

Pfandbriefbank Pool

30 June 2015, 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 (since 2002, last issuer rating report dated 21 October 2010, ratings per ISIN are published shortly after issuance)

1.3 Business model

Pfandbriefbank

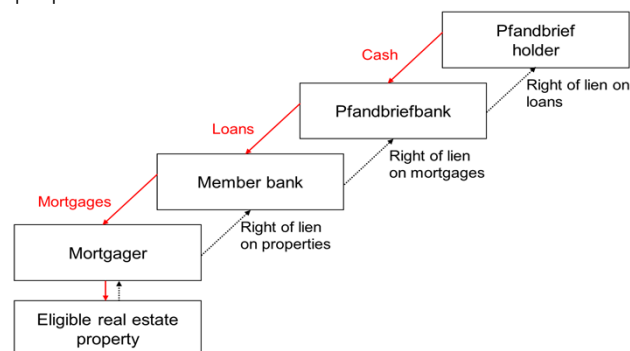
- Founded 1930, incorporated 1931
- Based on Pfandbrief act, which came into effect in 1930
- Special institute with limited scope (issuance of Swiss Pfandbriefe, loans to member banks and investment of own funds)
- No currency risk, no maturity mismatch, no interest rate risk
- Swiss Federal Council 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 43 % (by law limited at max. 66 2/3 %)
- 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
- Only around 10 % 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

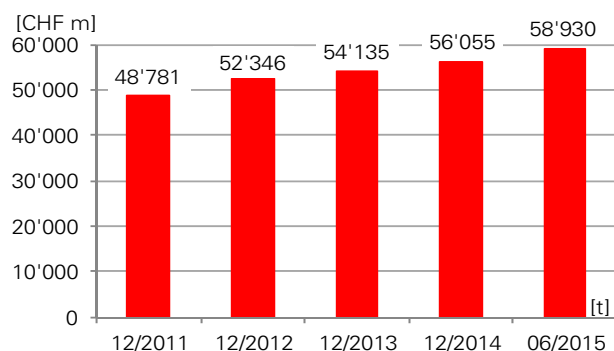
Issuances 17/08/2015, 15/09/2015, 28/09/2015, 27/10/2015, 19/11/2015, 10/12/2015
General meeting 25/05/2016

2 Swiss Economics

2.1 General	Source, units	31/12/14	31/12/13	31/12/12	31/12/11
Gross domestic product (GDP)	SNB, CHF bn	(Seco est.) 648	635	625	618
Unemployment rate	Seco, Ø %	3.2	3.2	2.9	2.8
Eidgenossen (Gov), 10Y rate	SNB, %	0.375	1.253	0.557	0.740
2.2 Mortgage market					
Mortgage volume of banks	SNB, CHF bn	913	882	846	803
Swiss Pfandbriefe ¹	CHF bn	94	88	82	75
SWX IAZI Price Indices					
Private Real Estate	CH0030532342	171	167	161	147
Investment Real Estate	CH0030532391	169	161	152	145

3 Market

3.1 Pfandbriefbank - Outstanding Pfandbriefe

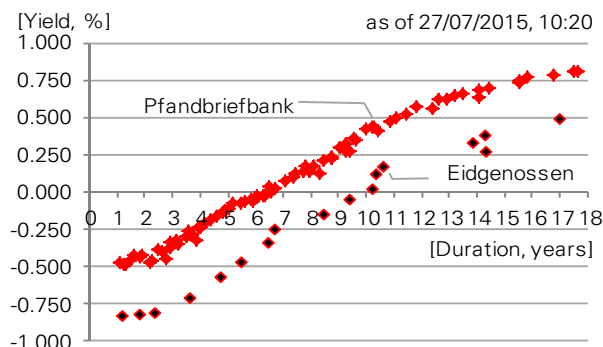


Source: Pfandbriefbank, semi-annual reports

In 2014 Pfandbriefbank issued Swiss Pfandbriefe of CHF 7'820 m. CHF 5'900 m matured. Net growth amounts to CHF 1'920 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

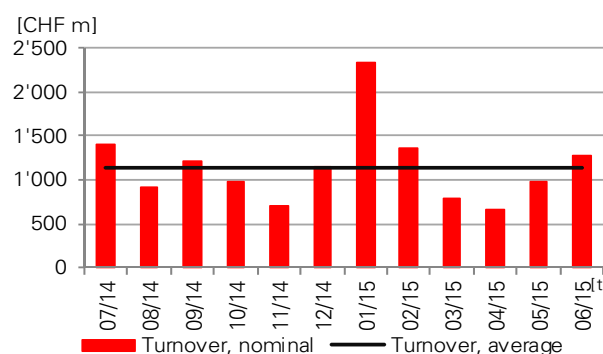


Source: SIX Swiss Exchange AG

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

On 15 January 2015 Swiss National Bank (SNB) discontinued the minimum exchange rate of CHF 1.20 per Euro. At the same time SNB lowered the interest rate on sight deposit account balances that exceed a given exemption threshold to -0.750 %.

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 1'100 m (min/median/max: CHF 652 m/CHF 1'069 m/CHF 2'343 m).

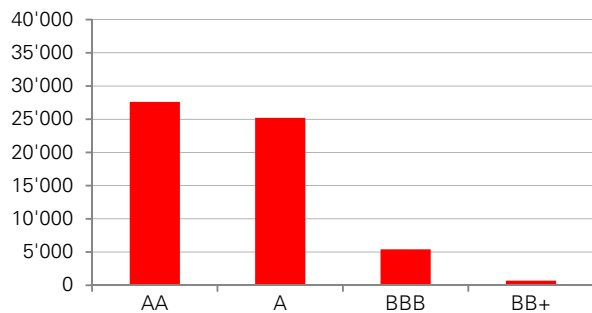
4 Balance Sheet

Assets (stylised)	30/06/15 CHF m	Liabilities (stylised)	30/06/15 CHF m
Loans to member banks	58'930	Swiss Pfandbriefe (Bonds)	58'930
Free Assets			
Cash and due from banks	37	Due to banks	8
Bonds	1'152	Equity	1'385
Other	4	Other Liabilities	485
Other assets	685		
Total	60'808	Total	60'808

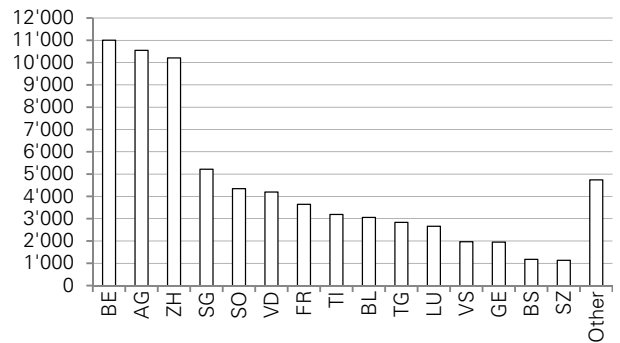
All assets and liabilities are denominated in Swiss Francs. As of 30/06/15 bonds with a total nominal of CHF 8 Mio were pledged for short term liquidity management. All bonds are repo eligible (SNB GC Basket).

5 Pool - Summary

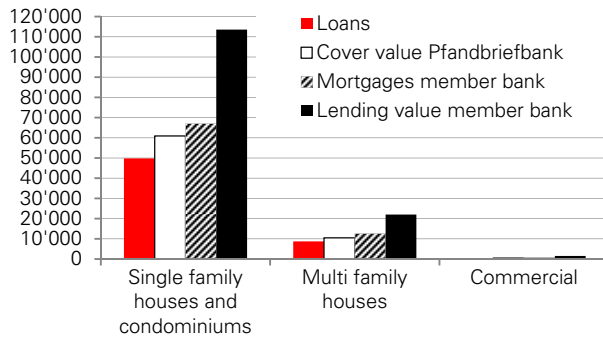
5.1 Loans to member banks (CHF m)



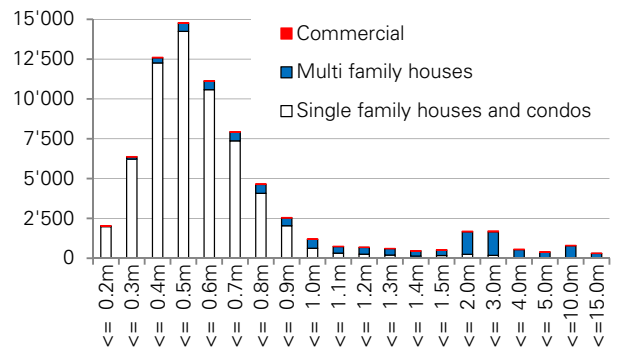
5.2 Cover value by region (CHF m, only CH eligible)



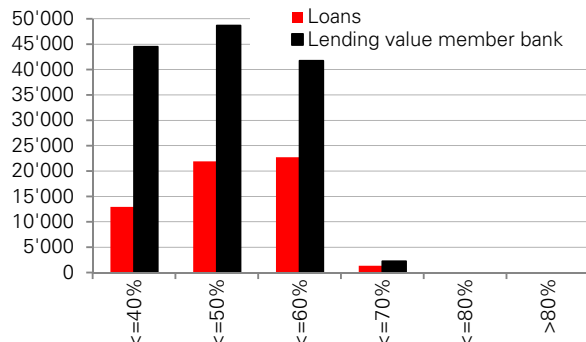
5.3 Property type (CHF m)



5.4 Cover value by size (CHF m)



5.5 Loan LTV Pfandbriefbank (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			
	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%

6.1 Loans to member banks ⁸

Rating ⁹										
AA	27'612	47	33'169	46	37'068	46	61'506	45	66'109	43
A	25'210	43	31'303	44	35'103	44	60'815	44	71'572	47
BBB	5'414	9	6'526	9	7'372	9	12'997	9	13'385	9
BB+ ¹⁰	694	1	886	1	989	1	1'793	1	1'828	1
Total ¹¹	58'930	100	71'883	100	80'531	100	137'112	100	152'894	100

Loan size total	CHF m										
313 bank(s)	<= 200	18'436	31	22'602	31	25'358	31	42'120	31	45'791	30
13	<= 400	3'591	6	4'172	6	4'726	6	7'930	6	8'903	6
6	<= 600	2'734	5	3'286	5	3'948	5	6'692	5	5'954	4
2	<= 800	1'491	3	1'715	2	1'894	2	3'536	3	3'356	2
0	<= 1'000	0	0	0	0	0	0	0	0	0	0
8	> 1'000	32'679	55	40'110	56	44'605	55	76'834	56	88'890	58
Total		58'930	100	71'883	100	80'531	100	137'112	100	152'894	100

6.2 Region (only Switzerland eligible)

BE	9'101	15	11'004	15	12'330	15	20'630	15	26'093	17
AG	8'737	15	10'550	15	11'530	14	19'304	14	23'768	16
ZH	8'139	14	10'209	14	11'592	14	21'111	15	18'309	12
SG	4'375	7	5'219	7	5'847	7	9'767	7	11'367	7
SO	3'670	6	4'347	6	4'887	6	7'821	6	9'595	6
VD	3'355	6	4'196	6	4'731	6	8'211	6	8'203	5
FR	3'038	5	3'645	5	4'024	5	6'395	5	8'406	5
TI	2'587	4	3'190	4	3'569	4	6'254	5	6'594	4
BL	2'438	4	3'056	4	3'389	4	5'906	4	6'116	4
TG	2'361	4	2'835	4	3'182	4	5'142	4	5'943	4
LU	2'191	4	2'660	4	2'969	4	4'900	4	5'504	4
VS	1'624	3	1'968	3	2'215	3	3'812	3	5'264	3
GE	1'541	3	1'951	3	2'302	3	4'299	3	3'051	2
BS	950	2	1'177	2	1'367	2	2'385	2	1'774	1
SZ	929	2	1'134	2	1'282	2	2'293	2	2'010	1
Other cantons, each < 1.5 %	3'895	7	4'742	7	5'315	7	8'882	6	10'897	7
Total	58'930	100	71'883	100	80'531	100	137'112	100	152'894	100

6.3 Property type ^{12, 13, 14}

Overview										
Residential										
Single family houses and condominiums ¹⁵	49'802	85	60'914	85	67'032	83	113'550	83	142'435	93
Multi family houses	8'737	15	10'503	15	12'630	16	22'018	16	9'858	6
Total residential	58'539	99	71'417	99	79'663	99	135'568	99	152'293	100
Commercial	391	1	467	1	869	1	1'544	1	601	0
Total	58'930	100	71'883	100	80'531	100	137'112	100	152'894	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	1'984	3	2'118	3	6'902	5	12'867	8
	<= 300'000	6'224	9	6'567	8	13'216	10	23'596	15
	<= 400'000	12'261	17	13'162	16	22'366	16	34'302	22
	<= 500'000	14'242	20	15'436	19	24'602	18	31'462	21
	<= 600'000	10'583	15	11'532	14	17'868	13	19'263	13
	<= 700'000	7'369	10	8'175	10	12'553	9	11'308	7
	<= 800'000	4'076	6	4'741	6	7'311	5	5'468	4
	<= 900'000	2'040	3	2'480	3	3'820	3	2'401	2
	<= 1'000'000	628	1	782	1	1'379	1	653	0
	<= 1'100'000	320	0	412	1	681	0	302	0
	<= 1'200'000	253	0	327	0	535	0	219	0
	<= 1'300'000	200	0	249	0	427	0	159	0
	<= 1'400'000	136	0	172	0	304	0	100	0
	<= 1'500'000	171	0	240	0	425	0	116	0
	<= 2'000'000	247	0	304	0	553	0	143	0
	<= 2'500'000	181	0	334	0	608	0	76	0
	<= 3'000'000	0	0	0	0	0	0	0	0
Total		60'914	85	67'032	83	113'550	83	142'435	93
Average as per cover object		0.428		0.471		0.797			
Residential: Multi family houses									
Cover value Pfandbriefbank	<= 1'000'000	3'703	5	4'334	5	8'390	6	6'505	4
	<= 2'000'000	3'310	5	3'908	5	6'506	5	2'364	2
	<= 3'000'000	1'478	2	1'795	2	2'870	2	609	0
	<= 4'000'000	538	1	639	1	1'054	1	156	0
	<= 5'000'000	389	1	477	1	774	1	87	0
	<= 10'000'000	784	1	973	1	1'656	1	114	0
	<= 15'000'000	299	0	504	1	768	1	23	0
	<= 20'000'000	0	0	0	0	0	0	0	0
	<= 25'000'000	0	0	0	0	0	0	0	0
Total		10'503	15	12'630	16	22'018	16	9'858	6
Average as per cover object		1.065		1.281		2.234			
Commercial									
Cover value Pfandbriefbank	<= 1'000'000	235	0	414	1	759	1	487	0
	<= 2'000'000	104	0	166	0	310	0	77	0
	<= 3'000'000	56	0	91	0	169	0	23	0
	<= 4'000'000	30	0	57	0	91	0	9	0
	<= 5'000'000	4	0	8	0	13	0	1	0
	<= 10'000'000	23	0	52	0	81	0	3	0
	<= 15'000'000	15	0	81	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		467	1	869	1	1'544	1	601	0
Average as per cover object		0.777		1.445		2.569			
Total		71'883	100	80'531	100	137'112	100	152'894	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 %	12'947	22	16'571	23	19'308	24	44'495	32	41'174	27
> 40 % to <= 50 %	21'915	37	27'116	38	30'668	38	48'670	35	51'658	34
> 50 % to <= 60 %	22'727	39	26'720	37	28'932	36	41'732	30	56'858	37
> 60 % to <= 70 %	1'341	2	1'476	2	1'624	2	2'216	2	3'204	2
> 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	58'930	100	71'883	100	80'531	100	137'112	100	152'894	100
Overcollateralization		100		122		137		233		
LTV ¹⁶		43		52		59		100		

6.6 Mortgage LTV member bank³

> 0 % to <= 40 %	4'376	7	5'387	7	5'436	7	19'126	14	18'574	12
> 40 % to <= 50 %	5'787	10	7'107	10	7'251	9	15'890	12	16'793	11
> 50 % to <= 60 %	10'495	18	12'844	18	13'463	17	24'227	18	26'845	18
> 60 % to <= 70 %	20'816	35	25'371	35	27'941	35	42'871	31	49'592	32
> 70 % to <= 80 %	17'447	30	21'165	29	26'424	33	34'979	26	41'070	27
> 80 % ¹⁷	8	0	10	0	16	0	19	0	20	0
Total	58'930	100	71'883	100	80'531	100	137'112	100	152'894	100
Overcollateralization		100		122		137		233		
LTV ¹⁶		43		52		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 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 342 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 % collateralization. They have an average loan of CHF 63 m. Member banks with rating better than BB+ must have 108 % collateralization.

¹¹ Loans of CHF 58'930 m are covered by the cover value determined by Pfandbriefbank of CHF 71'883 m for eligible mortgages of CHF 80'531 m with a lending value set up by member banks of CHF 137'112 m (152'894 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 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' are immaterial (loans of CHF 78 m or 0.1 % of total).

¹⁶ If loans are 100, the lending value of member banks amounts to 233. 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). 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

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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