

Interest rate forecast for companies

key4 mortgages in the current interest rate environment – May 2022

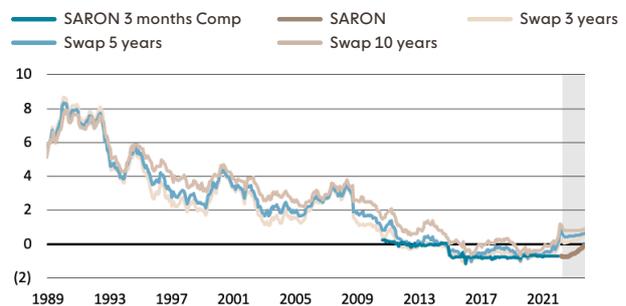


How aggressively are central banks reacting?

In the slipstream of US and German interest rates, 10-year interest rates in Switzerland have risen since the beginning of 2022 by almost one percent. High inflation in Europe and the US, the hike in energy prices in recent months and increasingly nervous central banks have led to a sharp rise in interest rates.

The war in Ukraine and massively higher energy prices do not only lead to high inflation in the short term but are also a drag on the economy, thus reducing long-term inflationary pressures. This calls into question whether central banks will really react all that aggressively, as reflected today by long-term interest rates. If they do not, the current sharp rise is an overreaction, and interest rates on government bonds and mortgages will likely settle down at a lower level in the coming quarters.

Long-term interest rate trend in %



Sources: Bloomberg, UBS Switzerland AG

This is only an indicative interest rate. The effective interest rate is calculated using the margin + Compounded SARON of the accounting period. The Compounded SARON cannot be negative.

Interest rate forecast in figures

	20.04.22	30.06.22	31.12.22	30.06.23	31.12.23
SARON	-0.71	-0.75	-0.63	-0.34	0.04
Swap 3 years	0.45	0.04	0.18	0.31	0.52
Swap 5 years	0.78	0.42	0.48	0.54	0.68
Swap 10 years	1.25	0.81	0.81	0.82	0.93

Sources: Bloomberg, UBS Switzerland AG

Please note that the stated interest rate is in part a forecast and the actual interest rate may be higher or lower.

The perfect real estate financing for every need

The type of financing has a significant effect on the profitability of your investment properties. We offer you tailor-made financing models and support you in optimizing your earnings through the whole life cycle of your properties.

- With a key4 fixed-rate Mortgage or a key4 fixed-rate Loan, we fix the capital, duration and interest rate in the long term. This makes calculating costs easy.
- If you are looking for highly flexible, short-term financing, we recommend key4 fixed advances, a key4 Floating Rate loan or a key4 SARON Flex Mortgage.

With an overall limit under key4 Real Estate financing, you have maximum flexibility for covering your financial needs thanks to a variety of loan usage options.

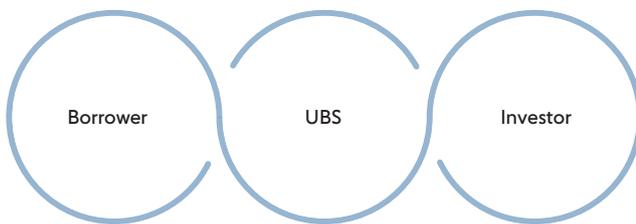
key4 mortgages offer attractive combinations for all mortgage profiles under any interest rate conditions

Interest rate level	key4 fixed-rate mortgage			key4 SARON mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● suitable ● suitable under certain conditions ● not suitable

What you can expect from key4

key4 is a platform for financing investment property, where borrowers and Swiss institutional investors searching for reliable long-term financing opportunities in the Swiss real estate sector can meet. Place just one request and you will receive multiple offers at the best possible conditions from the range of available products. The offers are easy to compare and the choice of investor is completely up to you.



- ✓ **Always at your side**
We assess and broker requests and take care of the entire administration.
- ✓ **Several offers**
With one request you will receive several attractive offers.
- ✓ **Transparent costs**
There are no hidden costs. You only pay fees if you take out a mortgage.

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For all your questions

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