

Pfandbriefbank Pool

31 December 2013, 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

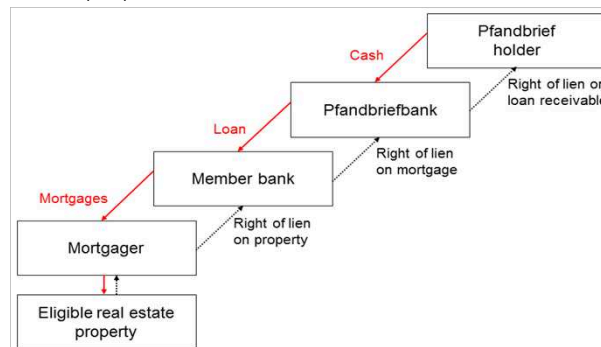
- Founded 1931
- Based on Pfandbrief law established in 1930
- Special bank with limited scope (issuance of Swiss Pfandbriefe, loans to member banks, investment of own funds)
- No currency risk, no maturity mismatch, no interest rate risk
- Swiss government authorises bylaws and nominates one member 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 43 % (by law limited at max. 66 2/3 %)
- Only first class mortgages in Swiss francs (CHF) on properties located in Switzerland are eligible
- 99 % 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 9.8 % of Swiss mortgages pledged to Pfandbrief institutes (12/2012)
- 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 18/02/14, 03/03/14, 17/03/14, 07/04/14, 25/04/14, 06/05/14, 23/05/14, 25/06/14, 10/07/14, 18/08/14, 26/09/14, 22/10/14, 21/11/14, 15/12/14
General assembly 28/05/14

2 Swiss Economics

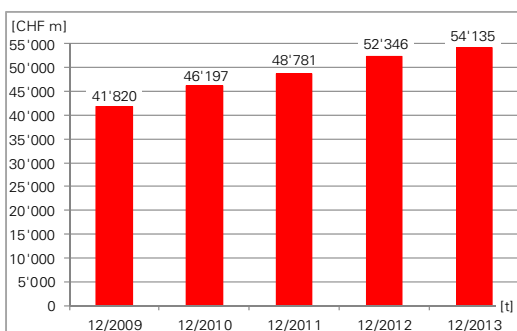
2.1 General	Source, units	31/12/13	31/12/12	31/12/11	31/12/10
Gross domestic product (GDP)	SNB, CHF bn	not available yet	592	585	573
Unemployment rate	Seco, Ø %	3.2	2.9	2.8	3.5
Eidgenossen (Gov), 10Y rate	SNB, %	1.253	0.557	0.740	1.674

2.2 Mortgage market

Mortgage volume of banks	SNB, CHF bn	not available yet	830	784	745
Swiss Pfandbriefe ¹	CHF bn	88	82	75	70
SWX IAZI Price Indices					
Private Real Estate	CH0030532342	167	161	147	134
Investment Real Estate	CH0030532391	161	152	145	134

3 Market

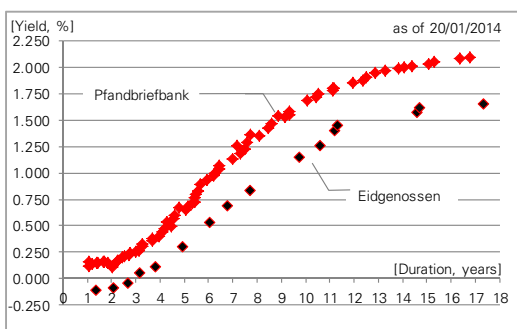
3.1 Pfandbriefbank - Outstanding Pfandbriefe



Source: Pfandbriefbank, semi-/annual reports

In 2013 Pfandbriefbank issued Swiss Pfandbriefe of CHF 7'542 m. CHF 5'753 m matured. Net growth amounts to CHF 1'789 m. The three joint lead banks responsible for our primary market issuances are Credit Suisse AG (in charge), UBS AG and Raiffeisen Schweiz Genossenschaft.

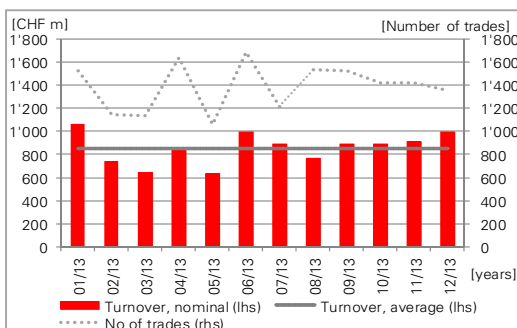
3.2 Pfandbriefbank - Yield spread as per issuance



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 850 m.

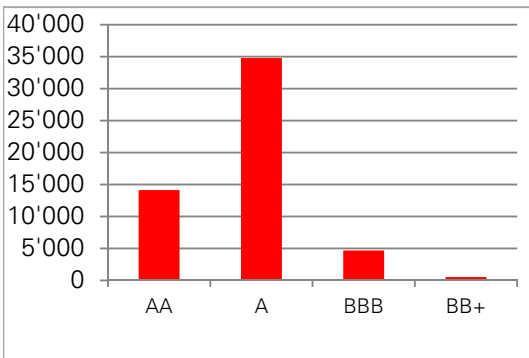
4 Balance Sheet

Assets	31/12/13 CHF m	Liabilities	31/12/13 CHF m
Loans to member banks	54'135	Swiss Pfandbriefe (Bonds)	54'135
Free Assets			
Cash and due from banks	101		
Bonds	1'095		
Other	4	Equity	1'404
Other assets	705	Other Liabilities	502
Total	56'041	Total	56'041

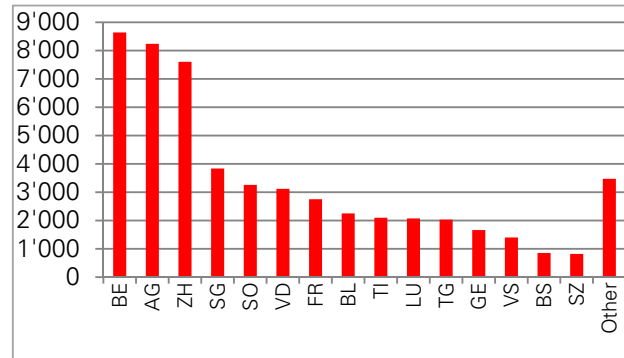
All assets and liabilities are denominated in Swiss Francs. As of 31/12/13 no assets are pledged.
All bonds are repo eligible (SNB GC Basket).

5 Pool - Summary

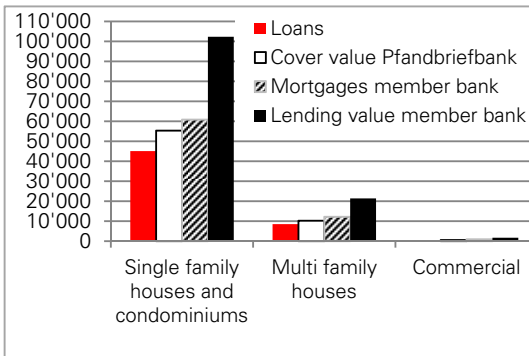
5.1 Loans to member banks (CHF m)



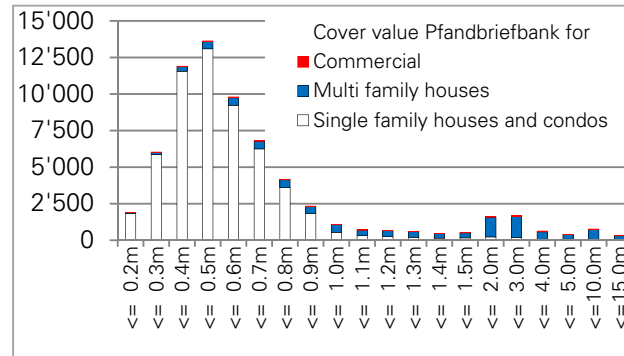
5.2 Loans by region (CHF m, only Switzerland eligible)



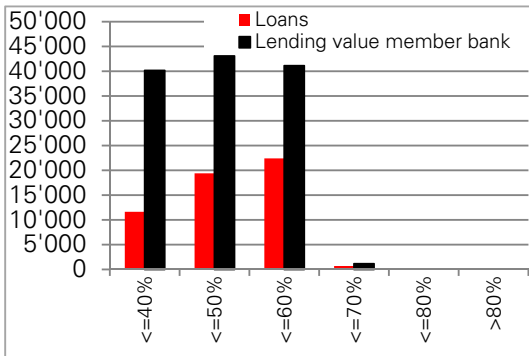
5.3 Property type (CHF m)



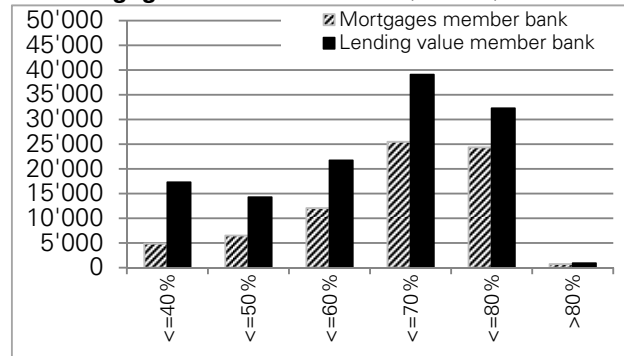
5.4 Property type by size (CHF m)



5.5 Loan LTV Pfandbriefbank (CHF m)²



5.6 Mortgage LTV member bank (CHF m)^{3,17}



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	14'131	26	17'309	26	19'551	26	31'571	25	33'751	24
A	34'788	64	42'438	64	47'299	64	81'308	65	93'993	67
BBB	4'683	9	5'697	9	6'440	9	11'206	9	11'698	8
BB+ ¹⁰	533	1	710	1	778	1	1'398	1	1'561	1
Total ¹¹	54'135	100	66'153	100	74'068	100	125'484	100	141'003	100

Loan size total	CHF m										
315 bank(s)	<= 150	13'214	24	16'450	25	18'474	25	30'294	24	33'396	24
23	<= 300	4'236	8	5'066	8	5'718	8	9'780	8	10'641	8
5	<= 450	1'866	3	2'183	3	2'551	3	4'290	3	4'275	3
3	<= 600	1'547	3	1'967	3	2'258	3	3'923	3	4'214	3
1	<= 800	699	1	777	1	884	1	1'563	1	1'112	1
0	<= 1'000	0	0	0	0	0	0	0	0	0	0
8	> 1'000	32'573	60	39'709	60	44'182	60	75'633	60	87'365	62
Total		54'135	100	66'153	100	74'068	100	125'484	100	141'003	100

6.2 Region (only Switzerland eligible)

BE	8'642	16	10'379	16	11'613	16	19'228	15	24'711	18
AG	8'240	15	10'010	15	10'922	15	18'185	14	22'532	16
ZH	7'604	14	9'643	15	10'983	15	19'807	16	17'131	12
SG	3'838	7	4'627	7	5'162	7	8'580	7	10'206	7
SO	3'259	6	3'924	6	4'421	6	7'049	6	8'578	6
VD	3'121	6	3'852	6	4'318	6	7'485	6	7'607	5
FR	2'752	5	3'351	5	3'698	5	5'834	5	7'837	6
BL	2'252	4	2'811	4	3'109	4	5'400	4	5'653	4
TI	2'099	4	2'605	4	2'910	4	5'159	4	5'504	4
LU	2'075	4	2'460	4	2'742	4	4'500	4	5'118	4
TG	2'034	4	2'493	4	2'800	4	4'512	4	5'214	4
GE	1'663	3	2'023	3	2'389	3	4'421	4	3'088	2
VS	1'403	3	1'693	3	1'908	3	3'298	3	4'614	3
BS	856	2	1'052	2	1'223	2	2'130	2	1'607	1
SZ	823	2	989	1	1'100	1	1'968	2	1'802	1
Other cantons, each < 1.4 %	3'474	6	4'241	6	4'771	6	7'929	6	9'801	7
Total	54'135	100	66'153	100	74'068	100	125'484	100	141'003	100

6.3 Property type ^{12, 13, 14}

Overview										
Residential										
Single family houses and condominiums ¹⁵	45'108	83	55'346	84	60'873	82	102'323	82	130'686	93
Multi family houses	8'556	16	10'245	15	12'219	16	21'424	17	9'671	7
Total residential	53'664	99	65'591	99	73'092	99	123'747	99	140'357	100
Commercial	471	1	562	1	976	1	1'737	1	646	0
Total	54'135	100	66'153	100	74'068	100	125'484	100	141'003	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}

Residential: Single family houses and condominiums									
Cover value Pfandbriefbank	<= 200'000	1'843	3	1'960	3	6'264	5	11'968	8
	<= 300'000	5'866	9	6'212	8	12'216	10	22'297	16
	<= 400'000	11'559	17	12'442	17	20'766	17	32'372	23
	<= 500'000	13'093	20	14'191	19	22'415	18	28'953	21
	<= 600'000	9'232	14	10'035	14	15'479	12	16'807	12
	<= 700'000	6'250	9	6'896	9	10'559	8	9'595	7
	<= 800'000	3'619	5	4'198	6	6'431	5	4'865	3
	<= 900'000	1'827	3	2'226	3	3'410	3	2'147	2
	<= 1'000'000	545	1	683	1	1'204	1	567	0
	<= 1'100'000	312	0	398	1	685	1	294	0
	<= 1'200'000	255	0	335	0	545	0	221	0
	<= 1'300'000	202	0	253	0	433	0	161	0
	<= 1'400'000	147	0	183	0	310	0	108	0
	<= 1'500'000	168	0	239	0	422	0	114	0
	<= 2'000'000	232	0	279	0	519	0	135	0
	<= 2'500'000	196	0	343	0	665	1	82	0
	<= 3'000'000	0	0	0	0	0	0	0	0
Total		55'346	84	60'873	82	102'323	82	130'686	93
Average as per cover object		0.424		0.466		0.783			

Residential: Multi family houses									
Cover value Pfandbriefbank	<= 1'000'000	3'610	5	4'247	6	8'197	7	6'428	5
	<= 2'000'000	3'168	5	3'694	5	6'144	5	2'259	2
	<= 3'000'000	1'436	2	1'719	2	2'749	2	594	0
	<= 4'000'000	580	1	695	1	1'131	1	169	0
	<= 5'000'000	395	1	481	1	811	1	88	0
	<= 10'000'000	746	1	908	1	1'648	1	109	0
	<= 15'000'000	309	0	476	1	743	1	24	0
	<= 20'000'000	0	0	0	0	0	0	0	0
	<= 25'000'000	0	0	0	0	0	0	0	0
Total		10'245	15	12'219	16	21'424	17	9'671	7
Average as per cover object		1.059		1.263		2.215			

Commercial									
Cover value Pfandbriefbank	<= 1'000'000	243	0	405	1	756	1	495	0
	<= 2'000'000	131	0	200	0	361	0	97	0
	<= 3'000'000	75	0	113	0	213	0	31	0
	<= 4'000'000	55	0	100	0	157	0	16	0
	<= 5'000'000	4	0	10	0	13	0	1	0
	<= 10'000'000	27	0	46	0	90	0	4	0
	<= 15'000'000	26	0	102	0	147	0	2	0
	<= 20'000'000	0	0	0	0	0	0	0	0
	<= 25'000'000	0	0	0	0	0	0	0	0
Total		562	1	976	1	1'737	1	646	0
Average as per cover object		0.869		1.510		2.689			
Total		66'153	100	74'068	100	125'484	100	141'003	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 Pfandbriefbank²

> 0 % to <= 40 %	11'636	21	14'960	23	17'397	23	40'155	32	37'332	26
> 40 % to <= 50 %	19'396	36	24'035	36	27'169	37	43'071	34	46'151	33
> 50 % to <= 60 %	22'411	41	26'396	40	28'663	39	41'116	33	55'809	40
> 60 % to <= 70 %	692	1	762	1	839	1	1'141	1	1'711	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	54'135	100	66'153	100	74'068	100	125'484	100	141'003	100
Overcollateralization		100		122		137		232		
LTV ¹⁶		43		53		59		100		

6.6 Mortgage LTV member bank³

> 0 % to <= 40 %	3'904	7	4'813	7	4'881	7	17'279	14	16'407	12
> 40 % to <= 50 %	5'176	10	6'365	10	6'509	9	14'263	11	15'118	11
> 50 % to <= 60 %	9'399	17	11'527	17	12'070	16	21'707	17	24'048	17
> 60 % to <= 70 %	19'068	35	23'293	35	25'491	34	39'069	31	45'822	32
> 70 % to <= 80 %	16'149	30	19'621	30	24'371	33	32'259	26	38'304	27
> 80 % ¹⁷	440	1	533	1	747	1	908	1	1'304	1
Total	54'135	100	66'153	100	74'068	100	125'484	100	141'003	100
Overcollateralization		100		122		137		232		
LTV ¹⁶		43		53		59		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 objects set up by member bank to determine maximum mortgage.

⁸ Pfandbriefbank has 355 banks with loans.

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

¹⁰ BB+ rated member banks must have 120 % collateralization. They have an average loan of CHF 48 m. Member banks with rating better than BB+ must have 108 % collateralization.

¹¹ Loans of CHF 54'135 m are covered by the cover value determined by Pfandbriefbank of CHF 66'153 m for eligible mortgages of CHF 74'068 m with a lending value set up by member banks of CHF 125'484 m (141'003 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 1.2 m are reviewed by the cover pool committee.

¹⁴ 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.

¹⁵ Properties with occupancy type 'vacation' or 'second home' are immaterial (loans of CHF 55 m or 0.1 % of total).

¹⁶ If loans are 100, the lending value of member banks amounts to 232. In other words: the overall loan to value is 43 %.

¹⁷ 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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