

# Interest rate forecast for companies

key4 mortgages in the current interest rate environment – March 2023



## Interest rate trends: the difference between 2023 and last year

In 2022, a sharp rise in inflation forced central banks to raise their key interest rates significantly in a short period of time. In doing so, they surprised the bond markets, which led in turn to a sharp rise in interest rates on mortgages and government bonds.

This year, too, central banks will continue to focus on fighting inflation. We therefore expect the Swiss National Bank to raise its key interest rate one further, final time in March. In the US and the eurozone, inflation is much higher than in Switzerland, which is why central banks there have been raising interest rates for longer.

Unlike last year, however, rising key interest rates no longer surprise the bond market – in fact, it is now fully expecting them. In the absence of unforeseen events, yields on government bonds and mortgage interest rates are likely to remain within the existing fluctuation band and move sideways.

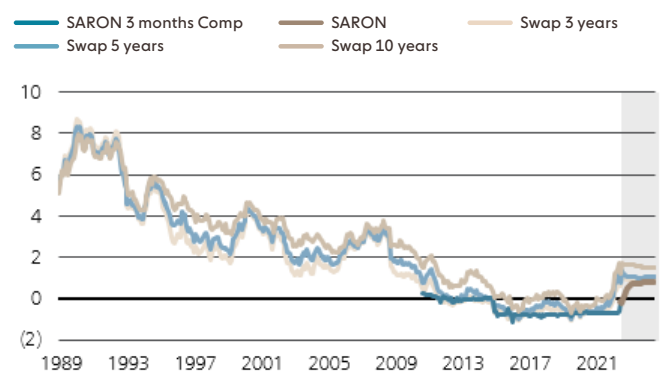
## The perfect real estate financing for every need

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.

## 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

	28.02.23	30.06.23	31.12.23	30.06.24	31.12.24
<b>SARON</b>	0.94	1.50	1.50	1.47	1.40
<b>Swap 3 years</b>	1.80	1.60	1.55	1.51	1.47
<b>Swap 5 years</b>	1.83	1.61	1.57	1.54	1.54
<b>Swap 10 years</b>	1.95	1.67	1.64	1.65	1.68

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.

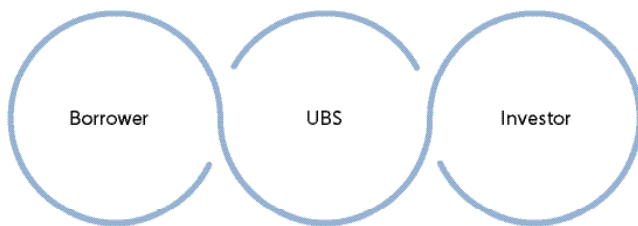
## key4 mortgages offer attractive combinations for all mortgage profiles under any interest rate conditions

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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