

LIBOR mortgage

Transparency and flexibility in your planning

Brief description

A LIBOR mortgage is a special form of mortgage used to finance real estate (residential and commercial properties) where the interest rate is adjusted periodically every 1, 3, 6 or 12 months on the basis of the LIBOR rate. An individual surcharge based on the mortgage client's credit rating and the property is added. Clients can protect themselves against interest rates that are too high with an interest ceiling. They can choose between different maximum interest rates based on the current market interest rate and applicable margin at the time of the agreement. When interest rates are rising, the client can choose to change to a fixed-rate or variable-rate mortgage at the end of the rollover term (fixed interest period).

Suitability

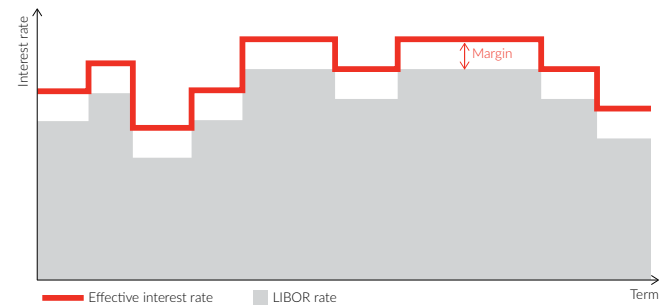
A LIBOR mortgage is suitable for private individuals and companies who wish to benefit quickly from falling interest rates and can afford to bear the interest rate risk.

Your benefits

- **Quick adjustment when interest rates are falling:** You benefit from transparent and market-related interest rates and the quick adjustment of your interest burden when interest rates are falling.
- **Flexibility in the choice of mortgage model:** You can quickly and flexibly change to another mortgage model at the end of the rollover term and/or choose a combination of several mortgage models.
- **Flexible repayment:** You can make repayments at the end of every interest period and repay part or all of your mortgage.
- **Indirect* repayment with tax advantages:** If you used the mortgage to finance owner-occupied residential property, you can repay the mortgage through our 3a retirement account and save tax.

*Condition: 3a retirement account of Bank CIC is required

How it works



Risks

- **Interest risk:** As the LIBOR interest rate can fluctuate, it is difficult to calculate the medium-term interest burden. It is a good idea to agree an interest ceiling and combine different mortgage models (e.g. fixed-rate mortgage, variable-rate mortgage) to minimise the risk of interest rate changes.
- **Affordability risk:** Unexpected private or professional changes could mean that you can no longer finance the mortgage payments.
- **Loss of property value:** If the financed property should lose in value, the bank is entitled to reduce the credit limit or request new collateral.

Conditions

Credit term: Unlimited with a minimum contract term of 2 years

Collateral for credit: Assignment of collateral/registration of mortgage note(s)

Purpose of credit: To finance real estate in Switzerland

Notice of termination: At the end of the rollover term of 1, 3, 6 or 12 months

Repayment: Direct or indirect*

Interest rate: Fixed for a period of 1, 3, 6 or 12 months on the basis of the applicable LIBOR rate

Interest payment: On the rollover dates

Credit commission: None

DISCLAIMER

This document is intended to be used by the recipient and for information only. The terms and conditions contained therein are purely indicative and can be amended by Bank CIC (Switzerland) Ltd. at any time without prior notice. This document does not constitute an offer in the legal sense, nor a solicitation nor recommendation from Bank CIC (Switzerland) Ltd. Bank CIC (Switzerland) Ltd. assumes no responsibility for the completeness or reliability of this document and accepts no liability of any kind for direct or indirect loss or damage, or consequential loss or damage, that may arise in connection with the use of this document. The dispatch, import or distribution of this document and copies thereof to the United States or to US persons (as defined in Regulation S of the US Securities Act of 1933, as amended) is not permitted. This also applies to other jurisdictions that consider such actions as a violation of their applicable laws. This document must not be reproduced, whether in full or in part, without the written approval of Bank CIC (Switzerland) Ltd.