

Interest rate forecast for companies

Mortgages from UBS key4 mortgages in the current interest rate environment – April 2024



The SNB is lowering its key interest rate in March

The SNB reduced the key interest rate from 1.75 to 1.5 percent in its monetary policy assessment for March. It justified the interest rate cut by citing the significant fall in inflation in recent months, the real appreciation of the Swiss franc over the past year and below-trend economic growth in Switzerland.

The SNB is likely to make two further interest rate cuts of 0.25 percentage points each in June and September. We are expecting a key interest rate of 1 percent at the end of the year. The SNB's interest rate cuts are coming sooner than we anticipated, but we do not foresee more than three reductions overall.

Yields on Swiss government bonds and mortgage interest rates have moved sideways since the beginning of the year. The bond markets had already priced in three interest rate cuts of 0.25 percentage points each in the run-up to the SNB's assessment. These are already reflected in the current longer-term interest rates. Longer-term Swiss interest rates are therefore also likely to trend sideways in the coming quarters. Mortgage interest rates linked to SARON, on the other hand, are likely to benefit from the SNB's further interest rate cuts in the next few quarters, as the SARON interest rate is closely linked to the SNB's key interest rate.

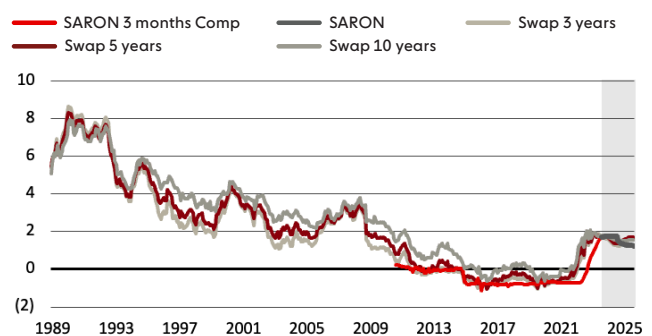
(Status as per 21 March 2024)

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

	21.03.24	30.06.24	31.12.24	30.06.25	31.12.25
SARON	1.69	1.25	1.00	1.00	1.02
Swap 3 years	1.04	1.05	0.87	0.88	0.94
Swap 5 years	1.05	1.09	0.97	0.96	1.02
Swap 10 years	1.19	1.20	1.12	1.10	1.17

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

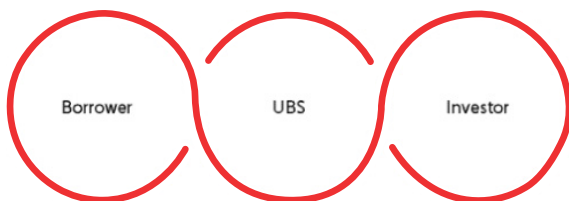
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● 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.

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