

8050 Zurich, 23 July 2021, 1705, MM

Pfandbriefbank Pool

30 June 2021, 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 19 July 2018, ratings per ISIN are published shortly after issuance)

1.3 Business model

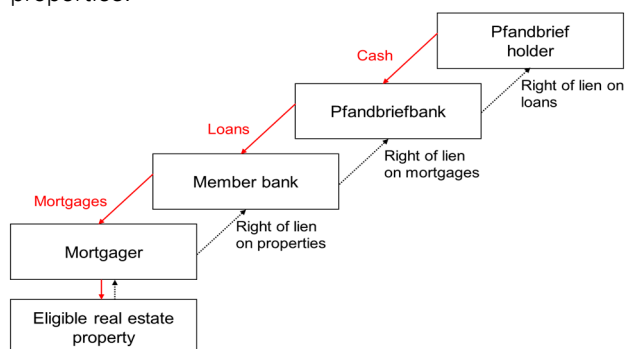
Pfandbriefbank

- 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 41 % (by law limited at max. 66 2/3 % for residential properties or lower for other property types)
- 100 % 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
- Approximately 13 % 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 03/08, 14/09, 19/10, 16/11, 14/12/2021, 05/01/2022 and 01/02/2022
General meeting 19/05/2022

2 Swiss Economics

2.1 General

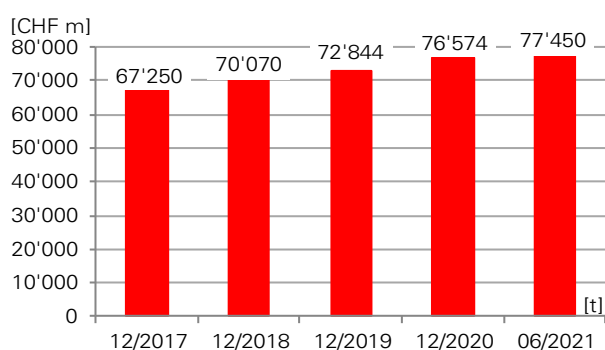
	Source, units	06/2021	12/2020	12/2019	12/2018
Issuer Rating Switzerland	Moody's	Aaa	Aaa	Aaa	Aaa
Gross domestic product (GDP)	SECO, CHF bn	n/a (+3.6 % y/e forecast)	703	727	720
Unemployment rate ¹⁹	SECO, Ø %	3.1	3.1	2.3	2.5
Eidgenossen (Gov), 10Y rate	SNB, %	-0.439	-0.525	-0.456	-0.154

2.2 Mortgage market

Mortgage volume of banks	SNB, CHF bn	(04/2021) 1'094	1'081	1'053	1'022
Swiss Pfandbriefe ¹	CHF bn	146	142	131	125
SWX IAZI Price Indices					
Private Real Estate	CH0030532342	198	192	187	184
Investment Real Estate	CH0030532391	195	192	192	183

3 Market

3.1 Pfandbriefbank - Outstanding Pfandbriefe

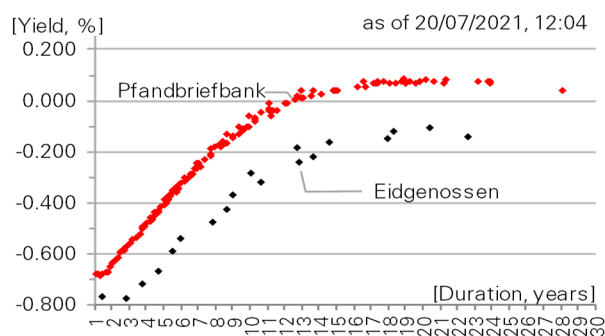


Source: Pfandbriefbank, semi-annual reports

In 2020 Pfandbriefbank issued Swiss Pfandbriefe of CHF 9'320 m. CHF 5'590 m matured. Net growth amounts to CHF 3'730 m.

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

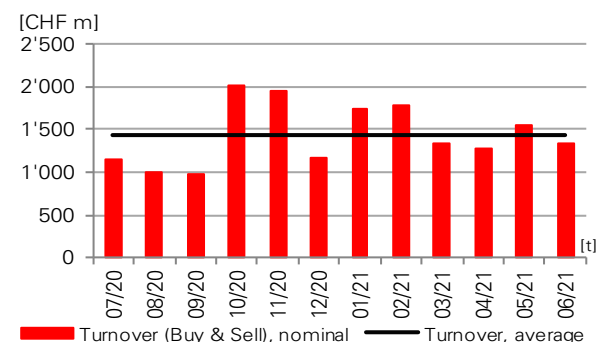
3.2 Pfandbriefbank - Yield per ISIN



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

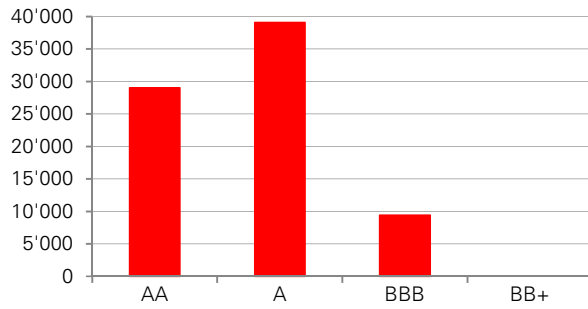


Source: SIX Swiss Exchange AG

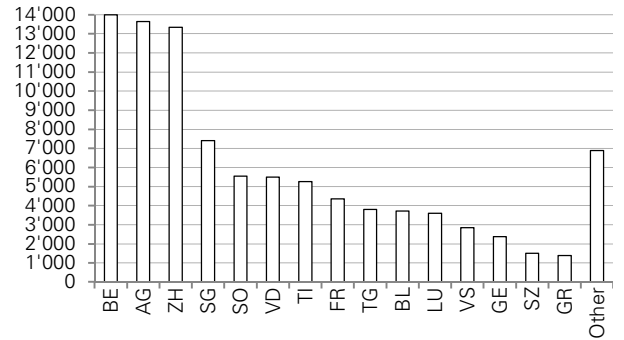
The joint lead banks are requested to organise the market making in the secondary market at SIX Swiss Exchange AG. For the last 12 months average monthly nominal turnover exceeded CHF 1'400 m (min/median/max: CHF 979 m/CHF 1'335 m/CHF 2'011 m).

4 Pool - Summary

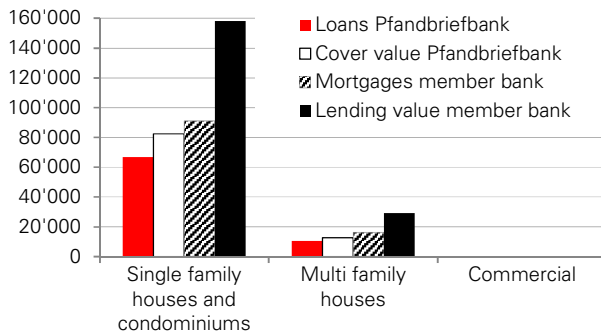
4.1 Loans to member banks (CHF m)



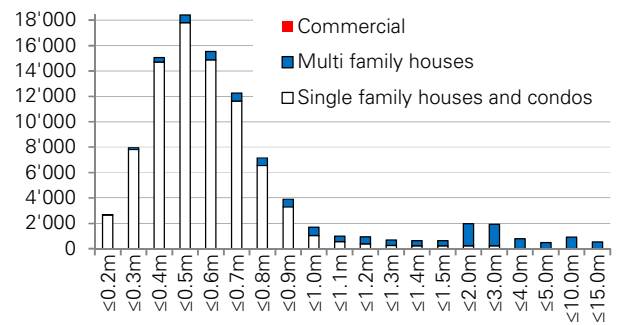
4.2 Cover value by region (CHF m, only CH eligible)



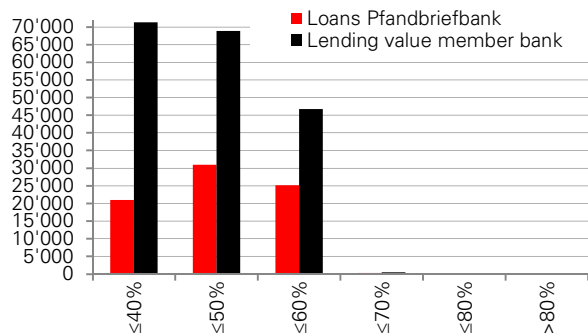
4.3 Property type (CHF m)



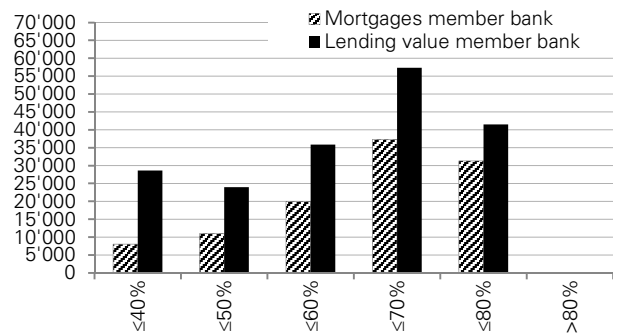
4.4 Cover value by size (CHF m)



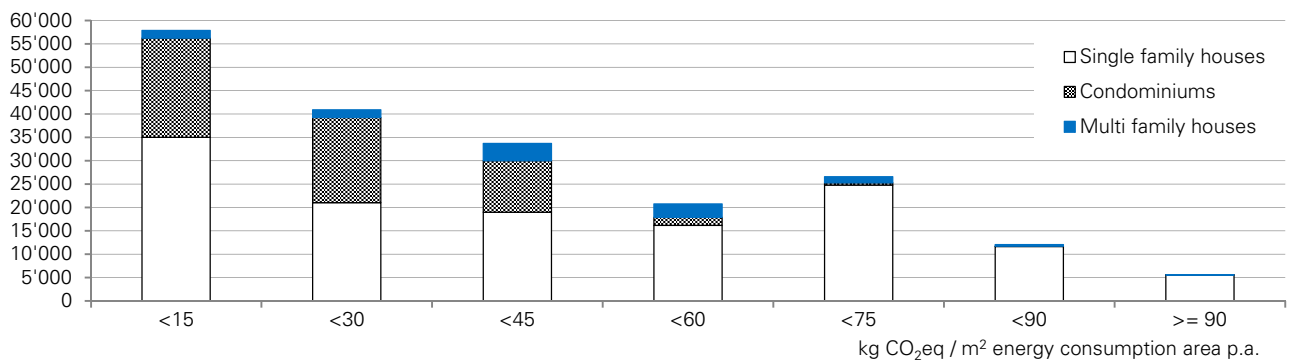
4.5 Loan LTV (CHF m) ²



4.6 Mortgage LTV member bank (CHF m) ³



4.7 Distribution of CO₂ emissions (number of properties)



Source: IAZI CO₂ model; data as of 25 march 2021 supplemented with data from the Federal Register of Buildings and Dwellings

5 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	%		

5.1 Loans to member banks ⁸

Rating ⁹	CHF m	%	CHF m	%	CHF m	%	CHF m	%	Number	%
AA	29'032	37	35'125	37	40'031	37	68'593	37	68'604	35
A	39'035	50	48'115	51	53'753	50	94'073	50	106'846	54
BBB	9'383	12	11'910	13	13'716	13	24'669	13	23'249	12
BB+ ¹⁰	0	0	0	0	0	0	0	0	0	0
Total ¹¹	77'450	100	95'150	100	107'500	100	187'336	100	198'699	100

Loan size total	CHF m										
234 bank(s)	≤ 200	20'738	27	25'507	27	28'751	27	49'292	26	50'984	26
32	≤ 400	8'436	11	10'151	11	11'522	11	20'381	11	21'535	11
8	≤ 600	4'075	5	5'469	6	6'264	6	10'589	6	10'902	5
2	≤ 800	1'357	2	1'627	2	1'880	2	3'223	2	3'140	2
1	≤ 1'000	913	1	1'060	1	1'468	1	2'631	1	1'229	1
9	> 1'000	41'931	54	51'337	54	57'614	54	101'219	54	110'909	56
Total		77'450	100	95'150	100	107'500	100	187'336	100	198'699	100

5.2 Region (only Switzerland eligible)

BE	11'533	15	13'990	15	15'854	15	27'210	15	31'919	16
AG	11'090	14	13'636	14	15'056	14	25'628	14	30'877	16
ZH	10'766	14	13'337	14	15'182	14	28'515	15	23'210	12
SG	6'129	8	7'410	8	8'316	8	14'353	8	15'900	8
SO	4'675	6	5'543	6	6'284	6	10'263	5	12'688	6
VD	4'447	6	5'498	6	6'299	6	11'043	6	10'280	5
TI	3'918	5	5'263	6	5'985	6	10'539	6	10'975	6
FR	3'630	5	4'354	5	4'830	4	7'934	4	9'656	5
TG	3'118	4	3'807	4	4'269	4	7'170	4	7'825	4
BL	2'992	4	3'714	4	4'146	4	7'379	4	7'235	4
LU	2'956	4	3'609	4	4'095	4	6'969	4	7'100	4
VS	2'274	3	2'842	3	3'214	3	5'522	3	7'484	4
GE	1'924	2	2'372	2	2'850	3	5'376	3	3'607	2
SZ	1'242	2	1'500	2	1'681	2	3'132	2	2'632	1
GR	1'093	1	1'385	1	1'571	1	2'724	1	3'086	2
Other cantons, each < 1.4 %	5'663	7	6'889	7	7'867	7	13'580	7	14'225	7
Total	77'450	100	95'150	100	107'500	100	187'336	100	198'699	100

5.3 Property type ^{12, 13, 14}

Overview										
Residential										
Single family houses and condominiums ¹⁵	66'929	86	82'455	87	91'153	85	158'245	84	187'083	94
Multi family houses	10'521	14	12'694	13	16'346	15	29'091	16	11'616	6
Total residential	77'450	100	95'150	100	107'500	100	187'336	100	198'699	100
Commercial	0	0	0	0	0	0	0	0	0	0
Total	77'450	100	95'150	100	107'500	100	187'336	100	198'699	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	%		

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

Residential: Single family houses and condominiums									
Cover value Pfandbriefbank	≤ 200'000	2'646	3	2'787	3	9'597	5	17'058	9
	≤ 300'000	7'801	8	8'203	8	17'358	9	29'532	15
	≤ 400'000	14'701	15	15'741	15	28'108	15	41'063	21
	≤ 500'000	17'814	19	19'299	18	31'967	17	39'244	20
	≤ 600'000	14'890	16	16'247	15	25'821	14	27'022	14
	≤ 700'000	11'648	12	13'061	12	20'189	11	17'843	9
	≤ 800'000	6'544	7	7'686	7	11'930	6	8'768	4
	≤ 900'000	3'309	3	4'025	4	6'252	3	3'902	2
	≤ 1'000'000	1'022	1	1'295	1	2'214	1	1'066	1
	≤ 1'100'000	544	1	713	1	1'141	1	515	0
	≤ 1'200'000	386	0	505	0	816	0	335	0
	≤ 1'300'000	249	0	315	0	530	0	199	0
	≤ 1'400'000	214	0	278	0	451	0	158	0
	≤ 1'500'000	222	0	301	0	532	0	150	0
	≤ 2'000'000	230	0	274	0	511	0	131	0
	≤ 2'500'000	234	0	423	0	827	0	97	0
	≤ 3'000'000	0	0	0	0	0	0	0	0
Total		82'455	87	91'153	85	158'245	84	187'083	94
Average as per cover object		0.441		0.487		0.846			
Residential: Multi family houses									
Cover value Pfandbriefbank	≤ 1'000'000	4'328	5	5'386	5	10'607	6	7'578	4
	≤ 2'000'000	3'982	4	4'994	5	8'472	5	2'837	1
	≤ 3'000'000	1'688	2	2'163	2	3'617	2	695	0
	≤ 4'000'000	776	1	1'003	1	1'683	1	226	0
	≤ 5'000'000	479	1	654	1	1'055	1	108	0
	≤ 10'000'000	906	1	1'238	1	2'119	1	130	0
	≤ 15'000'000	536	1	909	1	1'539	1	42	0
	≤ 20'000'000	0	0	0	0	0	0	0	0
	≤ 25'000'000	0	0	0	0	0	0	0	0
Total		12'694	13	16'346	15	29'091	16	11'616	6
Average as per cover object		1.093		1.407		2.504			
Commercial									
Cover value Pfandbriefbank	≤ 1'000'000	0	0	0	0	0	0	0	0
	≤ 2'000'000	0	0	0	0	0	0	0	0
	≤ 3'000'000	0	0	0	0	0	0	0	0
	≤ 4'000'000	0	0	0	0	0	0	0	0
	≤ 5'000'000	0	0	0	0	0	0	0	0
	≤ 10'000'000	0	0	0	0	0	0	0	0
	≤ 15'000'000	0	0	0	0	0	0	0	0
	≤ 20'000'000	0	0	0	0	0	0	0	0
	≤ 25'000'000	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
Average as per cover object		0.000		0.000		0.000			
Total		95'150	100	107'500	100	187'336	100	198'699	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	%		

5.5 Loan to lending value (loan LTV)²

> 0 % to ≤ 40 %	21'010	27	26'976	28	31'761	30	71'263	38	62'455	31
> 40 % to ≤ 50 %	30'978	40	37'947	40	43'069	40	68'879	37	71'412	36
> 50 % to ≤ 60 %	25'177	33	29'912	31	32'324	30	46'721	25	64'104	32
> 60 % to ≤ 70 %	286	0	315	0	346	0	473	0	728	0
> 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	77'450	100	95'150	100	107'500	100	187'336	100	198'699	100
Overcollateralisation		100		123		139		242		
LTV ¹⁶		41		51		57		100		

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

> 0 % to ≤ 40 %	8'126	10	9'994	11	11'841	11	34'938	19	29'997	15
> 40 % to ≤ 50 %	16'860	22	20'793	22	24'884	23	44'845	24	36'969	19
> 50 % to ≤ 60 %	26'338	34	32'369	34	36'366	34	58'029	31	61'646	31
> 60 % to ≤ 70 %	26'126	34	31'993	34	34'409	32	49'524	26	70'087	35
> 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	77'450	100	95'150	100	107'500	100	187'336	100	198'699	100

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

> 0 % to ≤ 40 %	6'495	8	7'999	8	8'089	8	28'584	15	27'189	14
> 40 % to ≤ 50 %	8'647	11	10'657	11	10'958	10	24'007	13	24'710	12
> 50 % to ≤ 60 %	15'337	20	18'872	20	19'904	19	35'877	19	38'389	19
> 60 % to ≤ 70 %	27'064	35	33'173	35	37'270	35	57'350	31	62'839	32
> 70 % to ≤ 80 %	19'904	26	24'444	26	31'273	29	41'511	22	45'569	23
> 80 % ¹⁸	3	0	4	0	6	0	7	0	3	0
Total	77'450	100	95'150	100	107'500	100	187'336	100	198'699	100

6 Maturity structure

Contractual Cashflows (unaudited MIS view)		Maturity Buckets (in years)					
30/06/2021							
CHF m (A/L denominated in CHF)		Total	≤ 1y	> 1y and ≤ 5y	> 5y and ≤ 10y	> 10y and ≤ 15y	> 15y
Assets (stylised)		79'639					
thereof	Loans to member banks	77'450	5'951	22'509	24'454	12'108	12'428
	Bonds	1'433	73	446	674	239	0
	- thereof SNB GC Basket	1'409					
	- thereof pledged	15					
	Share capital not paid in	560	560				
Liabilities (stylised)		-79'639					
thereof	Swiss Pfandbriefe	-77'450	-5'951	-22'509	-24'454	-12'108	-12'428
	Equity	-1'851					
Net total			633	446	674	239	0

- 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 There are 286 banks with outstanding loans from Pfandbriefbank.
- 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. Member banks with rating better than BB+ must have 108 % collateralisation.
- ¹¹ Loans of CHF 77'450 m are covered by the cover value determined by Pfandbriefbank of CHF 95'150 m for eligible mortgages of CHF 107'500 m with a lending value set up by member banks of CHF 187'336 m (198'699 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 121 m or 0.2 % of total).
- ¹⁶ If loans are 100, the lending value of member banks amounts to 242. In other words: the overall loan to value is 41 %.
- 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.
- ¹⁹ The lost working hours from paid short-time work (including from COVID-19 measures) rose from 0.2 million hours in December 2019 to 21 million hours in April 2021 (last available indicator; the cumulative total since May 2020 is approximately 293 million hours). Short-time workers are not considered unemployed.

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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