

Pfandbriefbank Pool

30 June 2012, semi-annual publication, unaudited

1 Pfandbriefbank

1.1 Contact address

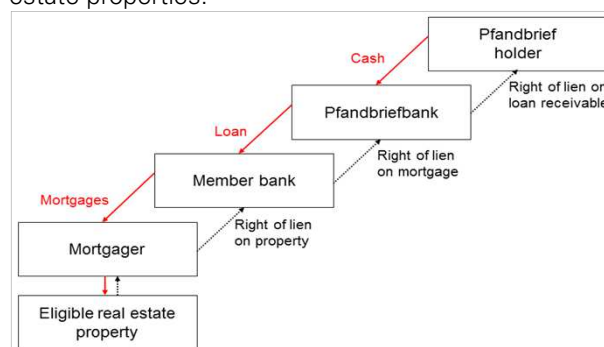
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1.2 Rating

Rating agency Moody's Investors Service Ltd, London
Issuance rating Aaa (stable)

1.3 Business model

Pfandbriefbank
Founded 1931
Based on Pfandbrief law established in 1930
Special bank with limited scope (issuance of Swiss Pfandbriefe, loans to member banks, investment of own funds)
No currency risk, no maturity mismatch, no interest rate risk
Swiss government authorises bylaws 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)
Detailed valuation regulations authorised by Swiss government
Loan to value 42 % (by law limited at 66 2/3 %)
Only first class mortgages in Swiss francs (CHF) on properties located in Switzerland are eligible
96.6 % are residential properties
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
Only around 9.5 % of Swiss mortgages pledged to Pfandbrief institutes
Pfandbriefbank values mortgages completely independent from member bank
Mortgages stay on balance sheet of member bank
Unique historical track: no loss since establishment in 1930
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 19/07/12, 02/08/12, 06/09/12, 08/10/12, 02/11/12, 28/11/12, 07/01/13, 31/01/13
General assembly 22/05/13

2 Swiss Economics

2.1 General

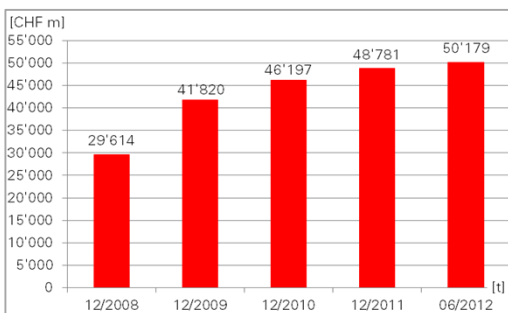
	Source, units	31/12/11	31/12/10	31/12/09	31/12/08
Gross domestic product (GDP)	SNB, CHF bn	590	574	554	568
Unemployment rate	Seco, %	3.3	3.8	4.4	3.0
Eidgenossen (Gov), 10Y rate	SNB, %	0.740	1.674	1.972	2.148

2.2 Mortgage market

Mortgage volume of banks	SNB, CHF bn	784	745	713	674
Swiss Pfandbriefe ¹	CHF bn	75	70	64	54
SWX IAZI Price Indices					
Private Real Estate	CH0030532342	147	134	134	134
Investment Real Estate	CH0030532391	145	134	131	127

3 Market

3.1 Pfandbriefbank - Outstanding Pfandbriefe

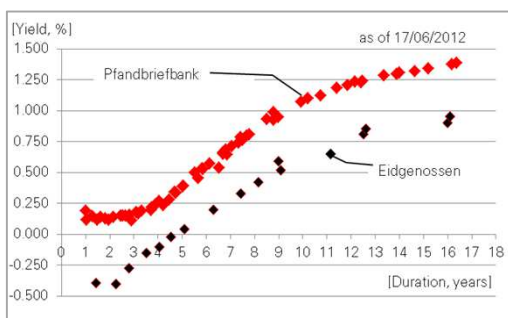


Source: Pfandbriefbank, semi-/annual reports

In 2011 Pfandbriefbank issued Swiss Pfandbriefe of CHF 10'165 m. CHF 7'581 m matured. Net growth amounts to CHF 2'584 m.

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

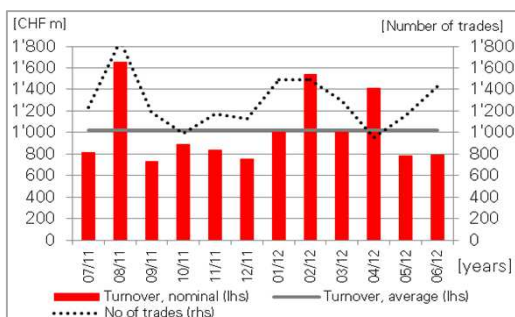
3.2 Pfandbriefbank - Yield spread as per issuance



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 the market makers in the secondary market at SIX Swiss Exchange AG. For the last 12 months average monthly nominal turnover exceeded CHF 1'000 m.

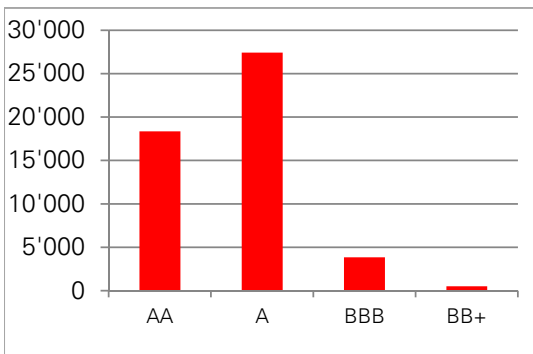
4 Balance Sheet

Assets		30/06/12	Liabilities		30/06/12
		CHF m			CHF m
Loans to member banks		50'179	Swiss Pfandbriefe® (Bonds)		50'179
Free Assets					
Cash and due from banks	252				
Bonds	971				
Other	5	1'228	Equity		1'392
Other assets		716	Other Liabilities		552
Total		52'123	Total		52'123

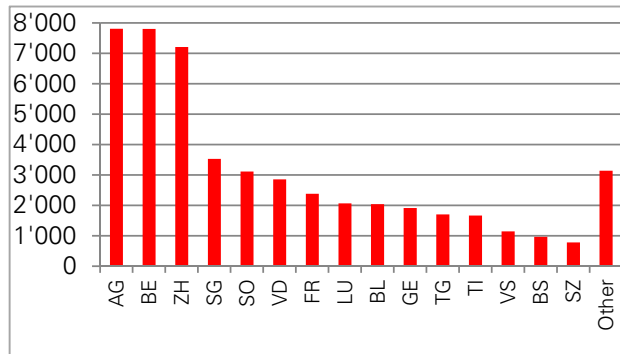
All assets and liabilities are denominated in Swiss Francs. All bonds are repo eligible (SNB GC Basket).

5 Pool - Summary

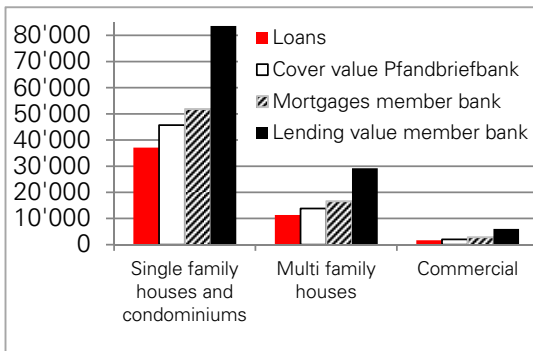
5.1 Loans to member banks (CHF m)



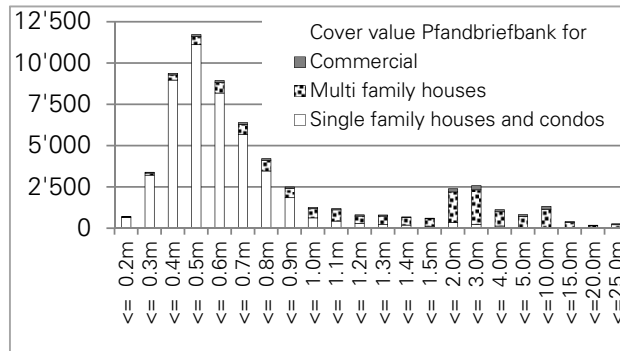
5.2 Loans by region (CHF m, Switzerland only)



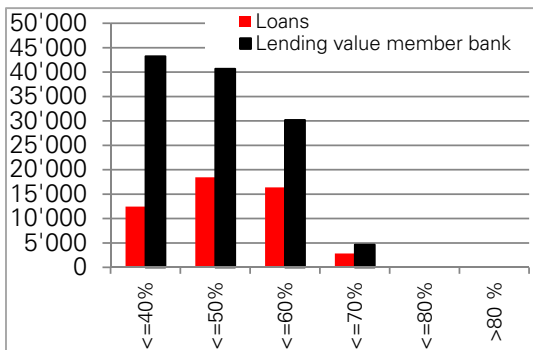
5.3 Property type (CHF m)



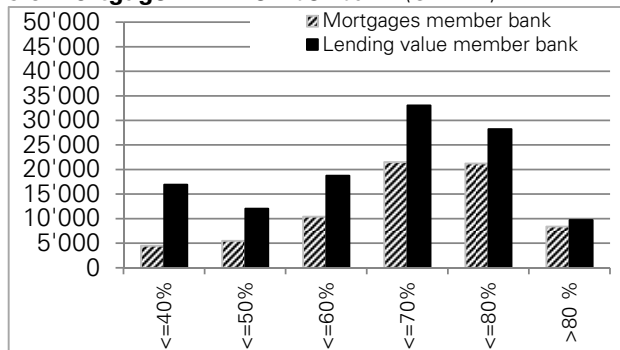
5.4 Property type by size (CHF m)



5.5 Loan LTV Pfandbriefbank (CHF m)²



5.6 Mortgage LTV member bank (CHF m)^{3, 18}



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 banks⁸

Rating ⁹	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%
AA	18'362	37	23'282	38	27'010	38	43'521	37	43'369	37
A	27'437	55	32'947	53	38'285	53	64'665	54	62'109	54
BBB	3'863	8	4'715	8	5'516	8	9'378	8	9'103	8
BB+ ¹⁰	517	1	674	1	756	1	1'328	1	1'342	1
Total ¹¹	50'179	100	61'619	100	71'567	100	118'892	100	115'923	100

Loan size total	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%	
234 member bank(s)	<= 150	11'205	22	13'832	22	16'037	22	25'853	22	26'427	23
14	<= 300	2'862	6	3'469	6	4'038	6	6'677	6	7'431	6
6	<= 450	2'336	5	2'871	5	3'370	5	5'690	5	5'296	5
1	<= 600	539	1	601	1	723	1	1'203	1	1'056	1
1	<= 850	649	1	779	1	944	1	1'651	1	1'057	1
0	<= 1'000	0	0	0	0	0	0	0	0	0	
8	> 1'000	32'589	65	40'067	65	46'455	65	77'817	65	74'656	64
Total		50'179	100	61'619	100	71'567	100	118'892	100	115'923	100

6.2 Region (Switzerland only)

AG	7'812	16	9'096	15	10'394	15	16'973	14	17'457	15
BE	7'806	16	9'377	15	10'952	15	17'948	15	19'483	17
ZH	7'212	14	9'226	15	10'868	15	19'371	16	13'392	12
SG	3'532	7	4'332	7	5'044	7	8'145	7	9'013	8
SO	3'119	6	3'728	6	4'411	6	6'751	6	7'535	7
VD	2'861	6	3'613	6	4'141	6	7'007	6	6'470	6
FR	2'384	5	2'918	5	3'305	5	5'083	4	6'594	6
LU	2'072	4	2'513	4	2'919	4	4'771	4	4'641	4
BL	2'044	4	2'551	4	2'920	4	4'834	4	4'648	4
GE	1'916	4	2'412	4	2'897	4	5'292	4	2'941	3
TG	1'706	3	2'150	3	2'512	4	3'832	3	4'166	4
TI	1'669	3	2'129	3	2'420	3	4'290	4	4'128	4
VS	1'146	2	1'501	2	1'724	2	2'940	2	4'020	3
BS	971	2	1'234	2	1'451	2	2'437	2	1'585	1
SZ	786	2	951	2	1'087	2	1'901	2	1'600	1
Other cantons, each < 1.5 %	3'144	6	3'888	6	4'523	6	7'317	6	8'250	7
Total	50'179	100	61'619	100	71'567	100	118'892	100	115'923	100

6.3 Property type^{12, 13, 14, 15}

Overview	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%
Residential										
Single family houses and condominiums ¹⁶	37'103	74	45'710	74	51'903	73	83'606	70	101'977	88
Multi family houses	11'349	23	13'860	22	16'718	23	29'259	25	11'835	10
Total residential	48'452	97	59'570	97	68'621	96	112'866	95	113'812	98
Commercial	1'727	3	2'049	3	2'946	4	6'026	5	2'111	2
Total	50'179	100	61'619	100	71'567	100	118'892	100	115'923	100

Criteria for eligible cover pool assets	Pfandbriefbank		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, 15}

Residential: Single family houses and condominiums									
Cover value Pfandbriefbank	<= 200'000	658	1	826	1	2'871	2	5'312	5
	<= 300'000	3'213	5	3'591	5	6'867	6	12'792	11
	<= 400'000	8'968	15	10'036	14	16'185	14	25'765	22
	<= 500'000	11'107	18	12'366	17	18'889	16	25'105	22
	<= 600'000	8'188	13	9'036	13	13'792	12	15'196	13
	<= 700'000	5'665	9	6'308	9	9'531	8	8'813	8
	<= 800'000	3'465	6	4'045	6	6'089	5	4'696	4
	<= 900'000	1'848	3	2'284	3	3'487	3	2'198	2
	<= 1'000'000	627	1	805	1	1'275	1	674	1
	<= 1'100'000	432	1	551	1	968	1	418	0
	<= 1'200'000	290	0	381	1	623	1	255	0
	<= 1'300'000	221	0	282	0	478	0	178	0
	<= 1'400'000	184	0	237	0	399	0	137	0
	<= 1'500'000	123	0	159	0	274	0	86	0
	<= 2'000'000	348	1	433	1	791	1	208	0
	<= 3'000'000	238	0	314	0	600	1	105	0
	<= 3'500'000	133	0	250	0	487	0	39	0
Total		45'710	74	51'903	73	83'606	70	101'977	88
Average as per cover object		0.448		0.509		0.820			

Residential: Multi family houses									
Cover value Pfandbriefbank	<= 1'000'000	3'980	6	4'852	7	9'374	8	7'148	6
	<= 2'000'000	4'387	7	5'166	7	8'696	7	3'187	3
	<= 3'000'000	2'087	3	2'494	3	4'078	3	871	1
	<= 4'000'000	856	1	1'040	1	1'717	1	251	0
	<= 5'000'000	714	1	853	1	1'400	1	160	0
	<= 10'000'000	1'153	2	1'442	2	2'437	2	172	0
	<= 15'000'000	332	1	397	1	648	1	29	0
	<= 20'000'000	138	0	175	0	304	0	8	0
	<= 25'000'000	212	0	298	0	607	1	9	0
Total		13'860	22	16'718	23	29'259	25	11'835	10
Average as per cover object		1.171		1.413		2.472			

Commercial									
Cover value Pfandbriefbank	<= 1'000'000	762	1	1'125	2	2'271	2	1'558	1
	<= 2'000'000	489	1	671	1	1'328	1	361	0
	<= 3'000'000	243	0	335	0	701	1	100	0
	<= 4'000'000	127	0	156	0	353	0	36	0
	<= 5'000'000	104	0	152	0	320	0	23	0
	<= 10'000'000	166	0	286	0	521	0	23	0
	<= 15'000'000	71	0	111	0	196	0	6	0
	<= 20'000'000	37	0	38	0	90	0	2	0
	<= 25'000'000	51	0	71	0	246	0	2	0
Total		2'049	3	2'946	4	6'026	5	2'111	2
Average as per cover object		0.971		1.396		2.855			
Total residential and commercial		61'619	100	71'567	100	118'892	100	115'923	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 LTV Pfandbriefbank^{2, 12}

> 0 % to <= 40 %	12'479	25	15'970	26	19'820	28	43'277	36	30'525	26
> 40 % to <= 50 %	18'464	37	23'233	38	26'679	37	40'718	34	40'994	35
> 50 % to <= 60 %	16'394	33	19'292	31	21'557	30	30'221	25	37'753	33
> 60 % to <= 70 %	2'843	6	3'125	5	3'511	5	4'676	4	6'651	6
> 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	50'179	100	61'619	100	71'567	100	118'892	100	115'923	100
Overcollateralization		100		123		143		237		
LTV ¹⁷		42		52		60		100		

6.6 Mortgage LTV member bank^{3, 12}

> 0 % to <= 40 %	3'536	7	4'342	7	4'498	6	16'964	14	11'646	10
> 40 % to <= 50 %	4'320	9	5'305	9	5'491	8	12'078	10	10'415	9
> 50 % to <= 60 %	7'996	16	9'818	16	10'408	15	18'774	16	18'038	16
> 60 % to <= 70 %	15'796	31	19'397	31	21'524	30	33'068	28	34'469	30
> 70 % to <= 80 %	13'749	27	16'884	27	21'228	30	28'250	24	29'935	26
> 80 % ¹⁸	4'781	10	5'871	10	8'418	12	9'757	8	11'420	10
Total	50'179	100	61'619	100	71'567	100	118'892	100	115'923	100
Overcollateralization		100		123		143		237		
LTV ¹⁷		42		52		60		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 law and valuation regulations.

⁶ Mortgage nominal value in the balance sheet of member bank

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

⁸ Pfandbriefbank has 264 member banks with loans.

⁹ Rating by 1. Moody's, 2. S&P, 3. Fitch, 4. ZKB Rating

¹⁰ BB+ rated member banks must have 120 % collateralization. They have an average loan of CHF 43.1 m. Member banks with rating better than BB+ must have 108 % collateralization.

¹¹ Loans of CHF 50'179 m are covered by the cover value determined by Pfandbriefbank of CHF 61'619 m for eligible mortgages of CHF 71'567 m with a lending value set up by member bank of CHF 118'892 m (115'923 cover objects).

¹² Cover pool assets as of 13/07/12

¹³ The maximum cover value Pfandbriefbank for single family houses is CHF 3.5 m, for condominiums CHF 2 m, for multi family houses and commercial properties CHF 25 m.

¹⁴ Single family houses and condominiums larger than CHF 1.5 m, multi family houses larger than CHF 3 m and commercial properties larger than 1.2 m are reviewed by the cover pool committee.

¹⁵ Selected single family houses and condominiums, multi family houses larger than CHF 10 m (CHF 5 m, if older than 20 years) and commercial properties larger than CHF 5 m are visited on-site by the cover pool committee.

¹⁶ Properties with occupancy type 'vacation' or 'second home' are immaterial (loans of CHF 123.5 m or 0.25 % of total).

¹⁷ If loans are 100, the lending value of member banks amounts to 237. In other words: the overall loan to value is 42 %.

¹⁸ Mortgages with mortgage LTV member bank > 80 % are considered as ETPs (exception to policy) and will be reduced. Most ETPs are 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

The content of this publication is for informational purposes only and shall not be construed as constituting a solicitation, an offer or a recommendation with respect to the purchase or sale of the "Pfandbriefe". Moreover, this publication is neither a prospectus in terms of art. 652a and art. 1156 CO (Swiss Code of Obligations, SR 220) nor a simplified prospectus pursuant to art. 5 para. 2 CISA (Collective Investment Schemes Act, SR 951.31). No investment decisions, or other kinds of decisions should be reached solely on the basis of information from this publication. Further information, such as the base prospectus for the listing on the SIX Swiss Exchange, can be requested from the "Pfandbriefbank".

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