FACTSHEET

LIBOR mortgage

Transparency and flexibility in your planning

For marketing purposes

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

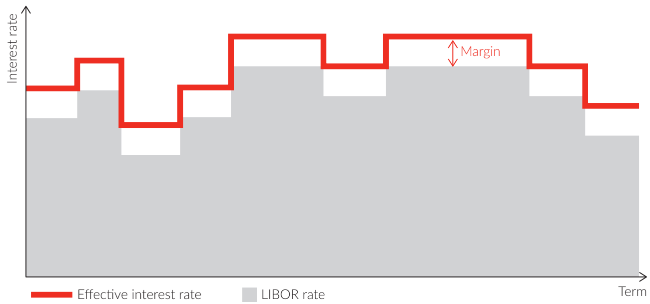
A LIBOR mortgage is suitable for private individuals and companies who wish to benefit quickly from falling interest rates and can afford to bear the interest rate risk.

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

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