



Centrale de lettres de gage  
Banques Cantonales Suisses



Pfandbriefzentrale  
Schweizer Kantonalbanken

# Credit policy

dated 24 November 2023

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## 1 General information

The Credit Policy sets out the guidelines business activities of the central issuing body, Pfandbriefzentrale der schweizerischen Kantonalbanken AG (PBZ), based in Zurich/Switzerland, with respect to the granting of member banks loans against registered pledge cover.

Legal requirements (see Swiss Pfandbrief Act Art. 1) set out that PBZ may issue mortgage loans only to its member banks, which are the 24 cantonal banks headquartered in Switzerland. These are loans against registered pledge cover to refinance the Swiss resp. exclusively domestically oriented mortgage business of the member banks.

This credit policy complements and specifies PBZ's sustainability policy.

### 1.1 Exclusion criteria with respect to lending

**The following financings are explicitly excluded from the lending based on the legal requirements and within the scope of this credit policy. There is no Exception to Policy (EtP) in this regard.**

#### 1.1.1 Fossil energy sources / Nuclear power

Financing of the following goods/companies is excluded:

##### Fossil energy sources:

- Coal mining, oil and gas extraction: This also includes financing in connection with controversial processes for the extraction of oil and natural gas (e.g. Antarctic/Arctic drilling, fracking, offshore oil projects, deep sea drilling or projects related to the exploitation of oil-bearing tar sands)
- Fossil-energy power plants
- Commodity trading, e.g. coal for electricity production (thermal coal), as well as crude and fuel oil

##### Nuclear power:

- Development and construction of new nuclear power plants
- Uranium mining

#### 1.1.2 Commodities (industrial metals, precious metals, agricultural resources)

Financing of the following goods is excluded:

- bitumen/asphalt, asbestos, uranium, precious woods, live goods, diamonds, rare earth metals, perishable goods and palm oil.

#### 1.1.3 Biodiversity

Financing of the following goods/projects is excluded:

- non-certified agriculture and forestry operations abroad, i.e. outside Switzerland, that cause tropical deforestation and/or the degradation of High Conservation Value Areas (HCVA) as defined by <https://www.hcvnetwork.org/>.
- mining projects that apply particularly destructive mining methods, such as mountaintop removal;
- unlawful, intentional water/groundwater pollution; and
- adverse effects on High Conservation Value Areas abroad, namely primeval forests (illegal slash-and-burn and/or deforestation), endangered animal and plant species, wetlands and biotopes, cultural assets and cultural World Heritage sites.

#### 1.1.4 Integrity and prevention of corruption and bribery

Excluded is financing that would violate the principle of integrity and the prevention of corruption and bribery.

### **1.1.5 Dealing with totalitarian regimes**

Excluded is the financing of regimes with sanctions and embargos imposed by the United Nations (UN).

### **1.1.6 Antitrust law**

Excluded is financing that would contradict compliance with all applicable competition and antitrust regulations.

### **1.1.7 Money laundering and terrorist financing**

Excluded is financing where there is a risk of supporting money laundering and/or possible terrorist financing.

### **1.1.8 Human rights**

Excluded is any form of financing that does not comply with the United Nations human rights conventions. This also includes all forms of child and forced labor.

## **1.2 Further credit policy principles**

The borrowing per member bank is limited to 35 per cent of the respective bank's on-balance-sheet domestic mortgage assets (net values).

The cover for the drawn mortgage-covered loans must be at least 115 per cent at all times.

Moreover, the interest income of the segregated pledge receivables must total least 110 per cent of the interest payable on the loans.

The issuance of Pfandbriefe must not result in bonds and direct placements of more than CHF 1.2 billion becoming due when they mature.

This Credit Policy comes into effect immediately and will be reviewed by the Board of Management of Pfandbriefzentrale at regular intervals.

Zurich, 24 November 2023

On behalf of the Board of Management\*

Director  
Sven Bucher

Deputy Director/CFO  
Daniela Rey

\* valid without signature