

Interest rate forecast for companies

key4 mortgages in the current interest rate environment – June 2022

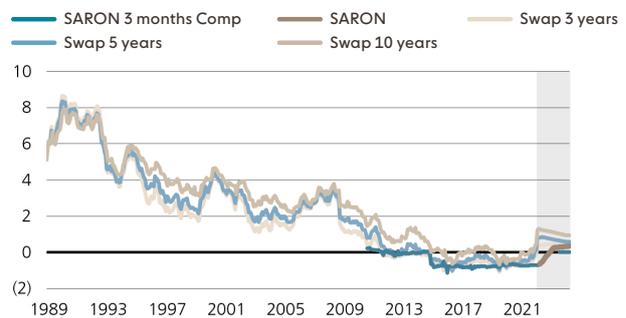


ECB about to raise interest rates for the first time

In the US, the rate hike cycle is in full swing. The US Federal Reserve (Fed) has already raised its key interest rates by 0.75 percent this year. Statements from the European monetary authorities suggest that the European Central Bank (ECB) is likely to follow suit this summer. This gives the Swiss National Bank (SNB) the opportunity to raise its key interest rates in the second half of the year as well.

Short-term interest rates (3 months to 2 years) are therefore likely to rise in the Eurozone and Switzerland in the coming quarters. However, we do not expect longer-term (e.g., 10-year) interest rates to rise sharply, as they are based on investors' long-term outlook. Here, the expectation is that inflationary pressures will ease in the coming year, reducing the pressure to raise key interest rates. For this reason, we expect interest rates on bonds and mortgages to trend sideways 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

	26.05.22	30.06.22	31.12.22	30.06.23	31.12.23
SARON	-0.71	-0.57	-0.08	0.27	0.31
Swap 3 years	0.46	0.38	0.43	0.43	0.43
Swap 5 years	0.76	0.83	0.77	0.68	0.61
Swap 10 years	1.23	1.25	1.17	1.08	0.98

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.

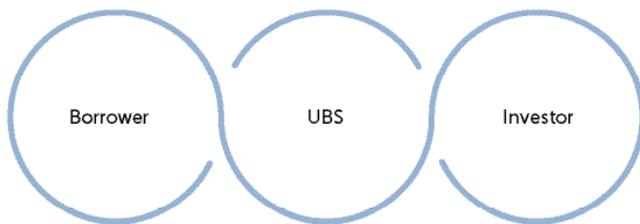
key4 mortgages offer attractive combinations for all mortgage profiles under any interest rate conditions

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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