

Interest rate forecast for companies



Mortgages from UBS key4 mortgages in the current interest rate environment – September 2023

Stability in the mortgage market continues

Mortgage interest rates and government bond yields barely moved in August, maintaining the trend seen in previous months. The Swiss capital market will no doubt have to wait for the Swiss National Bank's (SNB) outlook for the policy rate in its assessment on 21 September.

The encouraging economic signals from the USA, which are also extremely important for Swiss exporters, argue in favor of an increase in the policy rate. By contrast, the marked decline in Swiss inflation in recent months and the slowdown of the Chinese economy suggest that the current policy rate will be maintained.

As a middle course, the SNB could raise interest rates again to two percent. At the same time, it could give a clear signal to the market that the current cycle of rate hikes is over and that the next step is likely to be a rate cut next year.

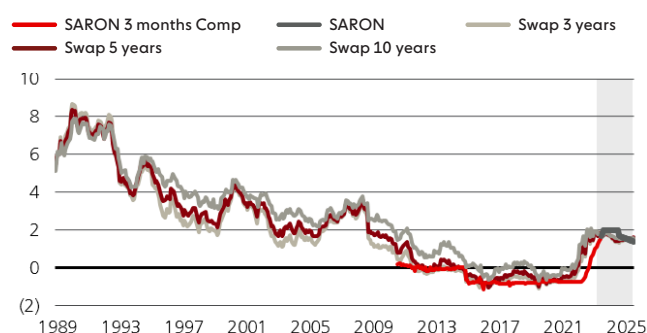
The prospect of possible policy rate cuts in 2024 should lead to slightly lower interest rates in the coming quarters. The potential for government bond yields is limited, as they are already highly valued. The decline in mortgage interest rates will no doubt be more pronounced. One last rise should be expected for mortgage interest rates linked to the SARON, on the other hand.

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 fixed-rate Mortgage or a fixed-rate from UBS key4 mortgages 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 UBS key4 mortgages fixed advances, a UBS key4 mortgages Floating Rate loan or a UBS key4 mortgages saron flex mortgage.

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

	29.08.23	31.12.23	30.06.24	31.12.24	30.06.25
SARON	1.71	2.00	2.00	1.62	1.47
Swap 3 years	1.76	1.76	1.37	1.45	1.56
Swap 5 years	1.71	1.80	1.44	1.50	1.59
Swap 10 years	1.73	1.83	1.58	1.56	1.57

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.

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

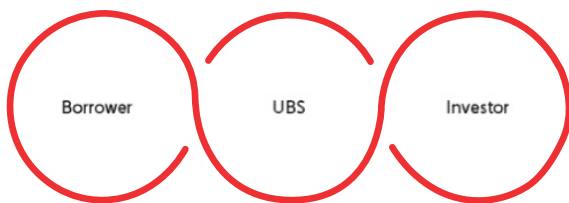
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● suitable ● suitable under certain conditions ● not suitable

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

What you can expect from UBS key⁴ mortgages

UBS key⁴ mortgages 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.

UBS Switzerland AG
Platforms UBS key⁴ mortgages
P.O. Box
8098 Zurich

For all your questions

- 🌐 key4.ch
- ✉ sh-key4-ipre@ubs.ch
- ☎ 0844 003 399