Basler Kantonalbank

November 4, 2025

This report does not constitute a rating action.

Primary Contact

Harm Semder
Frankfurt
49-69-33999-158
harm.semder
@spglobal.com

Additional Contact

Lukas Freund
Frankfurt
49-69-33999-139
lukas.freund
@spglobal.com

Ratings Score Snapshot

SACP: a+

Anchor	a-	
Business position	Adequate	0
Capital and earnings	Very Strong	2
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

Support: +3

ALAC support	0
GRE support	3
Group support	3
Sovereign support	0

Additional factors: 0

Holding company ICR
AA+/Stable/A-1+

Support: +3 is from GRE Support (+3 notches). 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 capitalization.	Subpar cost efficiency.
Very strong customer franchise in its home region.	

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

We anticipate that BKB's capitalization will remain a key rating strength. We expect the bank to maintain its superior capitalization, as indicated by our forecast stable risk-adjusted capital (RAC) ratio of 24%-25% from 2025-2027, which is among the highest among global peers. We project a 3%-4% return on equity (ROE) until 2027, which appears sufficient when compared internationally considering BKB's very high capitalization, as well as in the context of the bank's stability and low risk profile. In line with BKB's "2026+" group strategy, we expect the bank 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 nonperforming loan (NPL) ratio. We anticipate the bank will maintain robust asset quality, as reflected in our forecast of a stable 0.7% NPL ratio, and ongoing marginal new loan loss provisioning (of less than 5 basis points) relative to customer loans from 2025-2027. We consider BKB's sound risk management, its 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 risks from the bank's high concentration 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 weaker support could weigh on the bank's creditworthiness. This weakening could, 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.

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.

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.

Key Metrics

Basler Kantonalbank--Key ratios and forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2023a**	**2024a**	**2025f**	**2026f**	**2027f**
Growth in operating revenue	12.7	-1.4	(1.0)-(1.3)	1.5-1.8	1.0-1.3
Growth in customer loans	4.4	1.8	1.8-2.2	1.8-2.2	2.2-2.7
Growth in total assets	-4.6	6.1	1.2-1.5	1.2-1.5	1.5-1.9
Net interest income/average earning assets (NIM)	1.0	1.0	0.9-1.0	0.9-1.0	0.9-1.0
Cost-to-income ratio	56.5	58.1	58.2-61.2	57.8-60.8	57.7-60.7
Return on average common equity	3.9	4.2	3.6-4.0	3.4-3.8	3.4-3.8
Return on assets	0.3	0.3	0.3-0.3	0.3-0.3	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	0.7	0.7-0.7	0.7-0.7	0.7-0.7
Net charge-offs/average customer loans	0.0	0.0	0.0-0.0	0.0-0.0	0.0-0.0
Risk-adjusted capital ratio	25.5	24.4	23.9-25.2	24.1-25.4	24.2-25.4

All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'a-' For Banks Operating Mainly In Switzerland

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

The Swiss private sector has proven its resilience against multiple external stress scenarios. We expect banks to maintain their strong asset quality and prudent underwriting standards, and for the superior financial strength of Swiss households and corporations to continue amid a difficult global economic outlook. We anticipate the country's GDP to expand 1.2% in 2025. Overall, we see limited risks to Swiss banks' mortgage exposure as real estate price are supported by structural factors such as immigration, the scarcity of building land, and higher commodity prices.

Our view of industry risk in Switzerland encompasses the stability of the country's multi-tiered banking system and government-guaranteed credit institutions viewed as safe havens. Proposals by the regulator and parliament could strengthen banks' corporate governance, supervision, and access to liquidity during crises. In our view, tech disruption poses a moderate risk for the Swiss market. A lack of economies of scale in retail banking makes the country less attractive for international competitors. Swiss customers generally do not demand pure online retail banking products, and digital banks have yet to establish themselves as full alternatives to traditional banks, in our view.

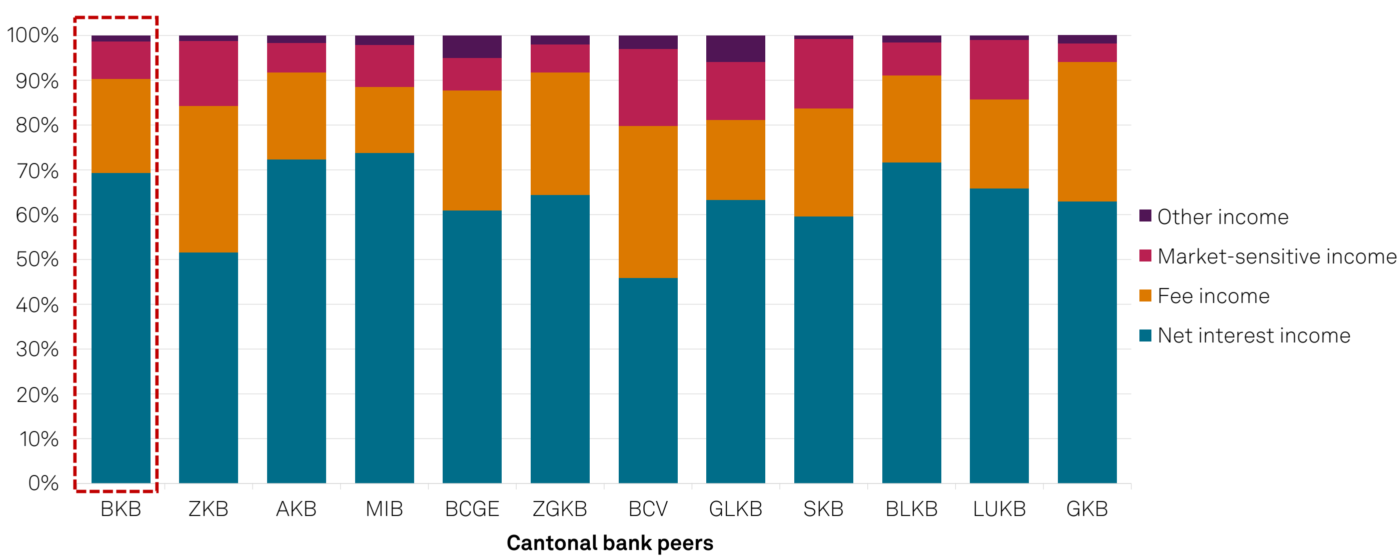
Business Position: A Leading Customer Franchise In The Home Region Mitigates Related Business And Risk Concentrations

Our neutral business position on BKB is in line with our assessment of most domestically focused cantonal bank peers. We expect BKB to defend its solid franchise with high market shares in retail and corporate lending in its home region of Basel. The bank is one of the 10 largest banking groups in Switzerland, with total consolidated assets of Swiss franc (CHF) 55.6 billion (about €53.9 billion) as of June 30, 2025. We consider BKB's strategy for 2026-2029 an evolutionary update, sharpening attention in core segments to strengthen sales, expanding private and asset management, and optimize balance sheet, but maintain content financial targets (such as under the bank-defined cost-income ratio at or below 55%, or ROE at or above 6%) unchanged at levels achieved. The bank's franchise strength provides a stable and long-standing customer base that mitigates risks about the bank's geographic and business concentration risks from its regional focus in a small and saturated market, like with other Swiss cantonal banks. We also view the overall resilience and wealth of the Swiss economy and the private sector as mitigating concentration risk. BKB uses and continues to streamline 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.

The bank's lending will remain dominated by highly collateralized low-risk residential real estate business. BKB's continued efforts to diversify revenue such as wealth and asset management show some progress, but will take a long time to completely undertake. Accordingly, its 69% share of net interest income to total revenue is high and its increased proportion of fee income from expanding private banking activities is better than that of some peers (see chart 1).

Chart 1

Interest income remains the most relevant factor in BKB's operating revenue

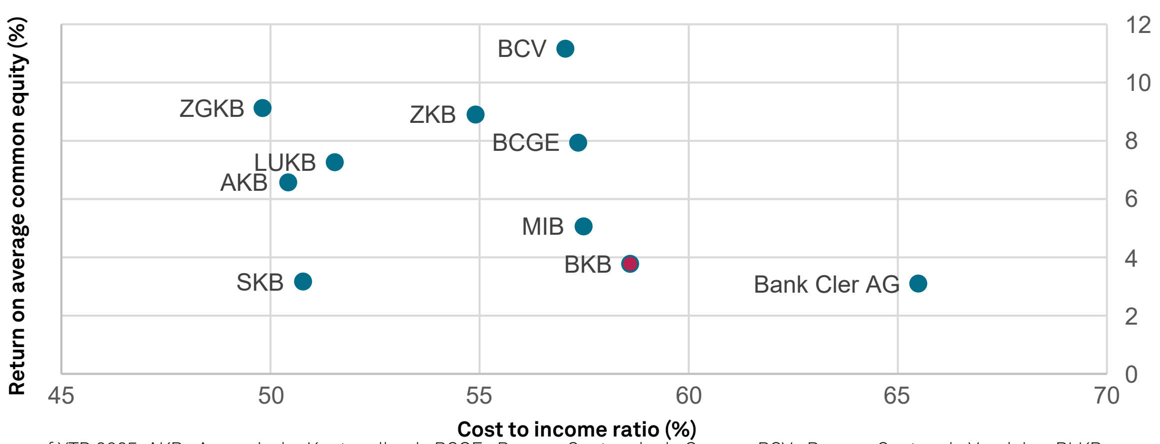


Data as of year-to-date 2025. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. MIB--Migros Bank. SZKB--Schwyzer Kantonalbank. ZGKB--Zuger Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings. Source: S&P Global

BKB's profitability and cost efficiency metrics are sound, albeit weaker than most Swiss peers, with a 58% cost-to-income ratio and return on average common equity (ROACE) at 4.2% as of year-end 2024. We project a slightly weakening to 3.4%-3.8% ROACE until 2027 from margin compression by monetary policy rate cuts and competition, which is low in an international comparison (see chart 2). We expect BKB's pretax profit (adjusted for allocations to general banking risk provisions) will remain stable, at between CHF260 million-270 million 2025-2027, which we consider sound in the context of its low-risk business profile, high capital, robust economy, and cantonal ownership.

Chart 2

BKB's efficiency is lower than most cantonal bank peers



Data as of YTD 2025. 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. Source: S&P Global Ratings.

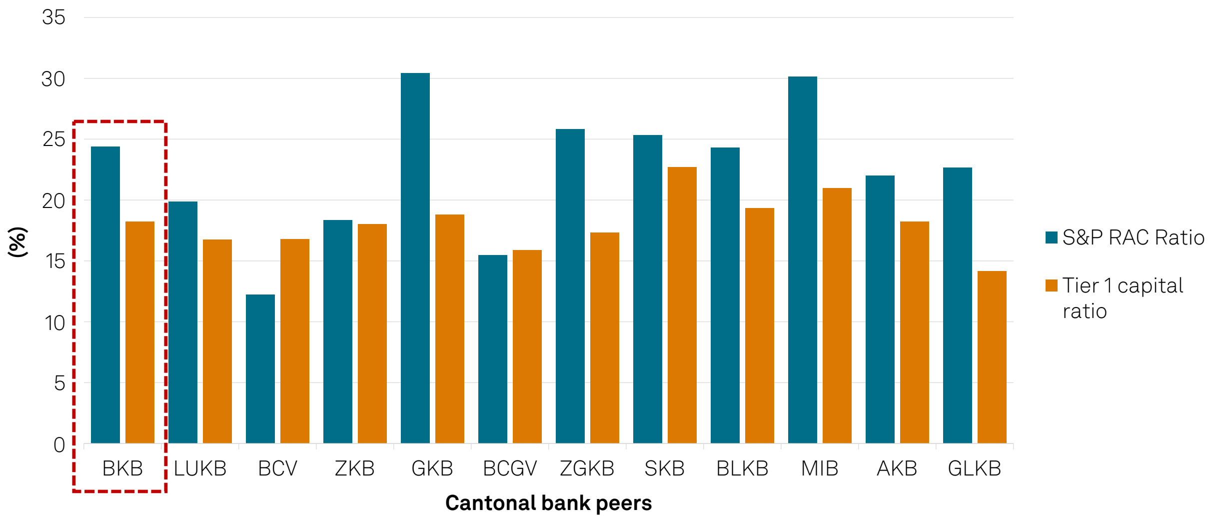
Capital And Earnings: BKB's Sustainable Key Strength

We forecast BKB will preserve its very high capitalization, as indicated by our projected 24%-25% RAC ratio until 2027. These robust ratios place it among the highest capitalized banks globally, and high among rated Swiss cantonal banks (see chart 3). Our RAC projection considers BKB's stable earnings retention, a moderate 2.0%-2.5% growth in lending volumes, and risk-weighted assets that are about in line with the Swiss banks' market average. Similarly, BKB posted in a regulatory 18% Tier 1 ratio and 18.4% total capital ratio as of June 30, 2025, which are high in a global comparison. Moreover, the bank remains committed to maintaining high regulatory excess capitalization of 300-700 basis points above its 13.1% minimum total capital requirement (including a countercyclical capital buffer) as of mid-2025. Our RAC ratio is materially higher than BKB’s Tier 1 ratio, because we consider lower risk weights to Swiss retail loans than those applied by the Swiss regulator.

Chart 3

BKB's risk-adjusted capitalization is above average compared with cantonal bank peers'

But it remains exceptional in a global comparison

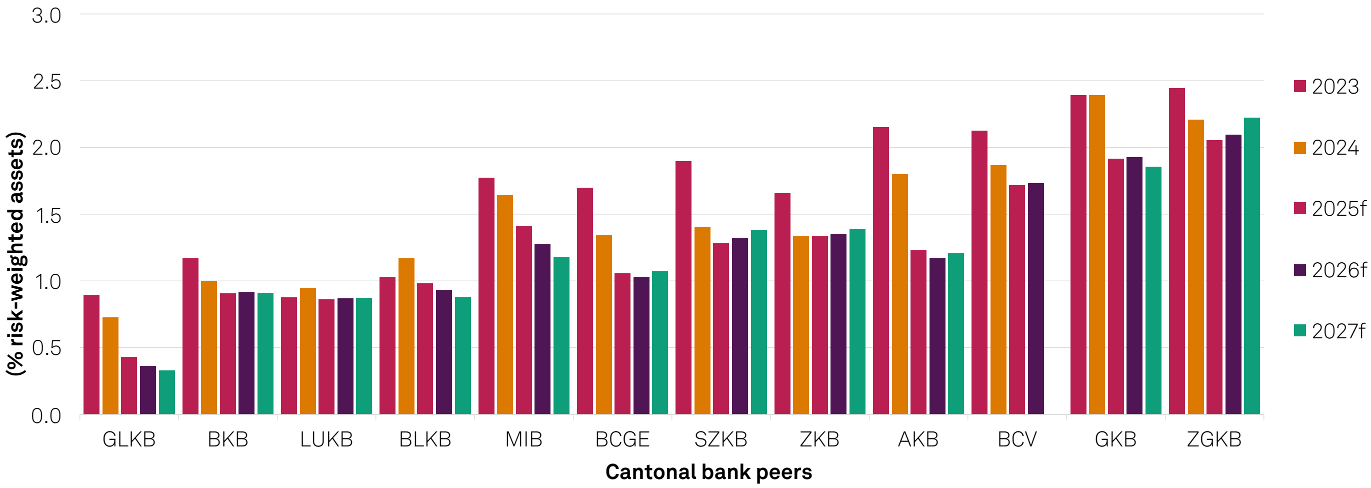


Data as of year-end 2024. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. MIB--Migros Bank. SZKB--Schwyzer Kantonalbank. ZGKB--Zuger Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings.Source: S&P Global Ratings.

We forecast BKB's earnings buffer (measuring the capacity of a bank's earnings to cover normalized losses) will stabilize at a sound 0.9%-1.0% of risk-weighted assets from 2025-2027, which we consider solid considering that BKB's annual average risk cost booked were a fraction of normalized losses over the past 5-10 years, and the bank's earnings buffer is comparable with that of many Swiss peers (see chart 4). This bolsters capital buildup considering BKB's committed stable 60-70% dividend policies.

Chart 4

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



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.

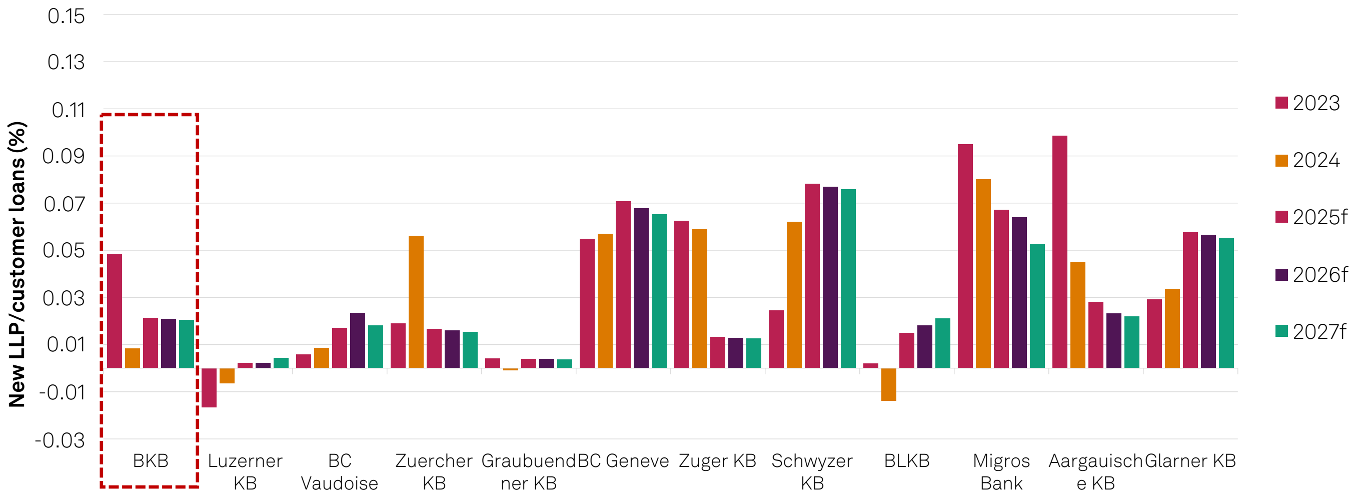
Risk Position: Resilient Customers And A Highly Collateralized Loan Portfolio Mitigate Concentration In Swiss Real Estate And Home Region

In our view, BKB's risk position is in line with that of peers in Switzerland and other countries with similar economic risk. We expect the bank's asset quality to remain sound, helped by its prudent risk management and cautious lending standards, the remarkable resilience of its customers, and high collateralization. In addition, strong economics and financial health of Swiss customers and healthy real estate markets mitigate BKB's regional concentration risks. About 76% of the bank's loan portfolio are granular, highly collateralized lower-risk residential mortgage loans, buffered by conservative loan-to-value ratios at midyear 2025. 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 think its concentrations are on par with the Swiss peer average.

We therefore forecast BKB' nonperforming loans to remain at 0.7%, which is low, and its new loan loss provisioning to remain near a very low 2-5 basis points from 2025-2027, which compare very favorably in the broader European context and with that of many Swiss peers (see chart 5). BKB's inherent concentration in Swiss residential mortgages makes it structurally susceptible to a much weaker economic and real estate market, although we do not currently expect this.

Chart 5

BKB's low cost of risk remains favorable with that of many peers



Data as of year-to-date 2025. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. ZKB--Zuercher Kantonalbank. ZGKB--Zuger kantonalbank. GLKB--Glarner Kantonalbank. GKB--

Funding And Liquidity: A 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 that of most Swiss cantonal bank peers and other banking systems with similar industry risks.

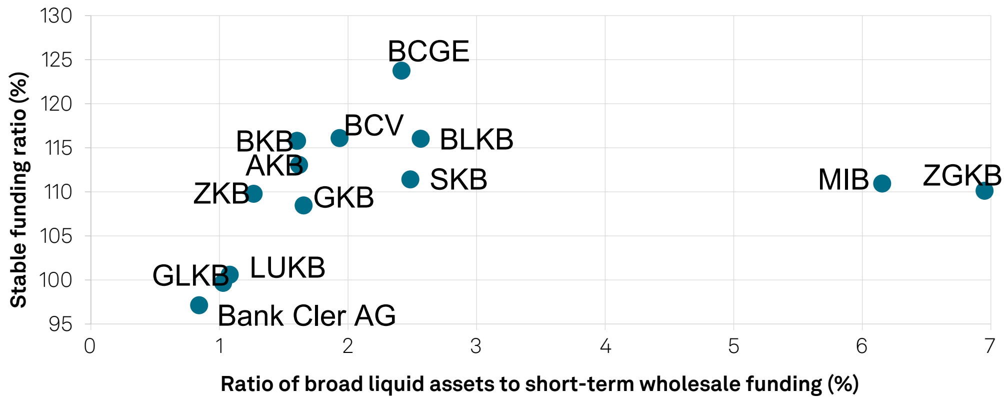
We anticipate that BKB's 109% stable funding ratio as of June 30, 2025, will be sustainable, which is broadly in line with the domestic peer average. The bank's funding benefits from its stable franchise-driven customer base and a sound level of core customer deposits, which constituted 55% of the total funding base as of June 30, 2025. Although BKB's 134% loan-to-deposit ratio indicates that its larger loan portfolio relies on wholesale funding, the bank executes what we consider efficient stable covered bonds refinancing, represented by its 101% loan-to-deposit ratio including secured funding. The stable shareholder and guarantee structure support BKB's broad access to lower-cost, long-term wholesale funding, which formed 21% of its total funding base as of June 30, 2025.

The bank's S&P Global Ratings-adjusted liquidity ratio--broad liquid assets to total assets--was 31% for the same period, indicating ample buffer to cover an extended period without access to market funding in an adverse scenario.

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 sound 1.6x broad liquid assets to short-term wholesale funding at year-end 2024, which is in line with that of most domestic peers and supported by a robust Swiss economy. We also consider that the bank has adequate governance to prevent 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. The cantonal guarantee improves availability and lowers the costs of market funding for the bank.

Chart 6

BKB's funding and liquidity are in line with those of peers



Data as of Year-end 2024. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. ZKB-- Zuercher Kantonalbank. ZGKB- Zuger 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.

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

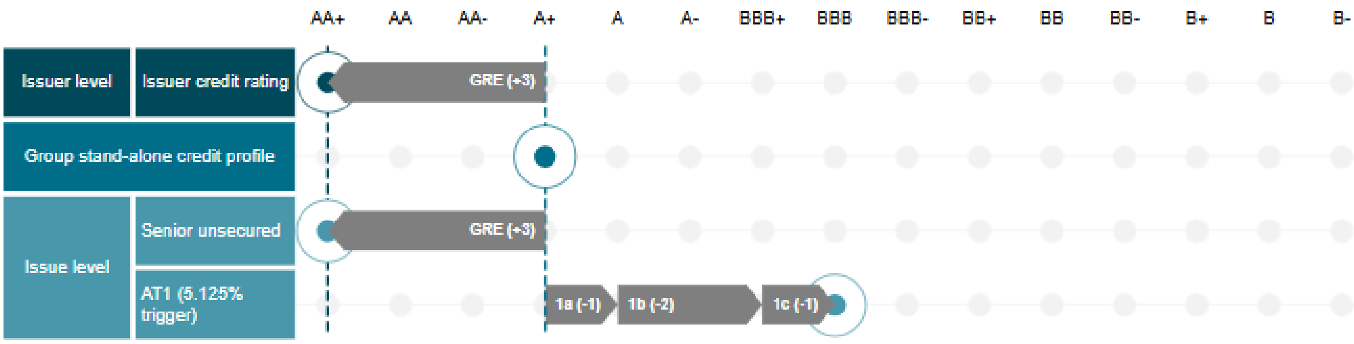
We expect BKB will remain a GRE and see an extremely high likelihood that the bank would receive timely and sufficient extraordinary support from the Canton of Basel-City in the event of financial distress. We base this on our view of BKB's integral link with, and very important role for, the canton. Our assessment is underpinned from the bank benefiting 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. In our view, if BKB defaulted, this would significantly weaken the regional economy. Therefore, we apply 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 next few years. Beyond our outlook horizon, we see a potential risk that 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 (ESG)

Overall, environmental, social, and governance factors have a neutral influence on our credit rating analysis of BKB. The bank's franchise and mandate focus on providing basic services to the population and support the region's economic development. In line with its owners, BKB is committed to carbon-neutral operations and factors in ESG standards in its lending business.

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 Oct. 13, 2025.
AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt. NVCC--nonviability contingent capital.

Key Statistics

Basler Kantonalbank Key Figures

Mil. CHF	2025*	2024	2023	2022	2021
Adjusted assets	55,631	55,887	52,671	55,221	53,460
Customer loans (gross)	36,890	37,146	36,501	34,979	33,459
Adjusted common equity	4,431	4,316	4,204	4,041	3,918
Operating revenues	334	665	674	598	590
Noninterest expenses	196	386	381	363	372
Core earnings	131	262	260	218	211

*2025 data is for the 6 months to end-June. CHF--Swiss franc.

Basler Kantonalbank Business Position

(%)	2025*	2024	2023	2022	2021
Loan market share in country of domicile	-	-	-	-	-
Deposit market share in country of domicile	-	-	-	-	-
Total revenues from business line (currency in millions)	334	665	674	598	591
Commercial & retail banking/total revenues from business line	81.9	82.7	84.5	81.9	80.9
Trading and sales income/total revenues from business line	-	-	-	-	-
Corporate finance/total revenues from business line	-	-	-	-	-
Brokerage/total revenues from business line	-	-	-	-	-
Insurance activities/total revenues from business line	-	-	-	-	-
Agency services/total revenues from business line	-	-	-	-	-

Basler Kantonalbank Business Position

(%)	2025*	2024	2023	2022	2021
Payments and settlements/total revenues from business line	-	-	-	-	-
Asset management/total revenues from business line	18.1	17.3	15.5	18.1	19.1
Other revenues/total revenues from business line	-	-	-	-	-
Investment banking/total revenues from business line	-	-	-	-	-
Return on average common equity	3.8	4.2	3.9	3.4	3.0

*2025 data is for the 6 months to end-June.

Basler Kantonalbank Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	18.0	18.2	18.3	18.3	18.2
S&P Global Ratings' RAC ratio before diversification	N/A	24.4	25.5	23.1	22.4
S&P Global Ratings' RAC ratio after diversification	N/A	20.4	17.6	16.0	15.5
Adjusted common equity/total adjusted capital	96.4	96.3	96.2	96.1	96.0
Double leverage	N.M.	N.M.	N.M.	N.M.	N.M.
Net interest income/operating revenues	69.4	68.1	68.2	65.0	62.8
Fee income/operating revenues	20.9	21.1	19.9	22.6	22.8
Market-sensitive income/operating revenues	8.4	9.5	10.6	11.1	13.0
Cost to income ratio	58.6	58.1	56.5	60.8	63.0
Preprovision operating income/average assets	0.5	0.5	0.5	0.4	0.4
Core earnings/average managed assets	0.5	0.5	0.5	0.4	0.4

*2025 data is for the 6 months to end-June. N.M.--Not meaningful.

Basler Kantonalbank RACF [Risk-Adjusted Capital Framework] Data

(CHF 000s)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government and central banks	10,077,764	435,213	4	95,293	1
Of which regional governments and local authorities	1,239,606	435,013	35	47,713	4
Institutions and CCPs	20,858,574	1,116,787	5	1,077,687	5
Corporate	8,612,643	4,982,308	58	4,306,328	50
Retail	31,905,054	15,062,858	47	8,883,621	28
Of which mortgage	25,483,345	9,198,421	36	5,143,855	20
Securitization§	0	0	0	0	0
Other assets†	65,058	20,081	31	58,463	90
Total credit risk	71,519,093	21,617,246	30	14,421,391	20

Basler Kantonalbank RACF [Risk-Adjusted Capital Framework] Data

(CHF 000s)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit valuation adjustment					
Total credit valuation adjustment	--	697,350	--	0	--
Market risk					
Equity in the banking book	88,257	127,422	144	589,467	668
Trading book market risk	--	1,294,544	--	2,104,882	--
Total market risk	--	1,421,967	--	2,694,350	--
Operational risk					
Total operational risk	--	1,205,913	--	1,263,819	--
(CHF 000s)	**Exposure**	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	25,105,560	--	18,379,560	100
Total Diversification/ Concentration Adjustments	--	--	--	3,538,424	19
RWA after diversification	--	25,105,560	--	21,917,983	119
(CHF 000s)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global RAC ratio (%)**
Capital ratio		S&P Global Ratings RWA	S&P Global Ratings RWA	S&P Global Ratings RWA	S&P Global Ratings RWA
Capital ratio before adjustments		4,557,387	18.2	4,480,135	24.4
Capital ratio after adjustments‡		4,557,387	18.2	4,480,135	20.4

*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, 2024, S&P Global Ratings.

Basler Kantonalbank Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	(1.4)	1.8	4.4	4.5	2.0
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	19.3	44.8	43.9	44.6
Total managed assets/adjusted common equity (x)	12.6	13.0	12.5	13.7	13.7
New loan loss provisions/average customer loans	0.0	0.0	0.1	0.0	(0.0)
Net charge-offs/average customer loans	N.M.	0.0	0.0	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.0	0.7	0.6	0.6	0.7
Loan loss reserves/gross nonperforming assets	N/A	72.1	96.8	96.9	96.2

Basler Kantonalbank Risk Position

*2025 data is for the 6 months to end-June. N.M.--Not meaningful.

Basler Kantonalbank Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	54.8	59.3	59.01	62.0	57.3
Customer loans (net)/customer deposits	133.8	122.7	129.3	111.4	119.1
Long-term funding ratio	77.2	80.8	81.9	83.1	79.4
Stable funding ratio	109.2	115.8	110.1	121.5	123.5
Short-term wholesale funding/funding base	24.9	21.0	19.8	18.4	22.4
Regulatory net stable funding ratio	123.2	126.6	123.1	122.4	125.6
Broad liquid assets/short-term wholesale funding (x)	1.3	1.6	1.5	1.9	1.8
Broad liquid assets/total assets	30.1	30.6	26.4	32.4	36.0
Broad liquid assets/customer deposits	60.8	56.7	49.5	57.3	68.9
Net broad liquid assets/short-term customer deposits	15.3	21.4	16.1	27.9	30.1
Regulatory liquidity coverage ratio (LCR) (x)	134.5	132.4	140.0	154.5	233.6
Short-term wholesale funding/total wholesale funding	54.7	51.1	47.9	47.9	52.0
Narrow liquid assets/3-month wholesale funding (x)	1.7	2.0	1.8	2.1	2.3
*2025 data is for the 6 months to end-June.					

Rating Component Scores

Issuer Credit Rating	AA+/Stable/A-1+
SACP	a+
Anchor	a-
Business position	Adequate (0)
Capital and earnings	Very Strong (2)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	3
ALAC support	0
GRE support	3
Group support	0
Sovereign support	0
Additional factors	0
SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.	

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024

- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021c
- 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

- Banking Industry Country Risk Assessment: Switzerland, March 31, 2025
- Canton of Basel-City, Nov. 4, 2024

Ratings Detail (as of October 24, 2025)*	
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+
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.