S&P Global
Ratings

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Glarner Kantonalbank

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Table Of Contents

Table Of Contents (cont.)

Glarner Kantonalbank

Ratings Score Snapshot

Issuer Credit Rating
AA/Stable/A-1+

SACP: a- → **Support: +4** → **Additional factors: 0**

SACP: a-		
Anchor	a-	
Business position	Moderate	-1
Capital and earnings	Very strong	+2
Risk position	Adequate	0
Funding	Moderate	-1
Liquidity	Adequate	
CRA adjustment		0

Support: +4	
ALAC support	0
GRE support	+4
Group support	0
Sovereign support	0

Additional factors: 0
Issuer credit rating
AA/Stable/A-1+

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**
Sound retail banking franchise in the small Canton of Glarus.	Concentration risk from focus on residential mortgage lending in Glarus and the neighboring cantons.
Very strong and sustainably high capitalization.	Weaker cost efficiency and risk-adjusted profitability than most rated peers.
Extremely high likelihood of receiving extraordinary government support from the canton, if needed.	

S&P Global Ratings considers Glarner Kantonalbank (GLKB) as having a somewhat weaker franchise than many other Swiss cantonal banks. This stems from the bank's focus on expanding its loan book outside its home canton. In our view, expansion would result in a more price-sensitive and less stable customer base. Nevertheless, the bank has demonstrated resilience during the past years despite a volatile operating environment. GLKB has not been adversely affected by the banking market turmoil in March 2023. While investor sentiment and funding conditions took a hit during the Credit Suisse-related stress, we have not seen knock-on effects to GLKB, which continued its business activities as usual.

We expect GLKB's business model to continue, with strong roots in the Canton of Glarus and complementary business activities through online mortgages in German-speaking Switzerland. The bank is currently implementing its "Fokus 2026" strategy that does not materially deviate from its previous strategy. After a period of high growth, the bank will continue to focus on digitizing its business model, with the goal to improve client experience on digital platforms. In addition, GLKB will place a stronger emphasis on risk-adjusted profitability instead of increasing business volumes.

The 'AA/A-1+' ratings on GLKB benefit considerably from our view of extremely high likelihood of extraordinary government support from Glarus, if needed. The uplift for potential extraordinary government support comes on top of the bank's 'a-' stand-alone credit profile (SACP). We expect GLKB to receive timely and sufficient extraordinary support from Glarus if needed. The SACP incorporates significant ongoing implicit government support benefits--for example, lower funding costs and a sticky deposit base--which support overall profitability and stability.

Outlook

The stable outlook reflects our view that GLKB would receive extraordinary support from its majority owner, the Canton of Glarus, if needed. Consequently, the likelihood of a downgrade is remote over the next two years because, in the event of a deterioration of the bank's creditworthiness, we would include additional support from the canton into our ratings, assuming all else remained equal.

Downside scenario

We could lower the rating if we concluded that GLKB's ties with Glarus had loosened, or if renewed attempts to change the cantonal bank law emerged. However, we consider this scenario unlikely after the people in Glarus voted against the government's proposal to change the cantonal bank law in May 2022. In addition, a negative rating action could occur if we were to lower our assessment of the canton's creditworthiness.

Upside scenario

A positive rating action on the canton would trigger an upgrade of GLKB. However, improvements in GLKB's SACP would not translate into an upgrade.

Key Metrics

Glarner Kantonalbank--Key ratios and forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	3.0	1.2	10.3-12.6	1.5-1.8	4.6-5.6
Growth in customer loans	4.6	11.1	2.7-3.3	3.6-4.4	3.6-4.4
Net interest income/average earning assets (NIM)	1.1	1.0	1.0-1.1	1.0-1.1	1.0-1.1
Cost to income ratio	68.1	73.0	67.1-70.5	68.7-72.2	68.0-71.5
Return on average common equity	6.4	6.2	5.7-6.3	5.3-5.8	5.6-6.2
New loan loss provisions/average customer loans	(0.0)	(0.1)	0.0-0.0	0.0-0.0	0.0-0.0
Gross nonperforming assets/customer loans	0.2	0.2	0.2-0.2	0.2-0.2	0.2-0.2
Risk-adjusted capital ratio	23.3	21.5	22.8-23.9	23.9-25.1	23.5-24.7

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

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

Our anchor for banks operating mainly in Switzerland 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 Swiss households and corporates to maintain their credit strength amid a difficult economic outlook in 2024. Switzerland's increasing population and export strength support our view. Banks' asset quality reflects the superior financial strength of Swiss households and corporations, and prudent underwriting standards (which focus on collateralized lending, mainly residential mortgages or Lombard loans). We expect inflation to have experienced its peak and to decelerate further but to remain above its cyclical low point. Overall, we see limited risks to Swiss banks' mortgage exposures from households' debt servicing capacity and lower house price growth against higher interest rates. This is because banks' existing stock of mortgage loans are predominately fixed-rate and underwriting standards already integrate much higher interest rates into affordability assessments. In any case, we believe that a strong Swiss labor market, tight and inelastic supply in housing, and ongoing high demand due to persistently high immigration support house prices.

Our view of industry risk in Switzerland encompasses the stability of the domestic banking sector, despite the failure of Credit Suisse. In general, we did not observe a loss in customer confidence in Swiss banking, as many domestic banks profited from inflows of assets under management and deposits from Credit Suisse after outflows escalated in 2023. We expect new regulatory standards for systemically important banks to emerge as the parliamentary committee of inquiry will publish its results in 2024. Money laundering and the threat of additional sanctions remain tail risks for the Swiss banking sector, especially for smaller private banks that accommodate former wealth management clients from Credit Suisse. However, reputational risks are generally contained, as wealth management is not part of most banks' business models.

Business Position: Growth Strategy Outside The Home Canton Weakens The Business Stability

We expect GLKB's banking franchise to remain weaker than that of most rated cantonal banks, considering GLKB's small size and given that and it materially relies on the customer base outside Glarus, which we regard as less stable and more price-sensitive.

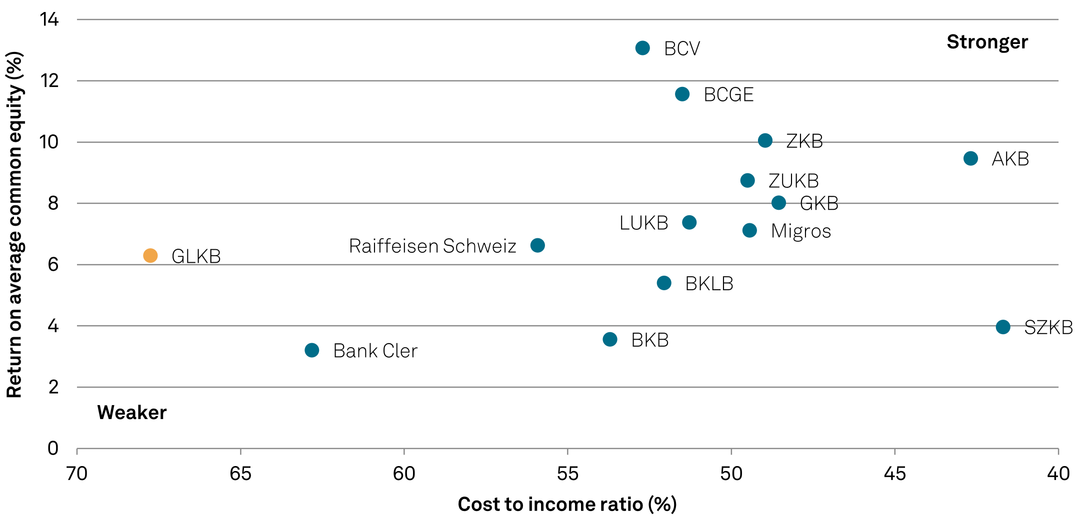
GLKB is a small Swiss cantonal bank and the leading bank for retail and corporate clients in its home canton with a population of roughly 40,000. It focuses on residential mortgage lending near Glarus and online mortgages in German-speaking Switzerland through its online platform, hypomat. Small-scale corporate banking and asset management activities round out GLKB's franchise. The bank generates additional income by offering administration services for mortgage loans to third parties and selling software licenses (for example: Hypomat and Softlink). Both initiatives support our view that GLKB is proactively executing strategic measures toward full digitalization and, in particular, online platforms.

GLKB has demonstrated adequate profitability with increasing revenue in the past decade. Still, the bank's profitability and cost-efficiency remain weaker than for most of its main cantonal peers (chart 1) and we expect that to remain the case over the next 18-24 months. So far GLKB's has not benefitted from higher interest rates. Net interest income in the first half of 2023 decreased by 4% compared with 2022 because higher interest income was more than offset by the rise of interest expenses amid the bank's higher reliance on wholesale funding that made it more sensitive to the shift in interest rates. Many Swiss competitors showed significant growth in their net interest income during the same period (chart 2). That said, we note the positive impact on GLKB's trading income from foreign currency swaps that partially offset higher interest expenses from foreign currency funding that the bank sourced over 2023.

Chart 1

GLKB's cost efficiency is a weakness

Peer comparison of cost-to income ratio and return on average common equity as of H1 2023

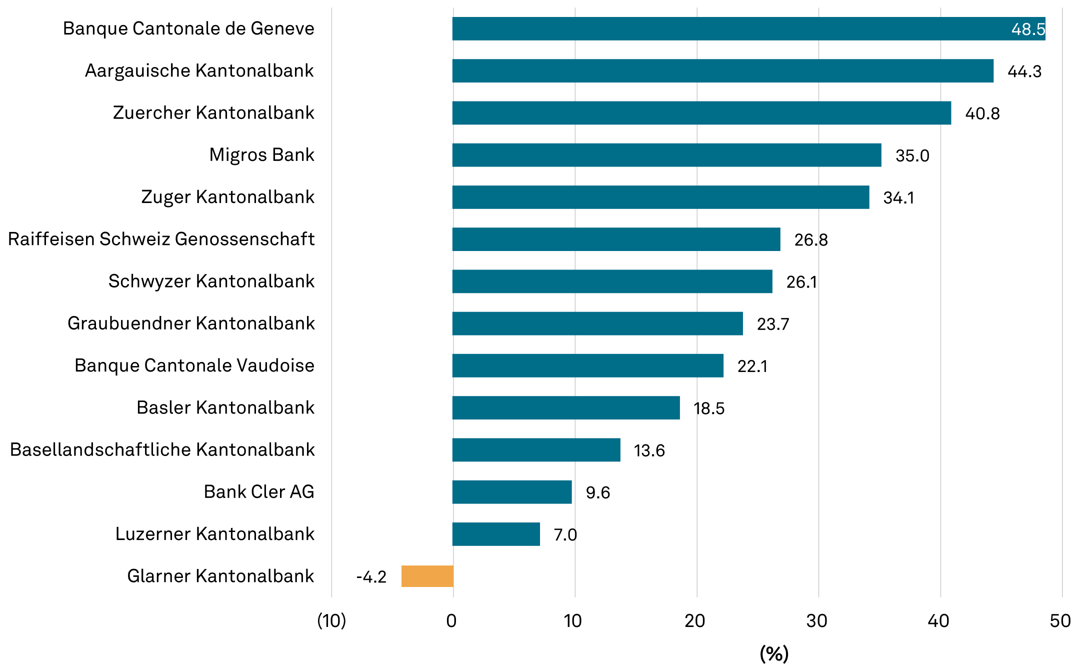


Cost-to-income ratio is defined as noninterest expense as % of operating revenues. Return on equity for H1-2023 is annualized. H1--First half. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubuendner Kantonalbank. LUKB--Luzerner Kantonalbank. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. ZUKB--Zuger Kantonalbank. Source: S&P Global Ratings.

Chart 2

GLKB's decrease in net interest income is an outlier among Swiss peers

Peer comparison of change in net interest income (first half of 2023 vs first half of 2022)



H1--First half. Source: S&P Global Ratings.

Capital And Earnings: Very Strong Capitalization Remains A Key Rating Strength

We expect GLKB to preserve its very strong capitalization, underlined by our forecast that its risk-adjusted capital (RAC) ratio will increase to about 23%-24% over the next two years, compared with 21.5% as of Dec. 31, 2022 (chart 3). The capital trajectory benefits from an improvement in our economic risk assessment of Switzerland which results in slightly lower risk-weights for GLKB's credit exposures.

The ratio is very high in global comparison and in line with typically highly capitalized cantonal banks in Switzerland (chart 4). GLKB's regulatory Tier 1 ratio was--at 14.4% as of Dec. 31, 2022--comparably lower than its RAC ratio mainly because we apply lower risk weights than the Swiss regulator to Swiss retail loans.

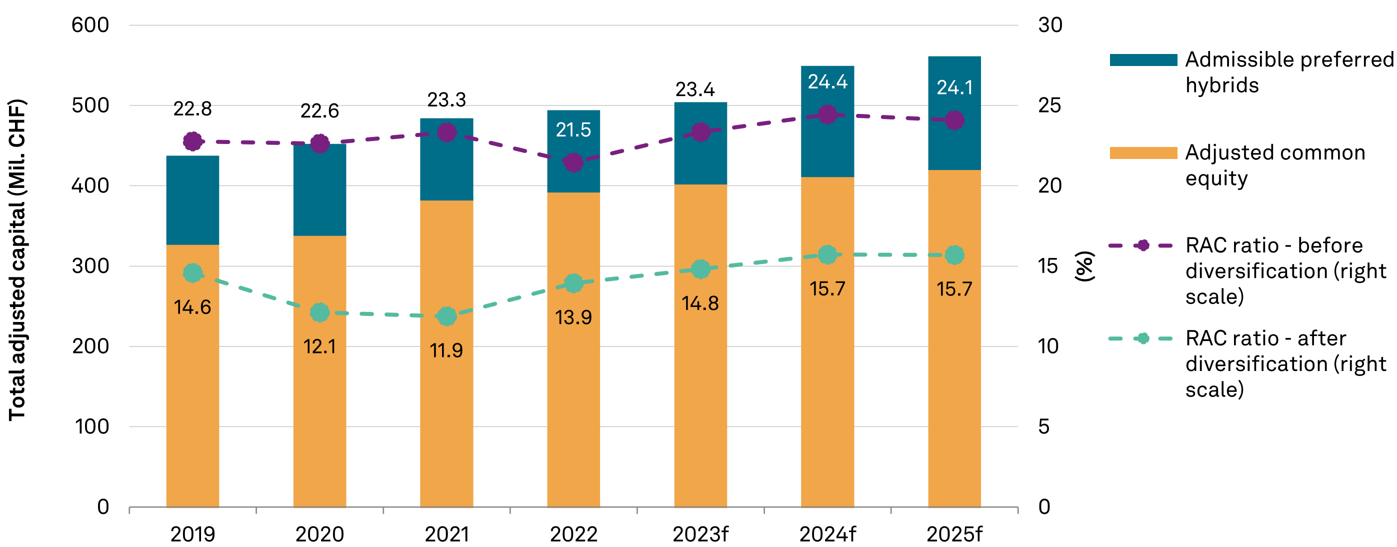
The bank has a Swiss franc (CHF) 100 million additional tier 1 (AT1) instrument that we classify as a component of our total adjusted capital (TAC), S&P Global Ratings' core capital metric. The proportion of hybrid instruments in TAC is higher for GLKB (20%) than most cantonal peers, and we therefore assess the bank's capital quality as weaker than peers' (chart 5). GLKB's earnings buffer--our metric that measures the capacity of its earnings to cover normalized losses through a full credit cycle—is also lower than peers'.

GLKB's high capitalization is supported by our forecast of flattish annual CHF25 million net income after taxes until 2025 and an unchanged 60% dividend payout ratio. As part of its current strategy, the bank targets to maintain a total capital ratio of at least 17% throughout 2023-2026. In addition, the bank aims to increase its pre-tax return on equity to at least 7% while lowering the cost-to-income ratio to below 62%. The management targets are in line with our own projections, so we deem them as realistic.

Chart 3

We project GLKB's risk-adjusted capital ratio to remain around 24% in the next 12-24 months

RAC developments

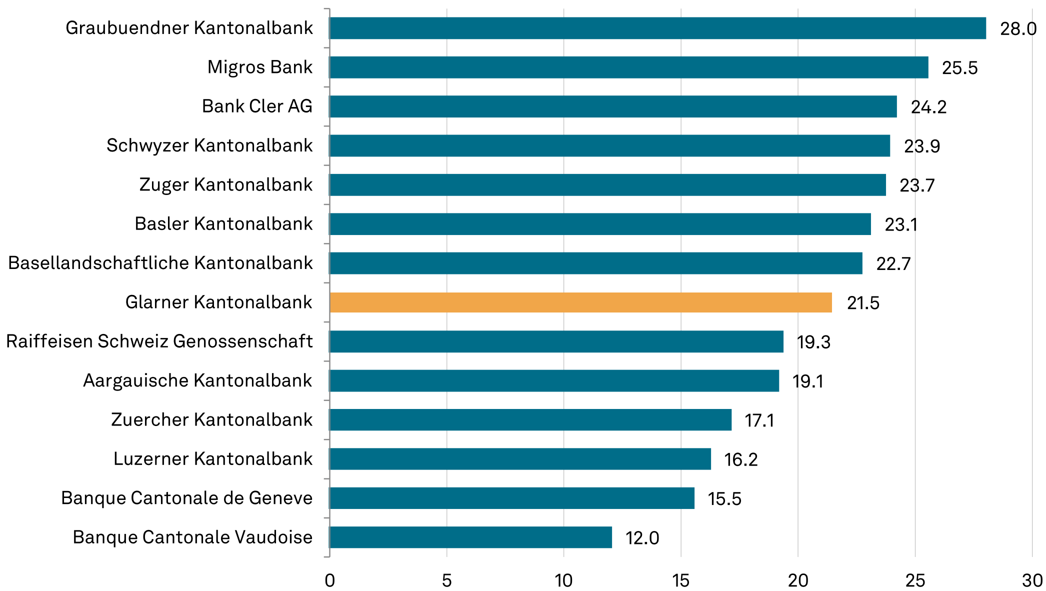


f--Forecast. CHF--Swiss franc. RAC--Risk-adjusted capital. Source: S&P Global Ratings.

Chart 4

GLKB's capitalization is in line with Swiss peers

Peer comparison of risk-adjusted capital ratio as of year-end 2022

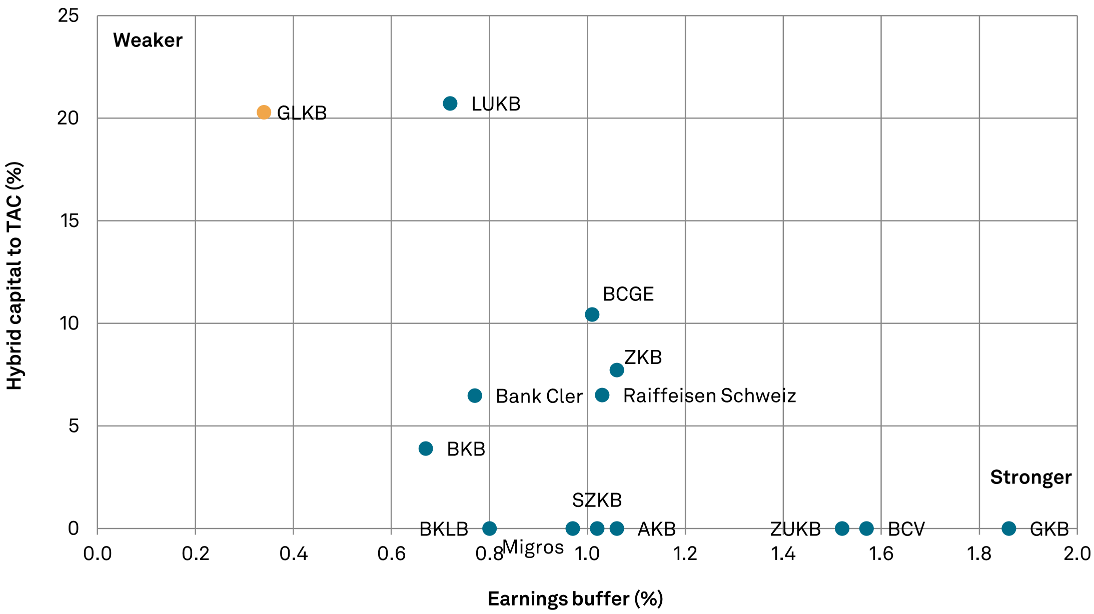


Source: S&P Global Ratings.

Chart 5

GLKB's quality of capital and earnings capacity are weaker than for most peers

Peer comparison of earnings buffer and share of hybrid capital as of year-end 2022



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. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. ZUKB--Zuger Kantonalbank. Source: S&P Global Ratings.

Risk Position: Sound Collateralization Buffers Concentration In Residential Mortgage Lending

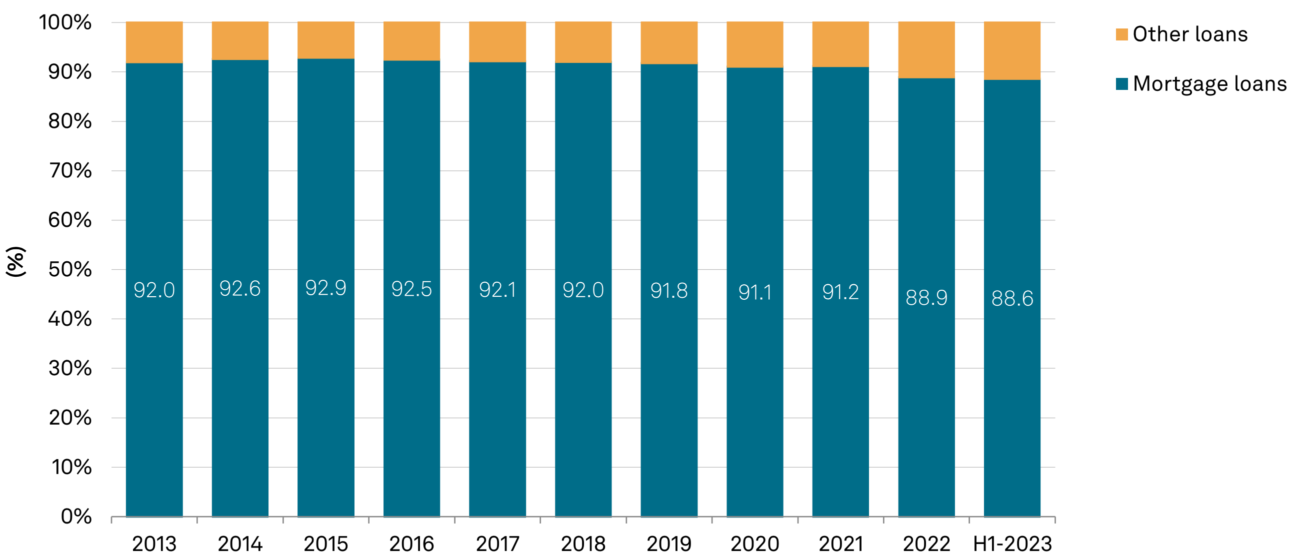
We expect GLKB will remain focused on well-collateralized lending, such as mortgages, small and midsize enterprises, and to some extent consumer financing. Its risk profile is characterized by concentration risks in its mortgage loan portfolio which represent about 90% of gross customer loans. This is mitigated by sound overcollateralization that we view as a key risk mitigant (chart 6).

Despite offering online mortgages nationwide, the bank's regional concentration in mortgage lending remains significant, especially when accounting for exposure to the nearby canton of Zurich and Glarus' direct neighbors. We believe it exposes GLKB to regional concentration risks. These are partially offset by high collateralization of the mortgage loan portfolio (with the average loan-to-value ratio of about 50% as of June 30, 2023) and a robust Swiss housing market.

The bank avoids complex products, and we expect it to maintain its sound underwriting practices in new mortgage lending, helping it continue to report low levels of nonperforming assets (NPAs; 90 days past due) in its loan book (estimated at about 0.2% of the total at Dec. 31, 2023; chart 7). This supports our forecasts that GLKB's cost of risk will stay below 10 basis points over the next two years.

Chart 6

Concentration risk due to high but well-collateralized mortgage loan book
GLKB's loan portfolio development

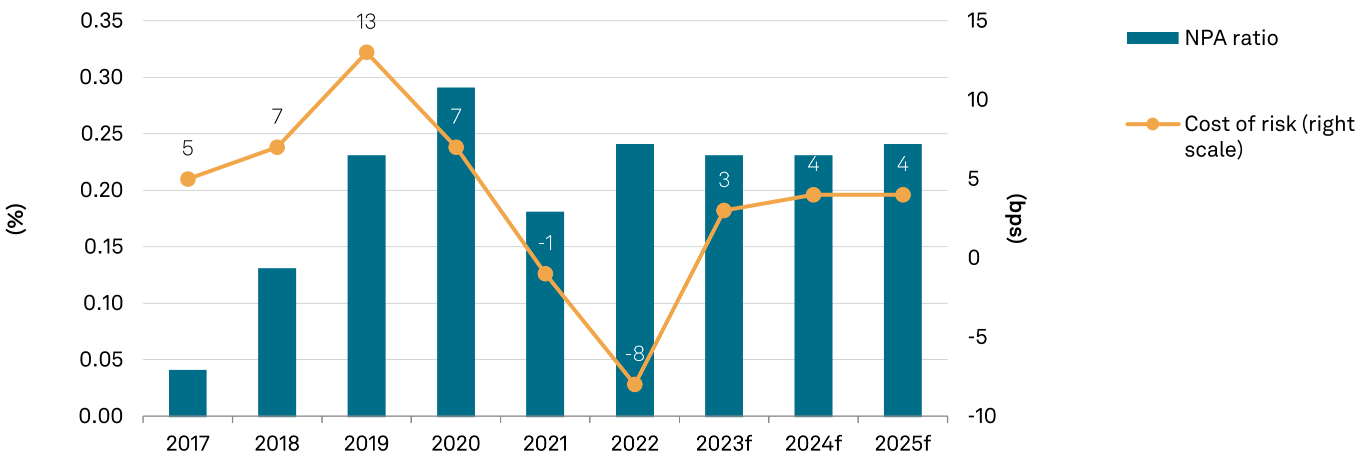


H1--First half. Source: S&P Global Ratings.

Chart 7

GLKB's ratio of nonperforming assets and cost of risk remain low

NPA ratio and cost of risk between 2017-2025f



bps--Basis points. f--Forecast. NPA--Nonperforming assets. Source: S&P Global Ratings.

Funding And Liquidity: Below-Average Metrics, But Funding Stability Is Aided By Cantonal Ownership

We anticipate that GLKB's funding profile will remain weaker than those of most domestic peers, because of the banks' higher dependency on wholesale funding sources (chart 8). This is partly owing to a lack of sufficient customer deposits to fund its balance sheet growth.

GLKB's core customer deposits accounted for 59% of its funding base as of June 30, 2023, and we expect it to remain a stable funding source supported by the cantonal guarantee. We expect the bank's stable funding ratio will remain close to 100% over the next years, which remains weaker than most peer banks' (chart 9). Due to the higher interest rates in Switzerland, deposit rates for clients have increased. In addition, customers have partly switched from demand to time deposits which offer a higher remuneration. Combined with the comparatively high share of wholesale funding, these factors have contributed to an above average increase in interest expenses compared with peers (chart 10). While GLKB has benefitted from revaluations of foreign currency swaps in its trading income, we continue to believe that its funding profile compares relatively weaker than that of other cantonal banks in Switzerland.

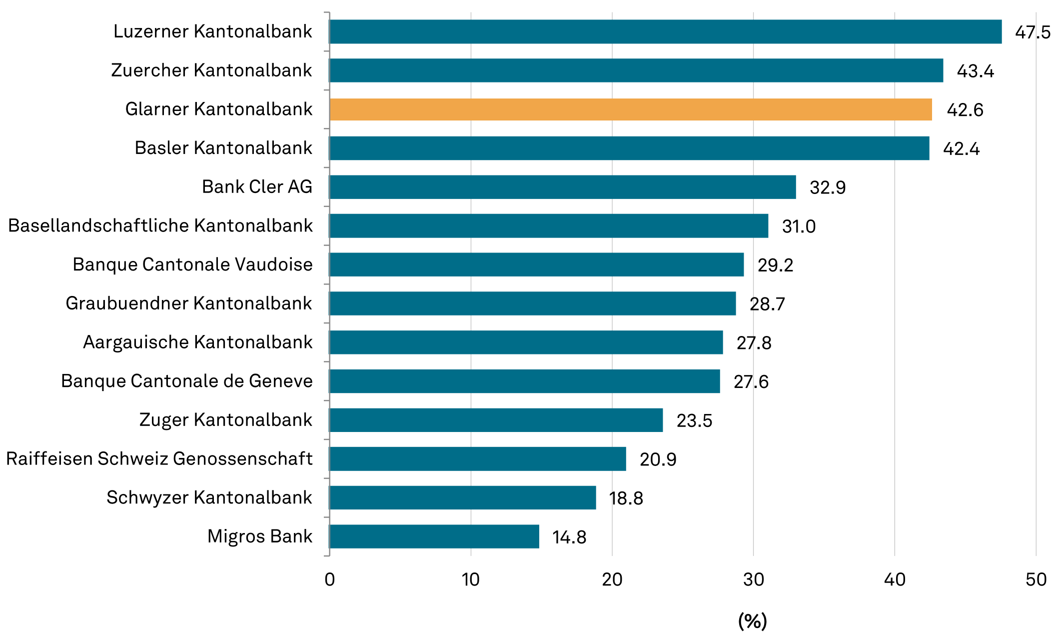
We expect GLKB to maintain an adequate coverage of short-term wholesale funding sources by broad liquid assets of about 1.6x as of June 30, 2023. However, most peer cantonal banks demonstrate stronger metrics and GLKB's weaker liquidity ratio mirrors the bank's relatively lower cash reserves held at central banks and, in our view, a smaller and less liquid security portfolio than other cantonal banks when put in context to the size of the bank. That said, we note positively the increase of broad liquid assets to about 21% of total assets at mid-year 2023 from 18% at year-end 2022. The bank has adequate liquidity contingency plans and is stress testing its liquidity in- and outflows to the extent where we believe that it would survive for more than six months under stressful market conditions.

GLKB benefits from its close ties with the Canton of Glarus. As a government-owned bank, we expect the bank's access to liquidity to potentially benefit from a "flight to quality" effect in more challenging economic conditions. The bank's loyal customer deposit base supports its liquidity, and we do not expect large-scale withdrawals in times of stress also owing to the cantonal guarantee on certain liabilities.

Chart 8

Wholesale funding is a substantial part of GLKB's funding base

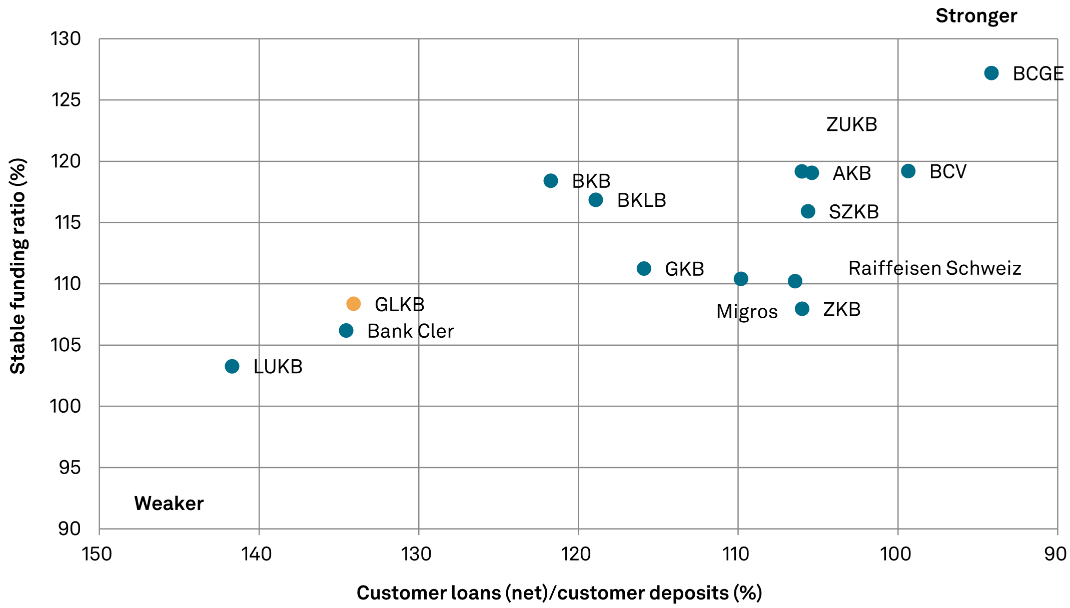
Peer comparison of total wholesale funding / funding base as of H1-2023



H1-First half. Source: S&P Global Ratings.

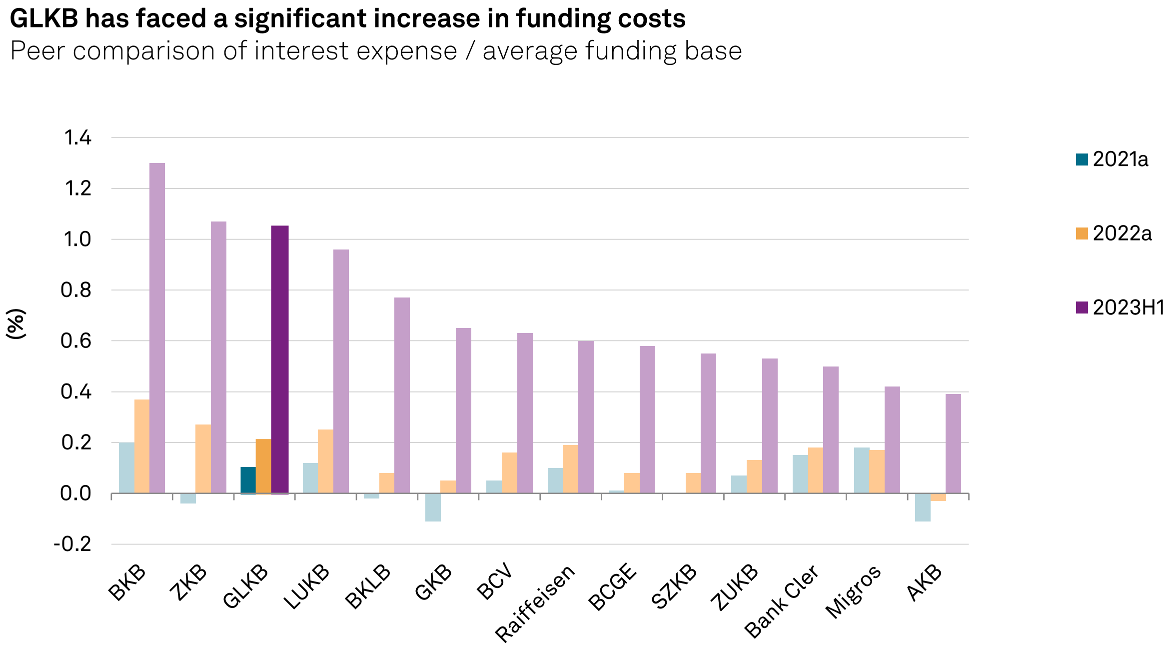
Chart 9

GLKB's funding metrics remains relatively weak compared to Swiss peers
Peer comparison of loan-to-deposit ratio and stable funding ratio as of H1-2023



H1--First half. 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. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. ZUKB--Zuger Kantonalbank. Source: S&P Global Ratings.

Chart 10



a--Actual. H1--First half. 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. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. ZUKB--Zuger Kantonalbank. Source: S&P Global Ratings.

Support: Extremely High Likelihood Of Timely And Sufficient Extraordinary Support From Glarus

We consider GLKB a government-related entity. The 'AA' long-term rating on the bank reflects our view that there is an extremely high likelihood of timely and sufficient extraordinary support from Glarus, if needed. We base this on our view of the bank's integral link with and very important role for the canton. The halt to GLKB's privatization plans following a vote in May 2022 is a supportive factor for our assessment. Also essential to our assessment is our view of good financial prospects for the bank, reducing the incentive for a potential revival of the discussion. We do not expect renewed attempts through the government or parliament to change the existing cantonal bank law. This is based on the canton's history of direct votes that have been persistent and unchallengeable for the foreseeable future.

Environmental, Social, And Governance

ESG factors are overall neutral in our credit rating analysis of GLKB. The cantonal bank's franchise and mandate focus on providing basic services to Glarus' population and supporting economic development in the region. Still, GLKB has expanded its mortgage business to regions outside its home canton in recent years. As part of its ESG strategy, the bank excludes some corporate sectors from its business undertakings and commits to sustainability goals.

Key Statistics

Table 1

Glarner Kantonalbank--Key figures					
	--Year-ended Dec. 31--				
(Mil. CHF)	**2023***	**2022**	**2021**	**2020**	**2019**
Adjusted assets	9,000.6	8,578.1	7,753.9	7,044.4	6,400.8
Customer loans (gross)	6,583.4	6,468.3	5,823.9	5,566.7	5,310.8
Adjusted common equity	398.6	393.0	383.4	338.9	328.1
Operating revenues	51.3	91.1	90.0	87.4	84.3
Noninterest expenses	34.7	66.5	61.3	53.0	52.8
Core earnings	13.0	25.3	24.4	25.9	20.9

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

Table 2

Glarner Kantonalbank--Business position					
	--Year-ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Loan market share in country of domicile	N/A	N/A	0.4	0.4	0.4
Deposit market share in country of domicile	N/A	N/A	0.4	0.4	0.3
Total revenues from business line (currency in millions)	51.3	91.1	90.0	87.4	89.4
Other revenues/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	6.3	6.2	6.4	7.4	7.5

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

Table 3

Glarner Kantonalbank--Capital and earnings					
	--Year-ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	N/A	14.4	15.4	18.0	18.5
S&P Global Ratings' RAC ratio before diversification	N/A	21.5	23.3	22.6	22.8
S&P Global Ratings' RAC ratio after diversification	N/A	13.9	11.9	12.1	14.6
Adjusted common equity/total adjusted capital	79.9	79.7	79.3	75.2	75.2
Net interest income/operating revenues	68.6	74.2	76.7	77.1	73.1
Fee income/operating revenues	16.1	17.5	16.3	14.9	14.7
Market-sensitive income/operating revenues	14.4	10.3	6.1	6.2	8.7
Cost to income ratio	67.8	73.0	68.1	60.6	62.6
Preprovision operating income/average assets	0.4	0.3	0.4	0.5	0.5
Core earnings/average managed assets	0.3	0.3	0.3	0.4	0.3

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

Table 4

Glarner Kantonalbank--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	1,462,531	0	0	0	0
Of which regional governments and local authorities	0	0	0	0	0
Institutions and CCPs	461,246	149,176	32	81,591	18
Corporate	348,190	201,113	58	230,960	66
Retail	6,273,383	2,883,930	46	1,786,770	28
Of which mortgage	5,497,778	2,278,133	41	1,274,935	23
Securitization§	0	0	0	0	0
Other assets†	0	0	0	0	0
Total credit risk	8,545,350	3,234,219	38	2,099,321	25
Credit valuation adjustment					
Total credit valuation adjustment	--	12,078	--	0	--
Market Risk					
Equity in the banking book	0	0	0	0	0
Trading book market risk	--	7,825	--	11,738	--
Total market risk	--	7,825	--	11,738	--
Operational risk					
Total operational risk	--	164,926	--	186,983	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	3,463,736	--	2,298,041	100
Total Diversification/ Concentration Adjustments	--	--	--	1,241,322	54
RWA after diversification	--	3,463,736	--	3,539,363	154
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		500,243	14.4	493,008	21.5
Capital ratio after adjustments‡		500,243	14.4	493,008	13.9

*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). CCPs--Central counterparty clearing house. RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CHF -- Swiss Franc. Sources: Company data as of Dec. 31, 2022, S&P Global Ratings.

Table 5

Glarner Kantonalbank--Risk position

	--Year-ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	3.6	11.1	4.6	4.8	7.3
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	54.0	96.5	86.6	56.2
Total managed assets/adjusted common equity (x)	22.6	21.8	20.2	20.8	19.5
New loan loss provisions/average customer loans	0.0	(0.1)	(0.0)	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.0	0.2	0.2	0.3	0.2
Loan loss reserves/gross nonperforming assets	N/A	93.5	233.3	201.7	260.2

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

Table 6

Glarner Kantonalbank--Funding and liquidity

	--Year-ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	58.6	61.9	64.6	65.3	63.1
Customer loans (net)/customer deposits	134.1	131.5	125.9	131.7	144.3
Long-term funding ratio	86.3	88.4	89.1	87.5	86.1
Stable funding ratio	108.4	106.0	110.2	104.7	98.6
Short-term wholesale funding/funding base	14.5	12.3	11.7	13.5	15.2
Regulatory net stable funding ratio	N/A	137.2	143.3	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	1.6	1.6	1.9	1.4	1.0
Broad liquid assets/total assets	21.3	17.9	20.4	17.0	13.5
Broad liquid assets/customer deposits	39.0	31.3	34.4	28.6	23.6
Net broad liquid assets/short-term customer deposits	15.1	12.1	17.1	8.3	(0.6)
Regulatory liquidity coverage ratio (LCR) (x)	N/A	185.7	223.5	N/A	N/A
Short-term wholesale funding/total wholesale funding	34.0	31.3	31.7	35.8	37.7
Narrow liquid assets/3-month wholesale funding (x)	2.2	2.2	3.3	2.4	2.7

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

Glarner Kantonalbank--Rating component scores

Issuer credit rating	**AA/Stable/A-1+**
SACP	a-
Anchor	a-
Economic risk	1
Industry risk	3
Business position	Moderate
Capital and earnings	Very strong
Risk position	Adequate
Funding	Moderate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+4

Glarner Kantonalbank--Rating component scores (cont.)	
Issuer credit rating	**AA/Stable/A-1+**
ALAC support	0
GRE support	+4
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

- 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
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- 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

- Economic Outlook Eurozone Q1 2024: Headed For A Soft Landing, Nov. 27, 2023
- Banking Industry Country Risk Assessment: Switzerland, Aug. 18, 2023

Ratings Detail (As Of January 18, 2024)*	
Glarner Kantonalbank	
Issuer Credit Rating	AA/Stable/A-1+
Subordinated	BBB
Issuer Credit Ratings History	
04-May-2022	AA/Stable/A-1+
11-Dec-2020	AA-/Negative/A-1+
09-Mar-2017	AA/Stable/A-1+
Sovereign Rating	
Switzerland	AAA/Stable/A-1+

*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.