675
	Equity	-1'596					
Net total			564	414	426	382	0

5 Pool - Summary

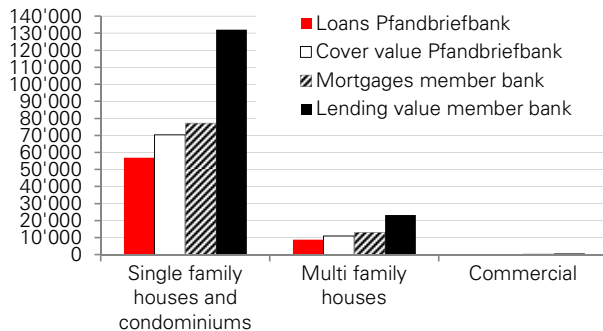
5.1 Loans to member banks (CHF m)



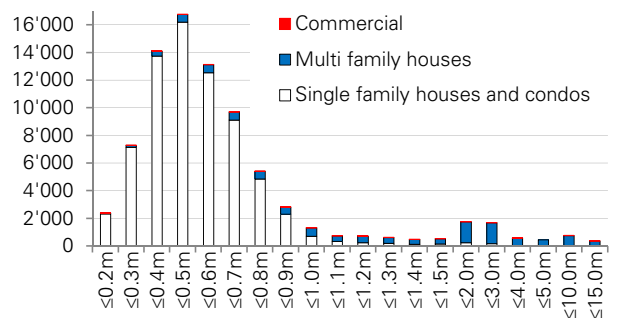
5.2 Cover value by region (CHF m, only CH eligible)



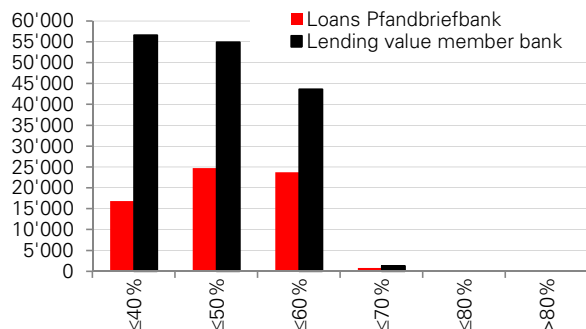
5.3 Property type (CHF m)



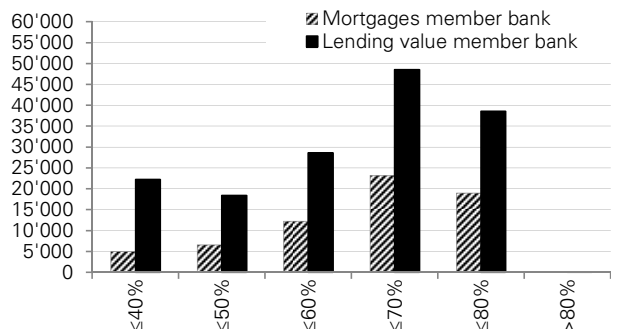
5.4 Cover value by size (CHF m)



5.5 Loan LTV (CHF m) ²



5.6 Mortgage LTV member bank (CHF m) ³



6 Pool - Details

Criteria for eligible cover pool assets	Pfandbriefbank				Member bank				Cover objects	
	Loans ⁴		Cover value ⁵		Mortgages ⁶		Lending value ⁷		Number	%
	CHF m	%	CHF m	%	CHF m	%	CHF m	%		

6.1 Loans to member banks ⁸

Rating ⁹	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%
AA	20'680	31	25'174	31	28'234	31	46'312	30	49'124	28
A	38'888	59	48'196	59	53'614	59	93'310	60	109'055	62
BBB	6'573	10	8'289	10	9'520	10	16'787	11	16'416	9
BB+ ¹⁰	71	0	94	0	104	0	173	0	277	0
Total ¹¹	66'212	100	81'753	100	91'472	100	156'582	100	174'872	100

Loan size total	CHF m	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%
279 bank(s)	≤ 200	19'656	30	24'256	30	27'220	30	45'857	29	48'061	27
19	≤ 400	4'813	7	5'949	7	6'658	7	11'141	7	13'316	8
8	≤ 600	3'984	6	4'733	6	5'563	6	9'457	6	8'786	5
1	≤ 800	760	1	926	1	986	1	1'930	1	2'131	1
1	≤ 1'000	829	1	913	1	1'041	1	1'908	1	1'352	1
8	> 1'000	36'171	55	44'976	55	50'004	55	86'290	55	101'226	58
Total		66'212	100	81'753	100	91'472	100	156'582	100	174'872	100

6.2 Region (only Switzerland eligible)

AG	10'314	16	12'289	15	13'407	15	22'655	14	28'518	16
BE	10'161	15	12'551	15	14'109	15	23'731	15	29'581	17
ZH	8'690	13	11'220	14	12'714	14	23'236	15	20'244	12
SG	4'861	7	5'922	7	6'607	7	11'115	7	12'750	7
SO	4'017	6	4'884	6	5'473	6	8'796	6	11'045	6
VD	3'657	6	4'581	6	5'181	6	8'996	6	8'910	5
FR	3'283	5	3'972	5	4'378	5	7'046	4	9'088	5
TI	3'179	5	4'019	5	4'504	5	7'840	5	8'381	5
BL	2'723	4	3'456	4	3'845	4	6'726	4	6'894	4
TG	2'638	4	3'191	4	3'562	4	5'783	4	6'622	4
LU	2'561	4	3'135	4	3'492	4	5'857	4	6'399	4
VS	1'951	3	2'362	3	2'639	3	4'517	3	6'267	4
GE	1'596	2	2'072	3	2'445	3	4'598	3	3'256	2
SZ	1'019	2	1'245	2	1'396	2	2'552	2	2'196	1
BS	999	2	1'282	2	1'470	2	2'646	2	2'049	1
Other cantons, each < 1.5 %	4'563	7	5'573	7	6'251	7	10'488	7	12'672	7
Total	66'212	100	81'753	100	91'472	100	156'582	100	174'872	100

6.3 Property type ^{12, 13, 14}

Overview	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%
Residential										
Single family houses and condominiums ¹⁵	57'066	86	70'465	86	77'539	85	132'212	84	164'217	94
Multi family houses	8'935	13	11'028	13	13'431	15	23'450	15	10'344	6
Total residential	66'000	100	81'493	100	90'969	99	155'662	99	174'561	100
Commercial	212	0	260	0	503	1	920	1	311	0
Total	66'212	100	81'753	100	91'472	100	156'582	100	174'872	100

Criteria for eligible cover pool assets	Pfundbriefbank		Member bank				Cover objects	
	Cover value ⁵		Mortgages ⁶		Lending value ⁷		Number	%
	CHF m	%	CHF m	%	CHF m	%		

6.4 Property type by size ^{12, 13, 14}

Residential: Single family houses and condominiums									
Cover value Pfandbriefbank	≤ 200'000	2'337	3	2'452	3	8'148	5	15'022	9
	≤ 300'000	7'143	9	7'537	8	15'361	10	27'067	15
	≤ 400'000	13'760	17	14'777	16	25'432	16	38'482	22
	≤ 500'000	16'206	20	17'563	19	28'287	18	35'782	20
	≤ 600'000	12'537	15	13'682	15	21'306	14	22'799	13
	≤ 700'000	9'121	11	10'151	11	15'573	10	13'992	8
	≤ 800'000	4'847	6	5'653	6	8'690	6	6'504	4
	≤ 900'000	2'314	3	2'808	3	4'323	3	2'724	2
	≤ 1'000'000	706	1	888	1	1'545	1	735	0
	≤ 1'100'000	336	0	433	0	712	0	318	0
	≤ 1'200'000	244	0	307	0	524	0	211	0
	≤ 1'300'000	208	0	264	0	450	0	166	0
	≤ 1'400'000	135	0	169	0	289	0	99	0
	≤ 1'500'000	155	0	220	0	386	0	105	0
	≤ 2'000'000	241	0	296	0	546	0	138	0
	≤ 2'500'000	176	0	340	0	639	0	73	0
	≤ 3'000'000	0	0	0	0	0	0	0	0
Total		70'465	86	77'539	85	132'212	84	164'217	94
Average as per cover object		0.429		0.472		0.805			
Residential: Multi family houses									
Cover value Pfandbriefbank	≤ 1'000'000	3'898	5	4'612	5	8'890	6	6'838	4
	≤ 2'000'000	3'493	4	4'181	5	7'015	4	2'483	1
	≤ 3'000'000	1'505	2	1'848	2	2'978	2	619	0
	≤ 4'000'000	565	1	692	1	1'125	1	164	0
	≤ 5'000'000	449	1	571	1	903	1	101	0
	≤ 10'000'000	746	1	955	1	1'593	1	110	0
	≤ 15'000'000	372	0	572	1	947	1	29	0
	≤ 20'000'000	0	0	0	0	0	0	0	0
	≤ 25'000'000	0	0	0	0	0	0	0	0
Total		11'028	13	13'431	15	23'450	15	10'344	6
Average as per cover object		1.066		1.298		2.267			
Commercial									
Cover value Pfandbriefbank	≤ 1'000'000	117	0	197	0	389	0	246	0
	≤ 2'000'000	60	0	101	0	187	0	45	0
	≤ 3'000'000	25	0	41	0	75	0	10	0
	≤ 4'000'000	20	0	33	0	60	0	6	0
	≤ 5'000'000	0	0	0	0	0	0	0	0
	≤ 10'000'000	23	0	51	0	87	0	3	0
	≤ 15'000'000	15	0	79	0	121	0	1	0
	≤ 20'000'000	0	0	0	0	0	0	0	0
	≤ 25'000'000	0	0	0	0	0	0	0	0
Total		260	0	503	1	920	1	311	0
Average as per cover object		0.835		1.617		2.958			
Total		81'753	100	91'472	100	156'582	100	174'872	100

Criteria for eligible cover pool assets	Pfandbriefbank				Member bank				Cover objects	
	Loans ⁴		Cover value ⁵		Mortgages ⁶		Lending value ⁷		Number	%
	CHF m	%	CHF m	%	CHF m	%	CHF m	%		

6.5 Loan to lending value (loan LTV)²

> 0 % to ≤ 40 %	16'834	25	21'927	27	25'485	28	56'652	36	52'269	30
> 40 % to ≤ 50 %	24'754	37	30'862	38	34'664	38	54'909	35	59'893	34
> 50 % to ≤ 60 %	23'802	36	28'060	34	30'335	33	43'664	28	60'748	35
> 60 % to ≤ 70 %	823	1	904	1	989	1	1'357	1	1'962	1
> 70 % to ≤ 80 %	0	0	0	0	0	0	0	0	0	0
> 80 %	0	0	0	0	0	0	0	0	0	0
Total	66'212	100	81'753	100	91'472	100	156'582	100	174'872	100
Overcollateralisation		100		123		138		236		
LTV ¹⁶		42		52		58		100		

6.6 Cover value to lending value (cover value LTV)¹⁷

> 0 % to ≤ 40 %	6'089	9	7'626	9	8'938	10	26'630	17	24'180	14
> 40 % to ≤ 50 %	11'874	18	14'803	18	17'419	19	31'875	20	28'563	16
> 50 % to ≤ 60 %	21'528	33	26'615	33	29'909	33	47'691	30	49'975	29
> 60 % to ≤ 70 %	26'720	40	32'709	40	35'207	38	50'386	32	72'154	41
> 70 % to ≤ 80 %	0	0	0	0	0	0	0	0	0	0
> 80 %	0	0	0	0	0	0	0	0	0	0
Total	66'212	100	81'753	100	91'472	100	156'582	100	174'872	100

6.7 Mortgage to lending value (mortgage LTV member bank)³

> 0 % to ≤ 40 %	5'015	8	6'269	8	6'336	7	22'252	14	22'012	13
> 40 % to ≤ 50 %	6'636	10	8'255	10	8'431	9	18'470	12	19'681	11
> 50 % to ≤ 60 %	12'283	19	15'218	19	15'900	17	28'630	18	31'939	18
> 60 % to ≤ 70 %	23'256	35	28'669	35	31'625	35	48'593	31	56'033	32
> 70 % to ≤ 80 %	19'018	29	23'337	29	29'174	32	38'630	25	45'198	26
> 80 % ¹⁸	3	0	4	0	6	0	7	0	9	0
Total	66'212	100	81'753	100	91'472	100	156'582	100	174'872	100

¹ Including private placements as per annual reports of Pfandbrief institutes

² Ratio: Loan Pfandbriefbank divided by lending value member bank

³ Ratio: Mortgage member bank divided by lending value member bank

⁴ Loans from Pfandbriefbank to member banks at nominal value

⁵ Eligibility and value of cover objects determined by Pfandbriefbank independently from member bank based on Pfandbrief act and valuation regulations.

⁶ Mortgage nominal value in the balance sheet of member bank

⁷ Lending value of cover objects set up by member bank to determine maximum mortgage

⁸ Pfandbriefbank has 316 banks with loans.

⁹ Rating by 1. Moody's, 2. S&P, 3. Fitch, 4. independent third party bank rating. According to Moody's bank rating methodology dated 16 March 2015 the Moody's bank deposit rating is selected before Moody's senior unsecured rating, where available.

¹⁰ BB+ rated member banks must have 120 % collateralisation. Their average outstanding loan amounts to CHF 71 m. Member banks with rating better than BB+ must have 108 % collateralisation.

¹¹ Loans of CHF 66'212 m are covered by the cover value determined by Pfandbriefbank of CHF 81'753 m for eligible mortgages of CHF 91'472 m with a lending value set up by member banks of CHF 156'582 m (174k cover objects).

¹² The maximum cover value Pfandbriefbank for single family houses is CHF 2.5 m, for condominiums CHF 1.5 m, for multi family houses and commercial properties CHF 15 m.

¹³ Single family houses and condominiums larger than CHF 1.5 m, multi family houses larger than CHF 3 m and commercial properties larger than CHF 1.2 m are reviewed by the cover pool committee.

¹⁴ Selected single family houses and condominiums, multi family houses larger than CHF 5 m (CHF 3 m, if older than 20 years) and commercial properties larger than CHF 2.5 m (CHF 2 m, if older than 20 years) are visited on-site by the cover pool committee.

¹⁵ Properties with occupancy type 'vacation' are immaterial (loans of CHF 86 m or 0.1 % of total).

¹⁶ If loans are 100, the lending value of member banks amounts to 236. In other words: the overall loan to value is 42 %.

¹⁷ Ratio: Cover value Pfandbriefbank divided by lending value member bank

¹⁸ Mortgages with mortgage LTV member bank > 80 % are considered as ETPs (exception to policy). ETPs can be covered by additional collateral, which is not pledged to Pfandbriefbank, but to member bank only.

7 Investment Risks

For consulting refer to your Swiss bank, which will evaluate your individual risk profile and advise you according to your needs. They also will inform you directly about restrictions.

8 Disclaimer

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