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Aargauische Kantonalbank

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Table Of Contents

Table Of Contents (cont.)

Aargauische Kantonalbank

Rating Score Snapshot

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

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

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

ALAC support	0
GRE support	+3
Group support	0
Sovereign support	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**
Extremely high likelihood of support from the financially strong Canton of Aargau, if needed.	Concentration risks and limited earnings diversification due to focus on residential mortgage lending.
Sound financial profile underpinned by very strong capitalization and sustained profitability.	Subdued growth prospects in the competitive home market.
High-quality loan book dominated by granular and well-collateralized residential mortgages.	

Despite the weaker economic outlook and rising interest rates, we expect Aargauische Kantonalbank's (AKB's) performance will remain sound, thanks to its resilient customer base and prudent lending policies. AKB is well positioned to weather external shocks, helped by sound underwriting standards, a solid business model, and a loyal customer base. More than 90% of AKB's loan book is well collateralized residential mortgage lending, with the remainder being financing of local small and midsize enterprises (SMEs) in its home and neighboring regions. We expect limited risk to the real estate market from rising mortgage rates and weaker economic prospects.

The bank's capitalization remains a rating strength and provides cushioning against tail risk. We anticipate that AKB will maintain its superior capitalization. Its risk-adjusted capital (RAC) ratio stood at 20.9% as of Dec. 31, 2022, and we forecast that the RAC ratio will hover at about 22.0%-22.5% over the next 24 months. AKB's capitalization is among the world's strongest, together with some cantonal bank peers.

We expect that AKB will receive government support from its sole owner the Canton of Aargau, if needed. In our view, AKB will maintain its integral link with and very important role for Aargau, which is largely facilitated by cantonal bank law. The law stipulates the cantonal ownership and guarantee and the objectives of the bank. We expect the canton will maintain the existing guarantee for the future.

Outlook

The stable outlook on AKB mirrors the outlook on its owner and guarantor, the canton of Aargau. AKB will continue to benefit from being a government-related entity (GRE) with an extremely high likelihood of receiving support from Aargau over the next two years, if needed. We anticipate that AKB will maintain its sound financial profile, underpinned by its very strong capitalization and sound earnings capacity over that period.

Downside scenario

We would consider revising our outlook on AKB to negative if we revised the outlook on Aargau to negative.

A downgrade could be triggered by a significant weakening of AKB's role for, or link with Aargau, due to changes in the statutory guarantee for example. However, we consider this scenario unlikely and expect AKB's existing obligations would be grandfathered.

A deterioration of the stand-alone credit profile (SACP) would not immediately affect the overall rating, because we expect that the owner's support would compensate for weaker stand-alone creditworthiness.

Upside scenario

A positive rating action is very remote. This could only be triggered if we revised upward AKB's SACP, which we view as extremely unlikely, given our already high assessment.

Key Metrics

Aargauische Kantonalbank--Key ratios and forecasts

	--Fiscal year ending Dec. 31--				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	2.3	3.9	10.5-12.8	(2.1)-(2.6)	(2.1)-(2.6)
Growth in customer loans	2.8	4.4	1.7-2.1	1.8-2.2	1.6-2.0
Net interest income/average earning assets (NIM)	1.2	1.2	1.2-1.4	1.2-1.3	1.1-1.3
Cost to income ratio	51.0	49.5	44.3-46.6	46.1-48.4	47.9-50.3
Return on average common equity	6.5	6.6	6.9-7.6	6.2-6.8	5.5-6.1
Gross nonperforming assets/customer loans	1.1	1.2	1.1-1.2	1.0-1.1	1.0-1.1
Risk-adjusted capital ratio	20.7	20.9	23.6-24.8	23.8-25.0	23.9-25.2

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

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

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

The Swiss private sector has proven its resilience against multiple external stress scenarios. Despite the worsening economic outlook, we expect Swiss households and corporates to maintain credit strength. This reflects the superior financial strength of Swiss households and corporations. It also reflects banks' prudent underwriting standards, which focus on collateralized lending--mainly residential mortgages or Lombard loans. Overall, we see limited risk to Swiss households on debt servicing capacity from rising rates. At the same time, we anticipate the deceleration in house price rises should remain manageable for Swiss banks' mortgage exposures. 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. We think that house prices are supported by a strong Swiss labor market, tight and inelastic supply in housing, and ongoing high demand due to persistently high immigration.

Our view of industry risk in Switzerland encompasses the stability of the domestic banking sector, despite the failure of Credit Suisse. In general, we do not observe a loss in customer confidence in Swiss banking. This is because many domestic banks profited from inflows of assets under management and deposits from Credit Suisse after outflows escalated in 2022.

Business Position: Solid Franchise And Stable Business Activity Mitigates Risks From Geographic And Product Concentration

We expect AKB will maintain its solid franchise and high business stability, offsetting concentration risks arising from its focus on real estate lending in Aargau. AKB's history of sound and sustainable profitability, prudent risk management, and cautious lending standards are fundamental to our business position assessment. Customer loyalty further supports our assessment. This is instilled by the cantonal ownership and guarantee and is typically stronger during crises.

AKB is a midsize cantonal bank, with total assets of Swiss francs (CHF) 37.1 billion and ranks seventh out of 24 cantonal banks in Switzerland (by total assets at mid-year 2023). The bank operates in northwest Switzerland, which is characterized by its strong small and midsize industrial sector. Like most cantonal banks, AKB focuses mainly on its home canton and neighboring regions, is active primarily in residential mortgage lending (about 93% of the loan book as of June 2023), and in financing local SMEs. Its business activity includes private banking services.

The competitive environment in AKB's core market is tougher compared with many cantonal banks we rate, with several other domestic and regional banks competing in the canton. AKB's market share, at about 25%, is lower compared with other cantonal banks. We expect the bank will be able to protect its market-leading position in Aargau over the next few years, building on its status as the leading cantonal bank.

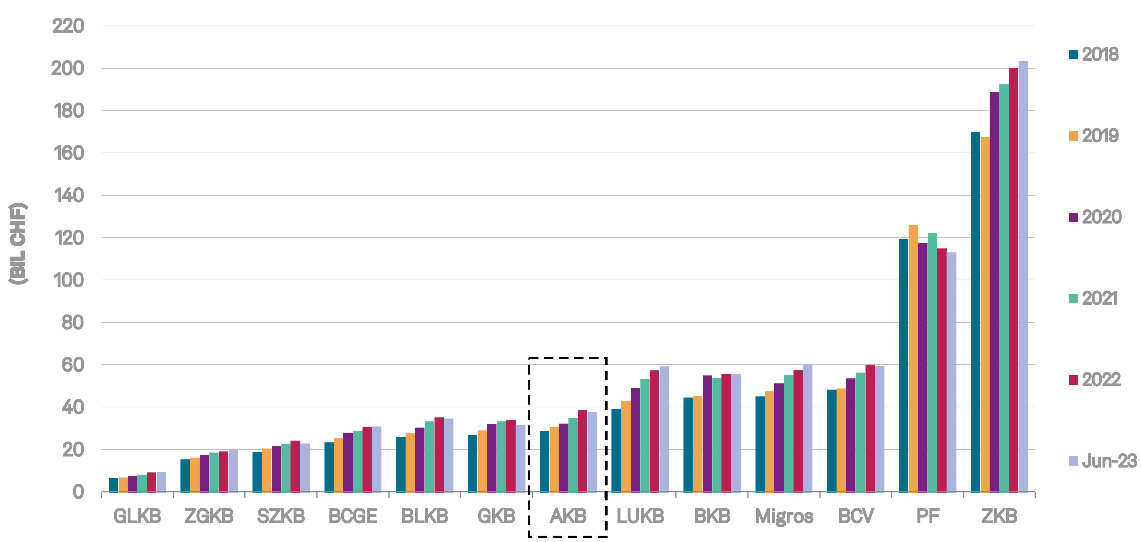
The bank's geographic concentration in Aargau and neighboring regions exposes its business volumes and earnings to economic swings in a rather small economy. Risks are somewhat mitigated by a wealthy and resilient customer base. Although we see risks arising from AKB's concentrated business position, we expect the bank will continue to post sound and stable earnings in the coming years. This will be attained by focusing on achieving appropriate risk-adjusted margins, rather than business volumes.

The bank's cost-to-income ratio stood at 42.6% as of mid-2023. This is in line with the bank's long-term cost-to-income target of below 55.0%, which we expect it will continue to meet. Due to the difficult market environment, fees and commission income marginally reduced to CHF41.6 million during first-half 2023, a 3.4% decline from 2022.

AKB's loyal and conservative base means we see relatively low risk that new fintech competitors could disrupt its business model in the. The bank's base are likely to continue to favor a relationship-based bank over a purely digital bank. This will give AKB time to gradually adjust its product offering and digital customer interaction.

Chart 1

AKB as midsize cantonal bank



*Data is as of March 2023. CHF--Swiss franc. SZKB - Schwyzer Kantonalbank, GKB - Graubuendner Kantonalbank, AKB - Aargauische Kantonalbank, BKB - Basler Kantonalbank, GLKB - Glarner Kantonalbank, LUKB - Luzerner Kantonalbank, ZKB - Zuercher Kantonalbank, ZGKB - Zuger Kantonalbank, BLKB - Basellandschaftliche Kantonalbank, BCV - Banque Cantonale Vaudoise, BCGE - Banque Cantonale de Geneve, PostFinance - PostFinance AG, DSP - Die Schweizerische Post AG, Migros - Migros Bank. Source: S&P Global Ratings.

Capital And Earnings: Capitalization Remains A Key Rating Strength

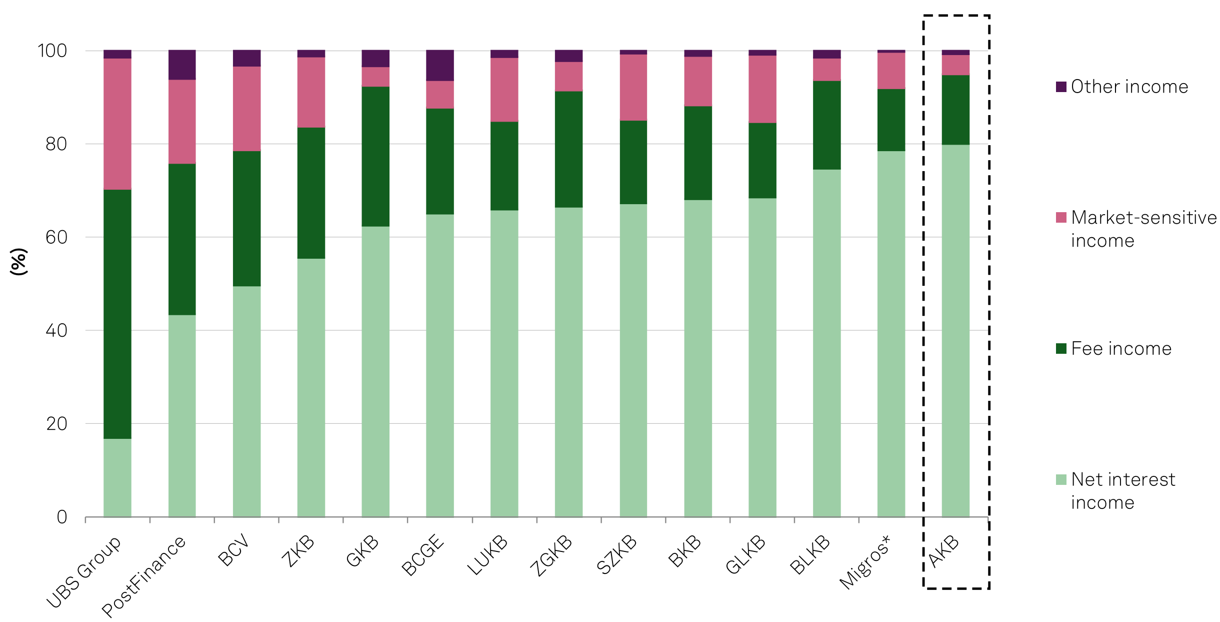
We expect that AKB will maintain its rating strength of superior capitalization. This is based on our projected RAC ratio of over 22.0% over the next two years, compared with 20.9% at year-end 2022.

The bank's agreement with the canton that it will maintain a 4.0%-6.0% buffer above its current 13.2% regulatory total capital requirement supports the stability in capital ratios. It therefore targets a total capital ratio of 16.0%-18.0%. The bank's reported total capital ratio as of June 30, 2023, was 16.9% (compared with 16.5% as of Dec. 31, 2022)--maintaining a 3.7 percentage point buffer. Although we understand that this agreement is not binding, we expect the canton would adjust its dividend requirement to allow AKB's common equity tier 1 ratio to stay above the target. The bank has not issued any hybrid securities, resulting in a high quality of capital.

In our view, AKB's earnings are predictable and stable. We forecast net income of approximately CHF200 million-CHF210 million from 2023 to 2025. This is because net interest margins increased over recent months. We expect strong risk-adjusted profitability in the near term. We also forecast AKB's earnings buffer to remain at about 1.5% in 2023 and beyond, compared with 1.1% in 2022, broadly in line with that of its Swiss peers. This buffer, which measures a bank's capacity of pre-provision operating income to cover normalized (annual average through the cycle) credit losses, would act as a first line of defense.

Chart 2

AKB with highest net-interest dependence of its peer group



*Data is as of March 2023. SZKB - Schwyzer Kantonalbank, GKB - Graubuendner Kantonalbank, AKB - Aargauische Kantonalbank, BKB - Basler Kantonalbank, GLKB - Glarner Kantonalbank, LUKB - Luzerner Kantonalbank, ZKB - Zuercher Kantonalbank, ZGKB - Zuger Kantonalbank, BLKB - Basellandschaftliche Kantonalbank, BCV - Banque Cantonale Vaudoise, BCGE - Banque Cantonale de Geneve, PostFinance - PostFinance AG, DSP - Die Schweizerische Post AG, UBS Group - UBS Group AG, Migros - Migros Bank. Source: S&P Global Ratings.

Risk Position: Concentration In Residential Mortgage Lending, But Strong Risk Metrics

AKB's risk position remains a neutral rating factor. The Swiss private sector has proven its resilience against multiple external shocks. Despite its inherent regional and segment concentrations, we think that the asset quality of AKB's loan portfolio is high and well managed. We base our view on AKB's prudent risk management and conservative lending standards. We expect loan book growth to remain at about 3.0%-3.5% in the next couple of years.

As of June 2023, AKB's mortgage loan portfolio represents about 93.0% of the loan book and mostly consists of residential real estate loans. It benefits from its high granularity, high collateralization, and a comparably favorable average loan-to-value ratio of about 61.0%.

The strong Swiss labor market, tight and inelastic supply in housing, and ongoing high demand due to steady immigration flows supports house prices, despite the rise in mortgage rates and weaker economic prospects. Given AKB's focus on mortgage lending, a major correction could pressure its asset quality. We see the risk of a material price correction in the real estate market as limited. We think, in an adverse scenario, the Aargau housing market would not be able to delink itself from developments in the national housing market.

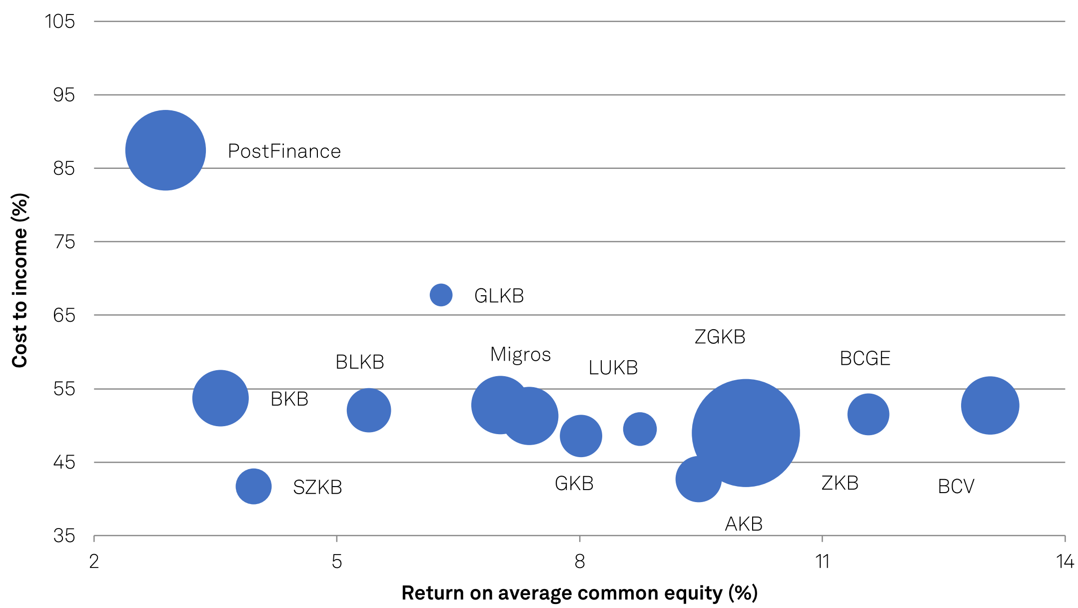
We generally view commercial lending as riskier than residential real estate loans. We see AKB's commercial loan portfolio as sound in quality because of its modest exposure to cyclical and riskier sectors, such as tourism or real estate development. Nevertheless, the bank's commercial lending exposes it to higher credit losses in a recessionary scenario than its retail business.

We anticipate the bank will maintain its conservative underwriting standards in new mortgage lending, helping it keep nonperforming loans (NPL) in its loan book to a minimum. Its NPL ratio of 1.1% as of June 2023 was based on AKB's disclosure of loans at risk, which is more conservative than the 90 days past due standard we usually reference. We expect the NPLs will decline toward pre-pandemic levels of about 1.0% by 2025.

AKB makes negligible use of complex products because it is dedicated to the local market and only offers standard products. The bank's loan book consists mainly of longer-term, fixed-rate loans, which are largely funded by shorter-term savings deposits. This exposes the bank to interest rate risks, which are adequately hedged, in our view. Risks from trading activities are very limited because these are generally client-initiated.

Chart 3

AKB with sound profitability and exceptional efficiency metrics



*Data is as of March 2023. Bubble Size represents Total assets. SZKB - Schwyzer Kantonalbank, GKB - Graubuendner Kantonalbank, AKB - Aargauische Kantonalbank, BKB - Basler Kantonalbank, GLKB - Glarner Kantonalbank, LUKB - Luzerner Kantonalbank, ZKB - Zuercher Kantonalbank, ZGKB - Zuger Kantonalbank, BLKB - Basellandschaftliche Kantonalbank, BCV - Banque Cantonale Vaudoise, BCGE - Banque Cantonale de Geneve, PostFinance - PostFinance AG, DSP - Die Schweizerische Post AG, Migros - Migros Bank. Source: S&P Global Ratings.

Funding And Liquidity: Stable Funding Base, Owing To A Strong Retail Franchise, Reinforced By Canton Guarantees

Our funding assessment for AKB will remain comfortably in line with domestic peers. At the same time, we see the bank's liquidity position and management as a strength. The guarantee provided by the canton supports funding and liquidity, which benefits from the stability of customer deposits. The bank's core customer deposits accounted for 72.2% of its funding base as of June 2023. Its leverage ratio was 7.0% of total assets at the same date.

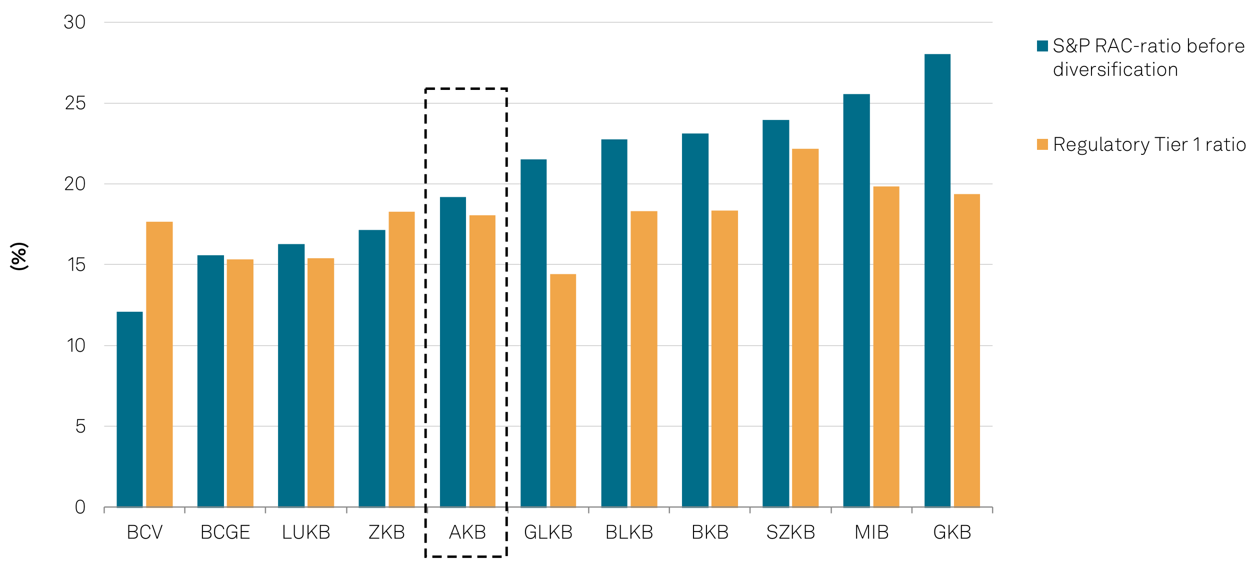
We expect customer loans will continue to exceed customer deposits, indicating AKB's dependency on other means of funding. These additional sources of the bank's funding mix are diversified between capital market funding, via secured and unsecured instruments, and interbank funding. We expect AKB's stable funding ratio (our measure of available long-term funding relative to long-term funding needs) will remain at about 110.0% over the next two years, which is broadly comparable with other rated cantonal banks.

Our strong liquidity assessment indicates that AKB's broad liquid assets comfortably covered its short-term wholesale funding needs by 2.23x as of June 2023 (end-2022: 2.05x). This implies that it could operate for more than 12 months with no access to market funding. This level of liquid assets to short-term liquidity needs is in line with the strong levels at most other rated cantonal banks. Furthermore, broad liquid assets over short-term wholesale funding still exceeded short-term customer deposits by about 23.0% as of June 2023 (24.7% as of year-end 2022). We think that the bank has proper governance to prevent any funding concentrations and undergoes regular stress testing.

We do not think that the bank would be exposed to large withdrawals of customer deposits in times of stress owing to AKB's close ties with, and the statutory guarantee by, the canton. On the contrary, during the global financial crisis, we observed a flight to quality that strengthened AKB's funding and liquidity profile. AKB nevertheless considers severe idiosyncratic stress in its stress testing.

Chart 4

AKB continues to demonstrate very strong capitalization



Ratios as of December 2022. RAC--Risk-adjusted capital. 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. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings.

Support:Three Notches Of Uplift

We expect AKB will remain a GRE, reinforced by its full ownership by Aargau. The long-term rating on AKB is three notches higher than its SACP, reflecting our opinion of an extremely high likelihood of timely and sufficient extraordinary government support for AKB from its owner in the event of financial distress.

We view AKB as having an integral link with and a very important role for Aargau, which is largely facilitated by cantonal bank law. The law stipulates the cantonal ownership and guarantee as well as the bank's objectives. We think a potential default of AKB would have a significant systemic impact on the local economy. This further incentivizes support mechanisms for the bank if it encounters financial distress.

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

Environmental, Social, And Governance

ESG factors have a neutral impact in our assessment of AKB's creditworthiness. Social and environmental credit factors are in line with those of peers in the banking industry, while the bank's governance standards are comparable with the practice in its home country.

Key Statistics

Table 1

Aargauische Kantonalbank--Key figures

	--Year ended Dec. 31--				
(Mil. CHF)	**2023***	**2022**	**2021**	**2020**	**2019**
Adjusted assets	37,133.3	38,144.4	34,329.9	31,775.4	30,240.4
Customer loans (gross)	25,848.9	25,404.2	24,325.7	23,660.8	23,437.9
Adjusted common equity	2,836.3	2,687.5	2,562.5	2,516.9	2,398.7
Operating revenues	276.7	435.5	419.4	409.8	388.0
Noninterest expenses	118.1	215.7	214.0	212.7	214.9
Core earnings	147.9	200.1	195.0	187.8	173.0

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

Table 2

Aargauische Kantonalbank--Business position

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Total revenues from business line (currency in millions)	277.7	452.8	421.5	406.7	389.7
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	9.5	6.6	6.5	5.5	6.1

*Data as of June 30.

Table 3

Aargauische Kantonalbank--Capital and earnings

	--Year ended Dec. 31--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	17.6	18.0	18.4	18.6	17.9
S&P Global Ratings’ RAC ratio before diversification	N/A	19.1	20.7	20.9	20.6
S&P Global Ratings’ RAC ratio after diversification	N/A	15.3	17.0	17.2	16.7

Table 3

Aargauische Kantonalbank--Capital and earnings (cont.)

	--Year ended Dec. 31--				
(%)	2023*	2022	2021	2020	2019
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	80.0	73.9	73.0	74.4	73.6
Fee income/operating revenues	15.0	19.2	19.8	18.4	18.2
Market-sensitive income/operating revenues	4.3	5.8	6.2	6.2	6.6
Cost to income ratio	42.7	49.5	51.0	51.9	55.4
Preprovision operating income/average assets	0.8	0.6	0.6	0.6	0.6
Core earnings/average managed assets	0.8	0.6	0.6	0.6	0.6

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

Table 4

Aargauische Kantonalbank--Risk-adjusted capital framework data

(Mil. CHF)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	9,006.0	0.0	0.0	270.2	3.0
Of which regional governments and local authorities	0.0	0.0	0.0	0.0	0.0
Institutions and CCPs	2,950.9	863.8	29.3	535.5	18.1
Corporate	9,200.1	5,724.5	62.2	6,078.8	66.1
Retail	17,744.1	7,330.3	41.3	4,467.3	25.2
Of which mortgage	15,525.2	5,704.9	36.7	3,133.0	20.2
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	59.2	59.1	100.0	53.2	90.0
Total credit risk	38,960.2	13,977.6	35.9	11,405.1	29.3
Credit valuation adjustment					
Total credit valuation adjustment	--	38.3	--	0.0	--
Market Risk					
Equity in the banking book	73.9	83.0	112.3	524.5	709.7
Trading book market risk	--	54.6	--	81.9	--
Total market risk	--	137.6	--	606.4	--
Operational risk					
Total operational risk	--	785.8	--	827.2	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	14,939.3	--	12,838.6	100.0
Total diversification/ Concentration adjustments	--	--	--	3,253.5	25.3
RWA after diversification	--	14,939.3	--	16,092.1	125.3

Table 4

Aargauische Kantonalbank--Risk-adjusted capital framework data (cont.)

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	2,688.2	18.0	2,687.5	20.9
Capital ratio after adjustments‡	2,688.2	18.0	2,687.5	16.7

*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. CCPs--Central counterparty clearing house. Sources: Company data as of Dec. 31, 2022 and S&P Global Ratings.

Table 5

Aargauische Kantonalbank--Risk position

	--Year ended Dec. 31--				
(%)	2023*	2022	2021	2020	2019
Growth in customer loans	3.5	4.4	2.8	1.0	2.5
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	25.1	21.6	21.3	23.2
Total managed assets/adjusted common equity (x)	13.1	14.2	13.4	12.6	12.6
New loan loss provisions/average customer loans	0.0	0.0	0.0	0.0	(0.0)
Net charge-offs/average customer loans	0.1	0.0	0.0	0.0	0.0
Gross nonperforming assets/customer loans + other real estate owned	1.2	1.2	1.1	0.9	0.7
Loan loss reserves/gross nonperforming assets	19.0	19.0	22.0	28.9	42.6

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

Table 6

Aargauische Kantonalbank--Funding and liquidity

	--Year ended Dec. 31--				
(%)	2023*	2022	2021	2020	2019
Core deposits/funding base	72.2	69.3	72.6	70.2	68.4
Customer loans (net)/customer deposits	105.4	104.4	106.7	116.3	124.3
Long-term funding ratio	87.7	85.1	90.3	90.8	88.6
Stable funding ratio	119.1	121.2	121.0	116.0	108.8
Short-term wholesale funding/funding base	13.3	16.1	10.6	10.0	12.5
Regulatory net stable funding ratio	151.1	147.8	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	2.2	2.0	2.7	2.5	1.7
Broad liquid assets/total assets	27.1	30.2	26.1	22.3	19.3
Broad liquid assets/customer deposits	41.1	47.4	39.3	34.9	31.0
Net broad liquid assets/short-term customer deposits	23.0	24.7	25.3	21.2	13.2
Regulatory liquidity coverage ratio (LCR) (x)	146.1	147.2	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	47.9	52.3	38.5	33.4	39.5
Narrow liquid assets/3-month wholesale funding (x)	3.3	2.2	6.4	4.1	3.4

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

Aargauische 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	Strong
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 | 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
- 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

- Banking Industry Country Risk Assessment: Switzerland, Aug. 18, 2023
- Aargauische Kantonalbank, Nov. 18, 2022
- Aargauische Kantonalbank Upgraded To 'AA+' On Similar Action On Canton of Aargau; Outlook Stable, Dec. 19, 2022

Ratings Detail (As Of November 21, 2023)*		
Aargauische Kantonalbank		
Issuer Credit Rating		AA+/Stable/A-1+
Issuer Credit Ratings History		
19-Dec-2022	*Foreign Currency*	AA+/Stable/A-1+
01-Jul-2021		AA/Positive/A-1+
24-Jul-2018		AA/Stable/A-1+
19-Dec-2022	*Local Currency*	AA+/Stable/A-1+
01-Jul-2021		AA/Positive/A-1+
24-Jul-2018		AA/Stable/A-1+
Sovereign Rating		
Switzerland		AAA/Stable/A-1+
Related Entities		
Aargau (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.