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Basler Kantonalbank

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Ratings Score Snapshot

Issuer Credit Rating
AA+/Stable/A-1+

SACP: a+ → Support: +3 → Additional factors: 0

Anchor	a-		ALAC support	0	<table border="1"> <tr> <th colspan="2">Issuer credit rating</th> </tr> <tr> <td colspan="2" style="text-align: center; vertical-align: middle;"> AA+/Stable/A-1+ </td> </tr> </table>	Issuer credit rating		AA+/Stable/A-1+	
Issuer credit rating									
AA+/Stable/A-1+									
Business position	Adequate	0	GRE support	+3					
Capital and earnings	Very strong	+2	Group support	0					
Risk position	Adequate	0	Sovereign support	0					
Funding	Adequate	0							
Liquidity	Adequate								
CRA adjustment		0							

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Extremely high likelihood of support from the Swiss Canton of Basel-City.	Concentration in Swiss retail mortgages in the Basel-City banking market.
Very strong customer franchise in home region.	Subpar cost efficiency.
Very strong capitalization.	

We expect that BKB would receive extraordinary support, if ever needed, from its cantonal owner. BKB's rating benefits from the high 'a+' stand-alone credit profile (SACP) in conjunction with the full ownership by and extremely high likelihood of timely and sufficient support from its 100% owner the Canton of Basel-City (AAA/Stable/A-1+), if ever needed. We anticipate that BKB's integral link with, and very important role for, the canton, as well as the canton's guarantee on its unsubordinated obligations, will remain for the foreseeable future. These factors provide a three-notch uplift to BKB's SACP to arrive at our 'AA+' long-term issuer credit rating on the bank.

We anticipate that BKB's capitalization will remain its key rating strength. We expect BKB to maintain its superior capitalization, as indicated by our forecast risk-adjusted capital ratio (RAC) improving to 25.0%-27.0% by 2026, which is among the highest globally. We project a stable 3%-4% return on equity (ROE) until 2026, which appears low compared internationally. This is mainly due to the bank's very high capitalization, and, in our opinion, it is sufficient in the context of BKB's stability and low risk profile. We expect BKB to maintain its dominant and sustainable franchise

as the local cantonal bank and take further advantage of its 100% subsidiary Bank Cler's digital capabilities and countrywide diversification in low-risk residential mortgage lending.

We expect BKB to sustain solid asset quality with a very low and stable NPL ratio. We anticipate BKB will maintain robust asset quality, as reflected in our forecast of a stable non-performing loans (NPL) ratio of between 0.5% and 0.6%, and new loan loss provisioning at marginal levels relative to customer loans until 2026. We consider BKB's sound risk management, very high collateralization in its portfolio, and a robust Swiss economy with healthy real estate markets, which are embedded in our low economic and industry risk assessments for Swiss banks. These factors outweigh our concerns about BKB's high concentrations in Swiss residential mortgages.

Outlook

The stable outlook on BKB mirrors that on its owner, the Canton of Basel-City, and reflects our view that the likelihood of support from the canton will not change in the next two years. The rating on BKB remains sensitive to our assessment of the cantonal owner's ability and willingness to support the bank. We consider that there is an extremely high likelihood Basel-City would provide timely and sufficient extraordinary support to BKB in the event of financial distress for the foreseeable future. Any indication of a weakening in this support could weigh on BKB's creditworthiness. Such weakening may, for example, include the removal of the cantonal guarantee or privatization of the bank in the context of Basel-City's undertaking to reduce potential financial liabilities stemming from the cantonal guarantee in the event of financial distress.

Upside scenario

We are unlikely to raise our rating based on an improvement of BKB's 'a+' SACP, due to the bank's comparatively concentrated business operations.

Downside scenario

A weakening of BKB's role for, or link with, the canton or detrimental changes in the statutory guarantee could lead us to lower our support assessment of the bank's status as a government-related entity (GRE). A deterioration in the SACP would not immediately affect the overall rating, because we expect the owner's support would offset the stand-alone weakness.

Key Metrics

Basler Kantonalbank--Key ratios and forecasts

(%)	--Fiscal year ended Dec. 31--				
	2022a	2023a	2024f	2025f	2026f
Growth in operating revenue	1.4	12.7	(0.8)-(0.9)	2.5-3.1	1.9-2.3
Growth in customer loans	4.5	4.4	2.7-3.3	2.7-3.3	2.7-3.3
Growth in total assets	3.3	(4.6)	1.9-2.3	1.9-2.3	1.9-2.3
Net interest income/average earning assets (NIM)	0.9	1.0	1.0-1.1	1.0-1.1	1.0-1.1

Basler Kantonalbank--Key ratios and forecasts (cont.)

(%)	--Fiscal year ended Dec. 31--				
	2022a	2023a	2024f	2025f	2026f
Cost to income ratio	60.8	56.5	58.3-61.3	57.6-60.6	57.0-59.9
Return on average common equity	3.4	3.9	3.5-3.9	3.7-4.0	3.5-3.9
Return on assets	0.3	0.3	0.3-0.3	0.3-0.4	0.3-0.3
New loan loss provisions/average customer loans	0.0	0.0	0.0-0.0	0.0-0.0	0.0-0.0
Gross nonperforming assets/customer loans	0.6	0.6	0.5-0.6	0.5-0.5	0.5-0.5
Net charge-offs/average customer loans	0.1	0.0	0.0-0.0	0.0-0.0	0.0-0.0
Risk-adjusted capital ratio	23.1	25.5	25.5-26.8	25.5-26.8	25.7-27.0

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'a-' As A Commercial Bank Operating In Switzerland

Our anchor for banks operating mainly in Switzerland, like Basler Kantonalbank, is 'a-'. We consider the trend for economic and industry risk in Switzerland to be stable.

The Swiss private sector has proven its resilience against multiple external stress scenarios. The strong asset quality of the banks reflects the superior financial strength of Swiss households and corporations as well as prudent underwriting standards, which focus on collateralized lending, mainly residential mortgages or Lombard loans.

Overall, we see limited risks to Swiss banks' mortgage exposures from households' debt servicing capacity in the face of higher interest rates. This is because banks' existing stocks of mortgage loans are predominately fixed-rate, and underwriting standards already integrate much higher interest rates into affordability assessments. Despite slight decreases in inflation-adjusted housing prices, we regard real estate as supported by structural factors such as immigration, the scarcity of building land and higher commodity prices over the coming years.

Our view of industry risk in Switzerland encompasses the stability of the country's multi-tiered banking system, as medium-sized and government-guaranteed credit institutions once again proved safe havens. In general, we did not observe a loss of customer confidence while single banks profited from shifts in the deposit and mortgage business in 2023, gaining market share from former Credit Suisse.

We expect further discussions throughout the year on regulatory standards for systemically important banks, following the Federal Council's proposals in April 2024. Money laundering and the threat of additional sanctions remain tail risks for the Swiss banking sector, given occasionally inadequate regulatory performance and recent leaks on sanctions circumvention.

Business Position: Leading Customer Franchise In Home Region

We expect BKB to defend its solid franchise with high market share in retail and corporate lending in its home region of Basel. BKB is one of the 10 largest banking groups in Switzerland with total consolidated assets of Swiss franc (CHF) 53.9 billion (about €58 billion) as of June 30, 2024. Under its group strategy for 2022-2025, the bank aims to further

streamline its operations in core segments of retail, corporate, private banking, and asset management, along with an increased focus on sustainability. We note that BKB's franchise strength is mitigated by concentration from the bank's regional focus in a small and saturated market, similar to other Swiss cantonal banks.

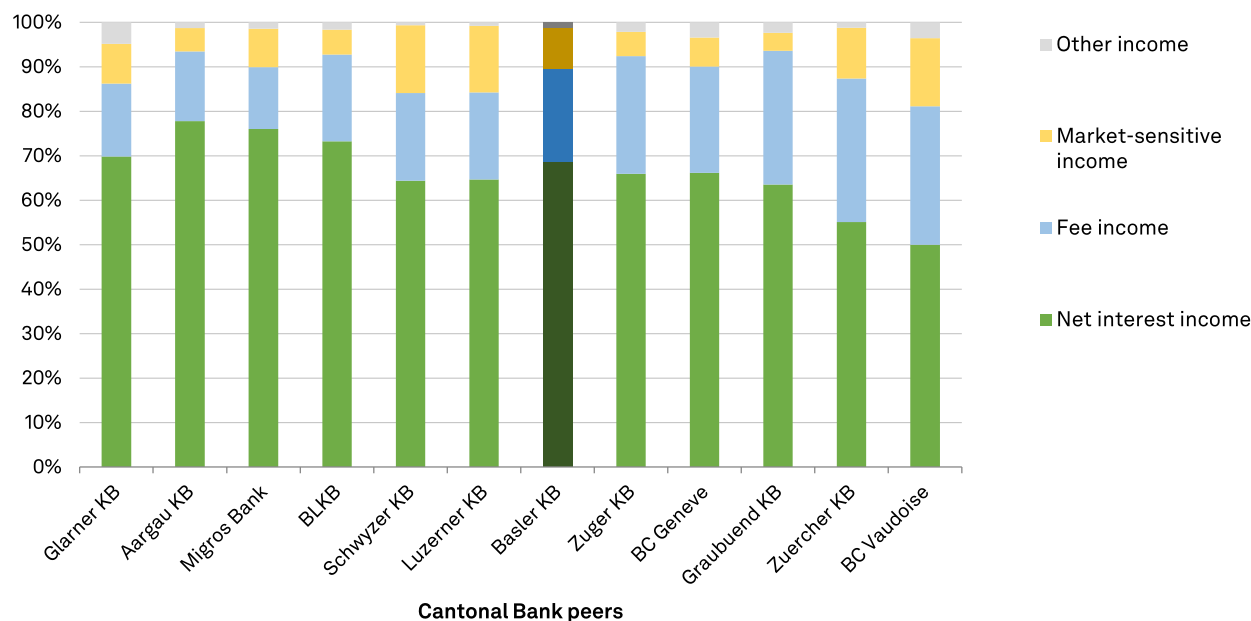
BKB utilizes its subsidiary Bank Cler's digital capabilities, as reflected in its efficiently digital banking app, Zak. It also benefits from Bank Cler generating lower-risk nationwide residential real estate business and growth opportunities outside BKB's saturated home region.

BKB's lending is dominated by highly collateralized low-risk residential real estate business. Its 68% share of net interest income to total revenue is high but better than some cantonal bank peers due to the larger proportion of fee income from its expanding private banking activities (see chart 1).

Chart 1

Interest income remains the key driver of BKB's operating revenue

Breakdown of operating revenue



Data as of YTD 2024, except for GKB for which data is as of YE 2023. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

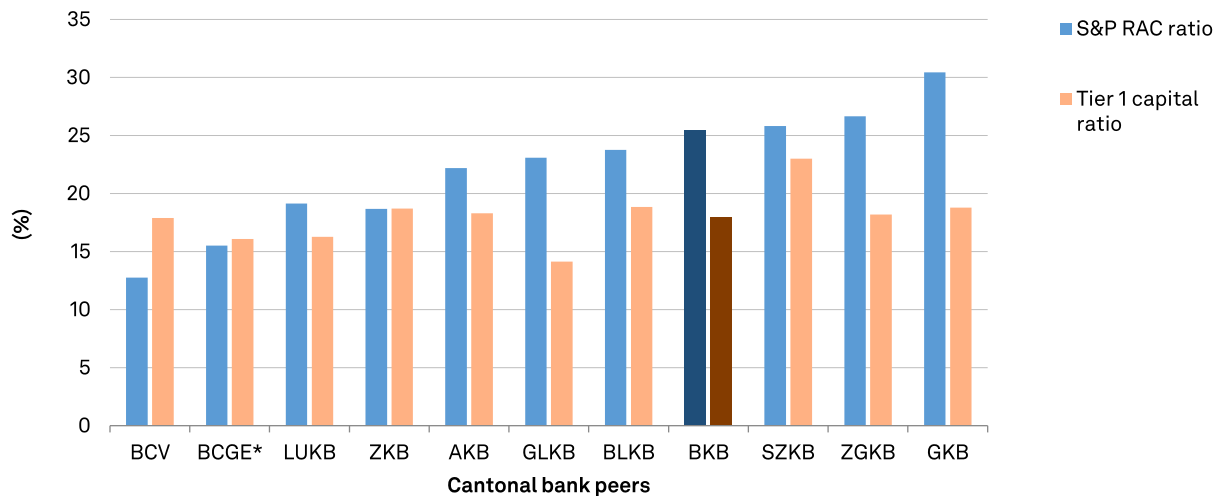
Capital And Earnings: BKB's Key Strength

We forecast BKB will preserve its very high capitalization, as indicated by our projected 25%-27% RAC ratio until 2026. Such robust ratios place BKB among the highest capitalized banks globally, and at the higher range of rated Swiss cantonal banks (see chart 2).

Chart 2

BKB's risk-adjusted capitalization is above the cantonal bank peer average

Capitalization remains extraordinary by global comparison



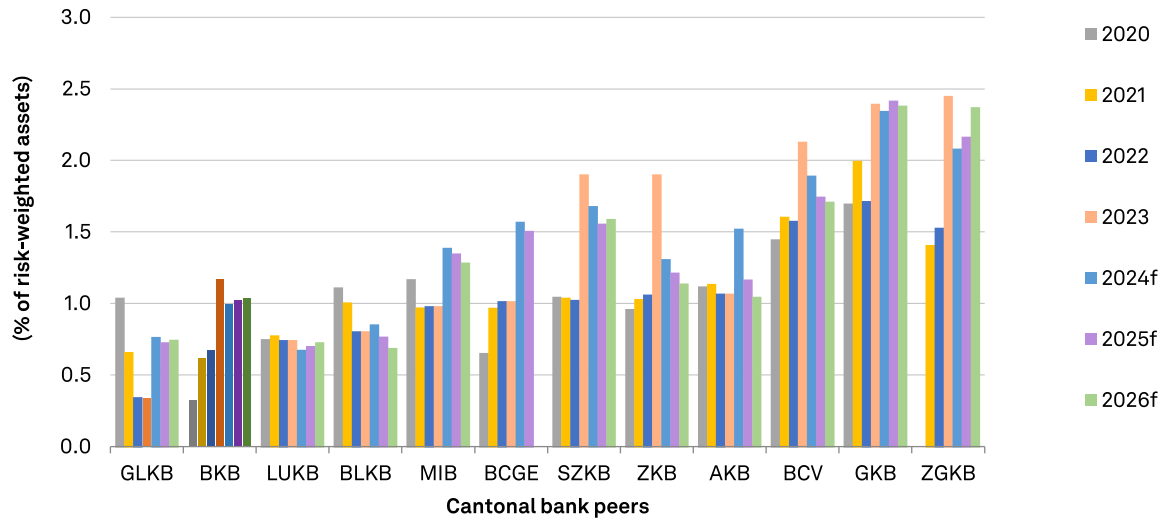
Data as of YTD 2023. *Data as of YE 2022. RAC--Risk-adjusted capital. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glerner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. MIB--Migros Bank. SZKB--Schwyzer Kantonalbank. ZGKB--Zuger Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

Our RAC projection takes into account BKB's sound and predictable earnings capacity, about 3% growth in lending volumes and risk-weighted assets roughly in line with the market average, as well as efficiency gains for the consolidated group from streamlining Bank Cler. BKB is committed to maintaining excess capitalization of 3%-7% above regulatory capital requirements. As of June 30, 2024, its total capital ratio was 18.1% versus a minimum capital requirement of 13%.

We forecast BKB's earnings buffer will remain at a sound 1.00%-1.04% of risk-weighted assets between 2024 and 2026 (a 1.0% earnings buffer indicates adequate earnings to cover normalized losses), which is comparable to peers.

Chart 3

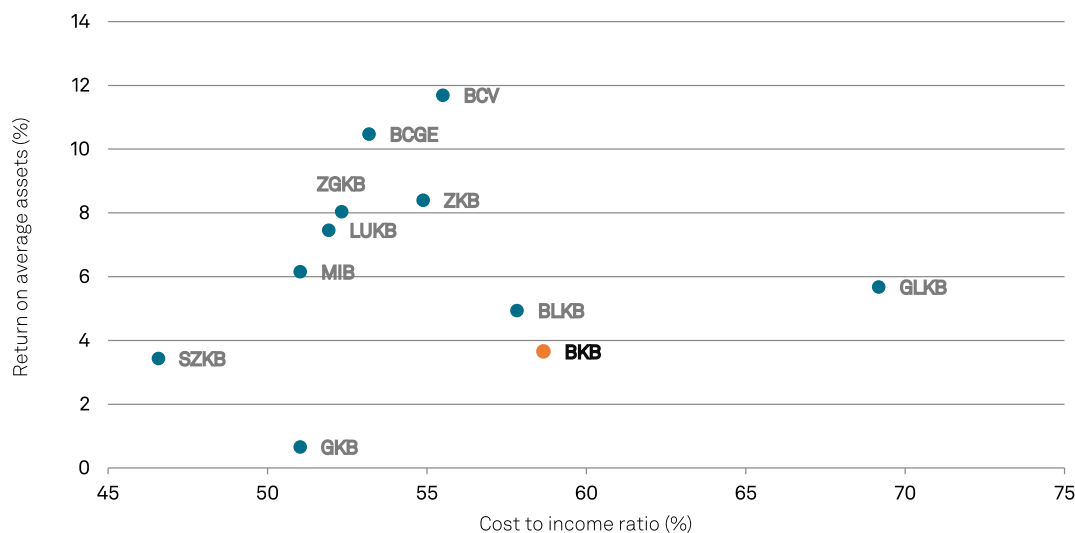
BKB's earnings buffer is sound but lower than some peers'
Earnings buffer comparison



f--Forecast. N/A--Not applicable. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. MIB--Migros Bank. SZKB--Schwyzer Kantonalbank. ZGKB--Zuger Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings.
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Chart 4**Efficiency and profitability are lower than that of many cantonal bank peers**

But they are expected to improve in future



Data as of YTD 2024, except for GKB for which data is as of YE 2023. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. MIB--Migros Bank. SZKB--Schwyzer Kantonalbank. ZGKB--Zuger Kantonalbank. ZKB--Zuercher Kantonalbank.

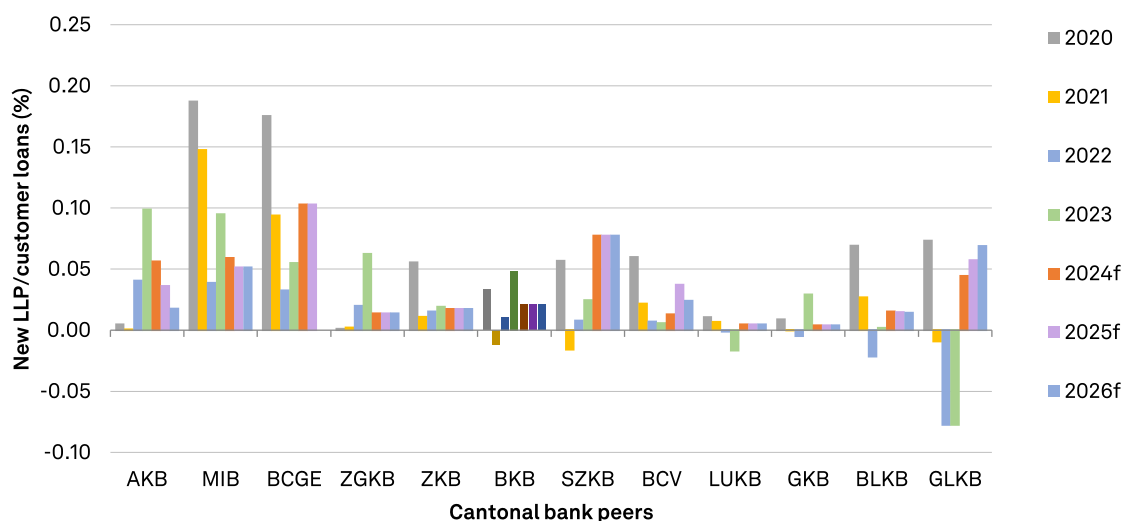
Source: S&P Global Ratings.

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Risk Position: Resilient Customers And Sound Risk Management Mitigate Concentration In Swiss Real Estate And Home Region

We expect BKB's prudent risk management and cautious lending standards will continue to contribute to the high asset quality of its loan portfolio. In addition, the current benign economic cycle, strong financial health of Swiss customers and healthy real estate markets mitigate regional concentration risks. About 75% of BKB's loan portfolio are granular, highly collateralized lower-risk residential mortgage loans, buffered by conservative loan-to-value ratios. BKB's corporate loan portfolio has some higher inherent risks due to the narrowness of Basel-City's economic structure, but it also benefits from a robust regional economy, and we believe its concentrations are on a par with the Swiss peer average. Accordingly, we forecast stable NPLs for BKB of between 0.5% and 0.6%, and new loan loss provisioning to remain below 5 basis points until 2026 as in previous year, which both compare very favourably in the broader European context (see chart 4). We remain mindful, however, that BKB's inherent concentration in Swiss residential mortgages makes it susceptible to weaker economic prospects.

Chart 5

BKB's low cost of risk remains favourable versus many peers

LLP--Loan loss provisioning. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubündner Kantonalbank. LUKB--Luzerner Kantonalbank. MIB--Migros Bank. SZKB--Schwyzer Kantonalbank. ZGKB--Zuger Kantonalbank. ZKB--Zürcher Kantonalbank. f--Forecast. Source: S&P Global Ratings.

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Funding And Liquidity: Strong Regional Retail Deposit Franchise And High Liquidity Buffers Supported By The Cantonal Guarantee

We expect BKB's prudent management and an explicit guarantee by the Canton of Basel, which reinforces widespread customer confidence, will continue to support our neutral assessment of BKB's liquidity and funding position. This is in line with Swiss peers and other banking systems with similar industry risks.

We anticipate that BKB's 110.9% stable funding ratio as of June 30, 2024 is sustainable over the medium term, which is broadly in line with the domestic peer average. BKB's funding benefits from its stable franchise-driven customer base and a sound level of core customer deposits, which constituted 58% of the total funding base as of June 30, 2024. The bank's 129.7% loan-to-deposit ratio as of June 30, 2024 indicates that its larger loan portfolio relies on wholesale funding, which BKB executes efficiently via long-term covered and unsecured bonds. The shareholder and guarantee structure support BKB's broad access to lower-cost, long-term wholesale funding which formed 21.5% of its total funding base as of June 30, 2024.

We expect BKB will maintain its prudent liquidity management and adequate liquidity position, which, in our view, would enable it to endure more than 12 months without access to market funding. This is indicated by its 1.48x broad

liquid assets to short-term wholesale funding at year-end 2023, and its 19.8% liquid assets to total assets for the same period. We also consider that the bank has adequate governance in place to prevent any funding concentrations and frequently conducts appropriate liquidity stress testing. In our view BKB's loyal customer base, superior capitalization, and GRE status would likely help it weather potential capital market stress. We note that the cantonal guarantee improves availability and lowers the costs of market funding for the bank.

Support: Three Notches Of Uplift For Extremely High Likelihood Of Extraordinary Government Support

We expect BKB will remain a GRE and see an extremely high likelihood that BKB would receive timely and sufficient extraordinary support from the Canton of Basel-City in the event of financial distress. We base this on our view of the bank's integral link with, and very important role for, the canton. BKB benefits from the existing cantonal guarantee on its unsubordinated obligations, which is stipulated by law, as well as its ownership structure and importance for Basel's regional economy. We think that any default by BKB would have a significant impact on the regional economy. Because of this, we add a three-notch uplift to BKB's 'a+' SACP to derive the long-term rating.

We expect the existing cantonal guarantees will remain in the medium term. Beyond our outlook horizon, we see a potential risk that future agreements between Switzerland and the EU regarding preferential Swiss market access might include the removal of the remaining guarantees for all cantonal banks.

Environmental, Social, And Governance

We consider Environmental, Social, And Governance in line with those of banking industry peers, while the bank's governance standards are comparable with wider practice in its home country. The cantonal bank's franchise and mandate are focused on providing basic services to the canton's population and to support the economic development of the region.

Hybrid Issue Ratings

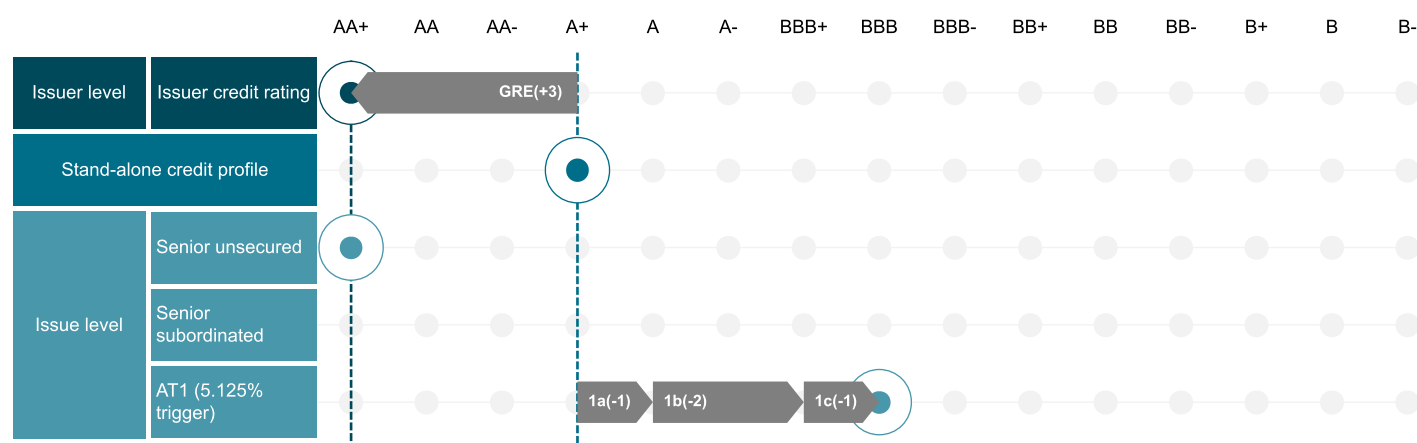
Our 'BBB' ratings on BKB's junior subordinated debt (additional Tier 1) reflect our analysis of the instruments and our assessment of BKB's SACP at 'a+'. We understand that the bonds do not benefit from the cantonal guarantee provided by the City of Basel, such that we would question the timely and sufficient support to these subordinated instruments. We consequently notch down from our SACP assessment for the bank. We rate BKB's additional Tier 1 instrument four notches lower than the SACP, reflecting our deduction of:

- One notch for contractual subordination.
- Two notches for the notes' status as Tier 1 regulatory capital; and
- One notch because the instruments allow for the full or partial temporary write-down of the principal amount.

We do not apply additional notching beyond the four notches, given the 5.125% mandatory write-down trigger at BKB

(stand-alone) level, which we consider to be a nonviability capital trigger.

Basler Kantonalbank: Notching



Key to notching

- Issuer credit rating
- Group stand-alone credit profile
- GRE Government-related entity
- 1a Contractual subordination
- 1b Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
- 1c Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.

AT1--Additional tier 1.

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Key Statistics

Table 1

Basler Kantonalbank-- Key figures					
--Year ended Dec. 31--					
(Mil. CHF)	2024*	2023	2022	2021	2020
Adjusted assets	53,851.7	52,671.3	55,221.5	53,460.4	54,427.0
Customer loans (gross)	36,896.9	36,501.1	34,979.3	33,459.0	32,805.5
Adjusted common equity	4,330.0	4,204.0	4,040.8	3,917.7	3,814.2
Operating revenues	325.3	674.0	598.3	589.9	542.9
Noninterest expenses	190.8	380.8	363.5	371.7	374.9
Core earnings	125.8	260.2	217.9	211.1	144.1

*Data as of June 30. CHF--Swiss franc.

Table 2

Basler Kantonalbank--Business position					
	--Year ended Dec. 31--				
(%)	2024*	2023	2022	2021	2020
Total revenues from business line (currency in millions)	325.4	674.0	598.4	591.3	544.0
Commercial and retail banking/total revenues from business line	82.7	84.5	81.9	80.9	81.9
Asset management/total revenues from business line	17.3	15.5	18.1	19.1	18.1
Return on average common equity	3.7	3.9	3.4	3.0	2.8

*Data as of June 30.

Table 3

Basler Kantonalbank--Capital and earnings					
	--Year ended Dec. 31--				
(%)	2024*	2023	2022	2021	2020
Tier 1 capital ratio	17.8	18.3	18.3	18.2	17.0
S&P Global Ratings' RAC ratio before diversification	N/A	25.5	23.1	22.4	21.0
S&P Global Ratings' RAC ratio after diversification	N/A	17.6	16.0	15.5	14.7
Adjusted common equity/total adjusted capital	96.3	96.2	96.1	96.0	95.9
Net interest income/operating revenues	68.6	68.2	65.0	62.8	65.2
Fee income/operating revenues	21.0	19.9	22.6	22.8	23.2
Market-sensitive income/operating revenues	9.1	10.6	11.1	13.0	10.2
Cost to income ratio	58.7	56.5	60.8	63.0	69.1
Preprovision operating income/average assets	0.5	0.5	0.4	0.4	0.3
Core earnings/average managed assets	0.5	0.5	0.4	0.4	0.3

*Data as of June 30. N/A--Not applicable. RAC--Risk-adjusted capital.

Table 4

Basler Kantonalbank--Risk-adjusted capital framework data					
(CHF 000s)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's Global Ratings' RWA	Average Standard & Poor's Global Ratings' RW (%)
Credit risk					
Government and central banks	10,076,707	386,247	4	100,728	1
Of which regional governments and local authorities	1,165,510	386,247	33	41,961	4
Institutions and CCPs	16,769,728	923,703	6	746,272	4
Corporate	8,294,653	5,201,012	63	4,256,532	51
Retail	31,286,877	14,830,057	47	8,775,269	28
Of which mortgage	24,744,774	8,943,012	36	4,994,994	20
Securitization§	0	0	0	0	0
Other assets†	118,100	72,457	61	125,530	106
Total credit risk	66,546,065	21,413,475	32	14,004,330	21
Credit valuation adjustment					
Total credit valuation adjustment	--	524,894	--	0	--

Table 4

Basler Kantonbank--Risk-adjusted capital framework data (cont.)					
Market risk					
Equity in the banking book	72,455	108,683	150	543,416	750
Trading book market risk	--	849,809	--	1,329,709	--
Total market risk	--	958,492	--	1,873,125	--
Operational risk					
Total operational risk	--	1,159,175	--	1,263,686	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings' RWA	% of S&P Global Ratings' RWA
Diversification adjustments					
RWA before diversification	--	24,240,224	--	17,141,141	100
Total diversification/ Concentration adjustments	--	--	--	7,673,578	45
RWA after diversification	--	24,240,224	--	24,814,719	145
		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings' RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		4,447,122	18.3	4,369,404	25.5
Capital ratio after adjustments†		4,447,122	18.3	4,369,404	17.6

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CHF--Swiss Franc. Sources: Company data as of Dec. 31, 2023, S&P Global Ratings.

Table 5

Basler Kantonbank--Risk position					
(%)	--Year ended Dec. 31--				
	2024*	2023	2022	2021	2020
Growth in customer loans	2.2	4.4	4.5	2.0	3.3
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	44.8	43.9	44.6	42.5
Total managed assets/adjusted common equity (x)	12.4	12.5	13.7	13.6	14.3
New loan loss provisions/average customer loans	0.0	0.0	0.0	(0.0)	0.0
Net charge-offs/average customer loans	N.M.	0.0	0.1	0.0	0.2
Gross nonperforming assets/customer loans + other real estate owned	0.0	0.6	0.6	0.7	0.3
Loan loss reserves/gross nonperforming assets	N/A	96.8	96.9	96.2	186.2

*Data as of June 30. N/A--Not applicable. RWA--Risk-weighted assets. N.M.--Not meaningful.

Table 6

Basler Kantonbank--Funding and liquidity					
(%)	--Year ended Dec. 31--				
	2024*	2023	2022	2021	2020
Core deposits/funding base	58.3	59.0	62.0	57.3	60.2
Customer loans (net)/customer deposits	129.6	129.3	111.4	119.1	109.2

Table 6

Basler Kantonalbank--Funding and liquidity (cont.)					
	--Year ended Dec. 31--				
(%)	2024*	2023	2022	2021	2020
Long-term funding ratio	81.4	81.9	83.1	79.4	82.1
Stable funding ratio	110.9	110.1	121.5	123.5	120.9
Short-term wholesale funding/funding base	20.4	19.8	18.4	22.3	19.4
Regulatory net stable funding ratio	128.2	123.1	122.4	125.6	N/A
Broad liquid assets/short-term wholesale funding (x)	1.5	1.5	1.9	1.8	1.8
Broad liquid assets/total assets	27.3	26.4	32.3	36.0	32.4
Broad liquid assets/customer deposits	51.7	49.5	57.2	68.8	59.1
Net broad liquid assets/short-term customer deposits	16.9	16.1	27.9	30.1	27.3
Regulatory liquidity coverage ratio (LCR) (x)	131.2	140.0	154.5	233.6	N/A
Short-term wholesale funding/total wholesale funding	48.5	47.9	47.9	51.9	48.4
Narrow liquid assets/3-month wholesale funding (x)	1.9	1.8	2.1	2.3	2.3

*Data as of June 30. N/A--Not applicable.

Basler Kantonalbank --Rating component scores

Issuer credit rating	AA+/Stable/A-1+
SACP	a+
Anchor	a-
Economic risk	1
Industry risk	3
Business position	Adequate
Capital and earnings	Very strong
Risk position	Adequate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+3
ALAC support	0
GRE support	+3
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And

Assumptions, Dec. 9, 2021

- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Basler Kantonalbank, July 23, 2024
- Banking Industry Country Risk Assessment: Switzerland, Aug. 18, 2023
- Switzerland, Aug. 12, 2024

Ratings Detail (As Of October 18, 2024)*

Basler Kantonalbank

Issuer Credit Rating	AA+/Stable/A-1+
Junior Subordinated	BBB
Senior Unsecured	AA+

Issuer Credit Ratings History

12-Nov-2018	AA+/Stable/A-1+
13-Nov-2017	AA/Positive/A-1+
06-Aug-2013	AA/Stable/A-1+

Sovereign Rating

Switzerland	AAA/Stable/A-1+
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Related Entities

Bank Cler AG

Issuer Credit Rating	A/Stable/--
Junior Subordinated	BB+

Basel-City (Canton of)

Issuer Credit Rating	AAA/Stable/A-1+
Senior Unsecured	AAA

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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