



## **Lending activities**

**Updates edition 2021 – June 2023**

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## Corrections and new content (June 2023)

The banking world is changing continually, meaning that the content of the material in BankingToday (BT) also changes from year to year. It is a key objective that the content of BT is always up-to-date.

This is why Compendio Bildungsmedien publishes an updated and corrected version of BankingToday each year.

This update ensures that purchasers of the 2021 edition have up-to-date information in each case:

- This update is supplemented at the beginning of June for three consecutive years and published on [www.compendio.ch/bankingtoday](http://www.compendio.ch/bankingtoday)
- This ensures that all amendments and additions to the teaching material are familiar for preparing the final examinations in summer or in spring.

**Tip:** We recommend noting the amendments and additions contained in the update in the teaching material early in the preparation phase or transferring them to the teaching material. This allows you to benefit from a repetition effect that cannot be underestimated.

Section	Financing 1: Introduction to credit
Chapter 1	No corrections identified.
2.6 Microfinance	<p>New chapter on microfinance:</p> <p><b>Microfinance</b> refers to financial services offered to people from deprived socioeconomic backgrounds or without access to traditional banking.</p> <p>It encompasses a wide range of services, including savings accounts, current accounts, money transfers, microinsurance and microloans. These different forms of service are designed to help people to help themselves, with the aim of boosting economic growth, reducing unemployment and/or supporting small businesses.</p> <p>In addition, some microfinance providers offer help with financial or business education, e. g. by providing support to startups or advising entrepreneurs. Microloans are small loans that provide access to credit for specific groups of people facing social and financial exclusion. This can often include borrowers in industrialised countries, for instance microbusinesses in their startup phase, which tend to lack regular income, collateral and a credit history. One complicating factor is that the required microloan amounts are often below the usual minimum: microloans typically involve amounts between CHF 10 and CHF 25,000. “Microbusinesses” are companies that employ fewer than ten people, with annual sales or a balance sheet of below EUR 2 million.</p> <p>The aim of microloans is the same in developing countries as in the industrialised world: to encourage entrepreneurs to turn their ideas into reality and secure the funds they need to ultimately be able to provide for themselves, e. g. by finding a route out of unemployment. Under the Federal Act on Banks and Savings Banks, a banking licence is normally required to offer microloans in Switzerland, but some simplifications or exemptions are possible under certain circumstances.</p> <p>Crowdfunding should also be mentioned in this context. This is where a large number of backers contribute small amounts to help bring beneficial projects to fruition. Crowdfunding represents a form of competition for banks, and it is quite conceivable that banks might in future define measures and strategies to turn crowdfunding into a new source of revenue and business model of their own.</p>
Chapters 3 + 4	No corrections identified.

## Module Lending activities

Corrections and new content (June 2023)

<b>Section</b>	<b>Financing 2: Asset-based credit, credit against receivables, secured and unsecured credit, guarantee credits, leasing</b>
<b>All chapters</b>	No corrections identified.

<b>Section</b>	<b>Financing 3: The mortgage business</b>
<b>Chapters 1 + 2</b>	No corrections identified.
<b>3.3.4 Fixed mortgage, variable mortgage, hybrid models</b>	<p>The LIBOR was replaced by the SARON as of 31.12.2021. The bullet point on the LIBOR mortgage was replaced by the SARON mortgage:</p> <p>The <b>SARON (Swiss Average Rate Overnight) mortgage</b> is a money market mortgage. It can have either an indefinite or fixed term (mostly two, three or five years) and can be concluded at any time. The client interest rate is made up of the average compounded SARON interest rate plus an agreed fixed customer margin. The individual surcharge remains unchanged throughout the term. The effective interest rate payable, and thus the interest payment in Swiss francs, can only ever be calculated retrospectively at the point at which interest is paid. This is because the SARON is a reference interest rate that is only valid for one day. You therefore do not know in advance how the reference interest rate will develop over the course of the interest payment period. For this reason, creditors can only refinance for one day. Each bank can offer different interest periods. The level of the interest rate and thus the amount of interest to be paid is calculated on the penultimate day of the interest period (individual banks also offer variants that use the interest rate for the previous period).</p>
<b>Chapters 4 + 5</b>	No corrections identified.

<b>Section</b>	<b>Trade finance</b>
<b>All chapters</b>	No corrections identified.