

Interest rate forecast for companies



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

Medium-term outlook for SNB key interest rates remains unchanged

Yields on Swiss government bonds and mortgage interest rates rose slightly at the beginning of June. In the run-up to the Swiss National Bank's (SNB) monetary policy assessment, the bond markets were no longer sure whether to expect a further key interest rate cut in June.

At its latest meeting, the SNB lowered the key interest rate by a further 0.25 percentage points to 1.25 percent. We expect a further interest rate cut of 0.25 percentage points in the coming quarters.

Although the SNB has surprised the markets and economists with the timing of its interest rate cuts from time to time in recent quarters, we still assume that key interest rates will remain at 1 percent in the medium term. The SNB should then classify this interest rate as neutral – neither stimulating nor restrictive for the economy – to complete the rate-cutting cycle.

A significant change in long-term mortgage interest rates is often linked to a major shift in the medium-term outlook for key interest rates, which we do not expect to occur in the next 12 months. Mortgage interest rates linked to SARON, on the other hand, are likely to benefit from the anticipated key interest rate cuts in the coming quarters.

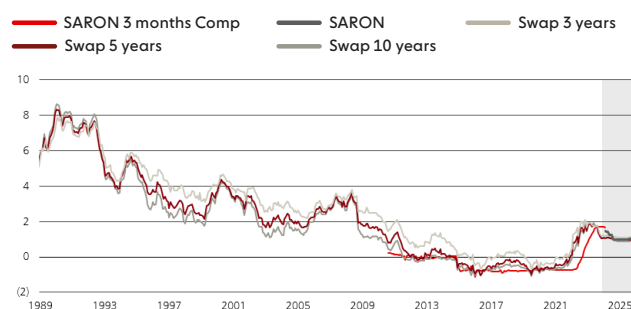
(Status as per 25 June 2024)

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

	30.06.24	31.12.24	30.06.25	31.12.25	30.06.26
SARON	1.25	1.00	1.00	1.01	1.04
Swap 3 years	1.01	0.86	0.85	0.89	0.97
Swap 5 years	1.01	0.90	0.89	0.93	1.03
Swap 10 years	1.11	1.07	1.04	1.09	1.20

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

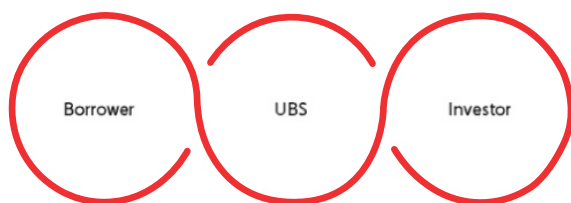
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● 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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