S&P Global Ratings

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Banque Cantonale Vaudoise

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Banque Cantonale Vaudoise

Rating Score Snapshot

Issuer Credit Rating
AA/Stable/A-1+

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

SACP: a		
Anchor	a-	
Business position	Adequate	0
Capital and earnings	Strong	+1
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

Support: +3	
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
A very high likelihood of support from the Swiss Canton of Vaud in the event of financial distress.	Highly concentrated exposure to the real estate market in the Canton of Vaud.
Good franchise in the canton's resilient economy, with a more diverse business model than that of traditional Swiss cantonal banks.	A presence in the high-risk, low-granularity trade finance business.
Robust capitalization, good operational profitability, predictable earnings, and resilient asset quality.	Reducing liquidity buffers, as for other Swiss cantonal banks, which are now more aligned with European banks' average.

Banque Cantonale Vaudoise (BCV) continues to display strong profitability despite declining interest rates. BCV has strong fundamentals and is the second-largest Swiss cantonal bank by assets, just behind Zurcher Kantonalbank. It achieved a net profit of Swiss Franc (CHF) 221 million (about €248 million) and a return on average common equity of 12% in the first six months of 2024, the highest among Swiss cantonal banks. The 2024 first-half results were mainly driven by broadly stable net interest income despite two Swiss National Bank (SNB) policy-rate cuts and increasing costs amid moderate inflation. We expect marginally higher provisioning expenses in the second half of 2024 and the coming years. Nevertheless, we forecast BCV's return on average common equity at about 11.4% over 2024-2026, materially above the pre-2023 levels.

Robust capitalization and solid asset quality are expected to continue supporting the bank. This hinges on the risk-adjusted capital (RAC) ratio before adjustments remaining well above our 10% threshold over the next 24 months, despite high dividend distribution. About 84% of BCV's net customer loans portfolio comprises mortgage loans, including to corporate and individual borrowers. This high concentration could lead to higher loan losses if the economy deteriorates, potentially due to higher client debt amid continued lending growth. However, we consider this risk remote and expect the cost of risk to marginally increase but remain below 10 basis points (bps) in our forecast horizon.

BCV's link with the canton and role for the local economy should continue to support its franchise and overall creditworthiness. The canton of Vaud owns 66.95% of BCV, which has an important role in supporting the local economy. In an event of financial stress, we believe Vaud is very likely to provide sufficient and timely support to the bank because a default could severely damage the canton's reputation.

Outlook

The stable outlook on BCV reflects that on its majority owner, the canton of Vaud, and our view that the very high likelihood of extraordinary support from the canton won't change in the next two years.

Downside scenario

We could take a negative rating action on BCV if we took a similar rating action on Vaud. Furthermore, a weakening of BCV's role for and link with the canton could lead us to revise downward our assessment of the bank's status as a government-related entity. However, we do not envisage such a scenario in the next two years.

A deterioration of the bank's stand-alone credit profile (SACP) would not immediately affect our rating because we expect the owner's support would offset the stand-alone weakness. The rating has headroom for a two-notch weakening of our assessment of BCV's SACP before this would affect the issuer credit rating.

Upside scenario

A positive rating action is unlikely. We could consider an upgrade if we saw an increased likelihood of extraordinary support for BCV from the canton or if we revised upward our assessment of BCV's stand-alone creditworthiness by two notches.

Key Metrics

Banque Cantonale Vaudoise--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	**2022a**	**2023a**	**2024f**	**2025f**	**2026f**
Growth in operating revenue	2.3	12.0	(0.7)-(0.8)	(0.2)-(0.2)	1.8-2.2
Growth in customer loans	2.9	3.5	4.5-5	2.7-3.3	2.7-3.3

Banque Cantonale Vaudoise--Key ratios and forecasts (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	2022a	2023a	2024f	2025f	2026f
Growth in total assets	6.2	(0.9)	2.8-3.3	2.0-2.3	1.8-2.1
Net interest income/average earning assets (NIM)	1.1	1.3	1.1-1.3	1.1-1.2	1.1-1.2
Cost to income ratio	51.8	48.3	48.6-53.7	50.4-55.7	50.8-56.2
Return on average common equity	10.6	12.4	10.4-12.7	10.1-12.4	10.3-12.6
Return on assets	0.7	0.8	0.6-0.8	0.6-0.7	0.6-0.7
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	0.4	0.3	0.4-0.4	0.4-0.5	0.4-0.4
Risk-adjusted capital ratio	12.0	12.8	12.2-12.6	12.0-12.3	12.8-13.2

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 BCV, 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. We expect banks to maintain their strong asset quality, amid the superior financial strength of Swiss households and corporations as well as prudent underwriting standards, despite the difficult global economic outlook. We anticipate the country's GDP to expand by 1.5% in 2025.

Overall, we see limited risks to Swiss banks' mortgage exposures, since real estate prices are supported by structural factors such as immigration and the scarcity of building land. We anticipate slightly decreasing returns from previously strong levels, owing to interest cuts by the SNB to an expected 0.5% during 2025-2027.

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. Tech disruption poses a moderate risk for the Swiss market, in our opinion. 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 full alternatives to traditional banks, in our view.

Business Position: A Leading Franchise In Vaud And More Diverse Business Profile Than A Typical Swiss Cantonal Bank

Our assessment is supported by our view of BCV's sustained business stability and consistent approach to growth, demonstrated by its management and strategy. The bank delivered exceptional financial results in 2023, and maintained very strong profitability in the first half of 2024, with a return on average common equity of about 11.7% (compared to 12.4% in 2023), despite the SNB's interest rate cuts of 25 bps in March and 25 bps in June. We continue to expect the bank to leverage on its solid fundamentals, while focusing on customer satisfaction, cross-selling opportunities, and digitization.

With total assets of CHF61 billion at half-year 2024, BCV is the sixth-largest banking group in Switzerland and the second-largest Swiss cantonal bank. It is a market leader in retail banking and among small and midsize enterprises in Vaud, one of the country's richest and most resilient cantons. Vaud's GDP increased in 2023 by 1.2%, broadly in line with the nationwide average. We currently forecast Switzerland's GDP growth to stabilize at 1.5% per year over 2024-2026. Also, with CHF117.2 billion of assets under management in June 2024, up by 4% for the first six months of 2024 and above the 2021 peak, BCV has a good franchise in asset and wealth management, although its market share of private banking is much smaller than for retail banking.

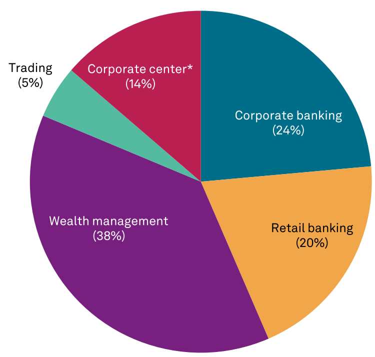
BCV's operational performance is remarkably stable, as highlighted by its cost-to-income ratio remaining within 48%-54% for the past five years, thus proving the resilience of its business operations and operating model. The bank's 2023 financials were exceptional, with net income up 21% on the back of a 29% rise in net interest income (NIM), reaching a CHF597 million record. We forecast NIM to decline in 2024 and 2025, leading to a moderate margin compression. Therefore, we expect BCV's net interest income in 2024 to be lower than in 2023, partly due to the SNB's lower deposit remuneration rate. Nevertheless, we forecast BCV's cost to income at 50%-55% over 2024-2026 while return on asset is expected to average about 0.8%.

In addition to its traditional activities as a Swiss cantonal bank, BCV has a structured products business and is one of the main players in French-speaking Switzerland in transaction-based commodity trade finance, which relates mainly to metals, agribusiness, and energy products. Increased geopolitical tensions and BCV's conservative approach amid environmental uncertainties led to a significant reduction of trade finance activity, with average exposure volume declining by 9% over the first half of 2024.

Overall, in our view, BCV's management demonstrates prudent strategy, focusing on the bank's core areas of expertise. We do not rule out that the current challenging macroeconomic environment, geopolitical tensions, and market volatility could alter BCV's business volumes, revenue composition, earnings capacity, and balance-sheet profile, but we expect any impacts to remain quite limited. However, we will monitor notably the evolution of BCV's credit margins and loan losses, as well as the size of its balance-sheet and cost of liquidity buffers.

Chart 1

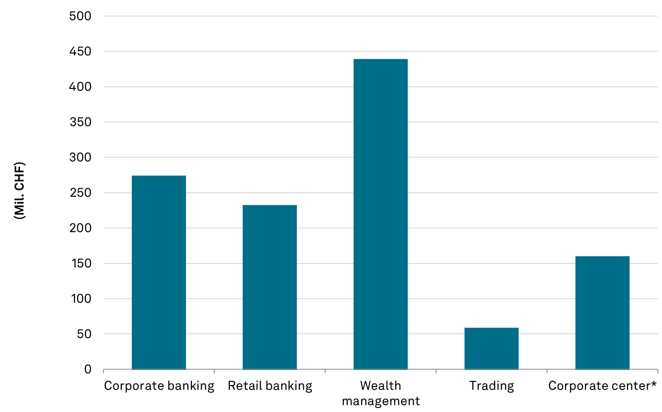
Banque Cantonale Vaudoise--2023 Revenue split by divisions



*The corporate center comprises the net gain/loss on asset and liability management, on interbank activities, and on fixed assets as well as gross interest on impaired loans handled by the Credit Recovery Management Department.

Chart 2

Banque Cantonale Vaudoise--2023 Revenue split by divisions

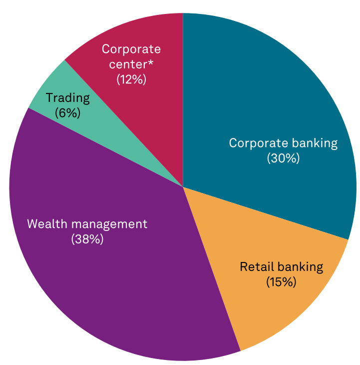


*The corporate center comprises the net gain/loss on asset and liability management, on interbank activities, and on fixed assets as well as gross interest on impaired loans handled by the Credit Recovery Management Department.

CHF--Swiss franc.

Chart 3

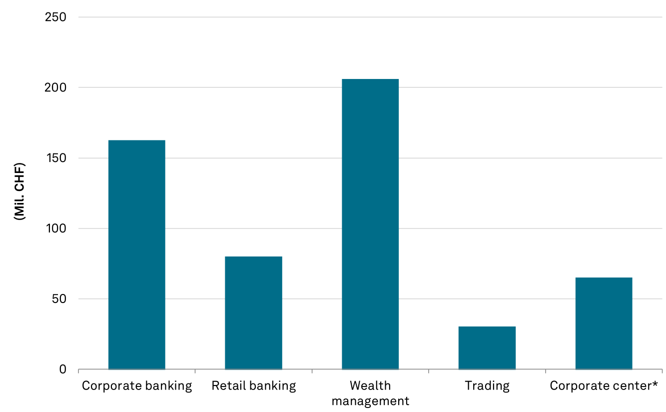
Banque Cantonale Vaudoise--2023 Operating profit split by divisions



*The corporate center comprises the net gain/loss on asset and liability management, on interbank activities, and on fixed assets as well as gross interest on impaired loans handled by the Credit Recovery Management Department.

Chart 4

Banque Cantonale Vaudoise--2023 Operating profit split by divisions



*The corporate center comprises the net gain/loss on asset and liability management, on interbank activities, and on fixed assets as well as gross interest on impaired loans handled by the Credit Recovery Management Department.

CHF--Swiss Franc.

Capital And Earnings: Robust Capital But Lower Than Most Cantonal Peers'

We view BCV's overall capital and earnings as solid. The group's RAC ratio was 12.76% as of Dec. 31, 2023. This was higher than in 2022 because of a decrease in risk-weighted assets, benefitting from our assessment of decreased economic risk in Switzerland. We expect the RAC ratio to remain above 12% over 2024-2026. Although this level of capitalization is solid in the European context, it remains substantially below the 22% average observed at cantonal bank peers.

For our RAC ratio projection, we anticipate for 2024-2026:

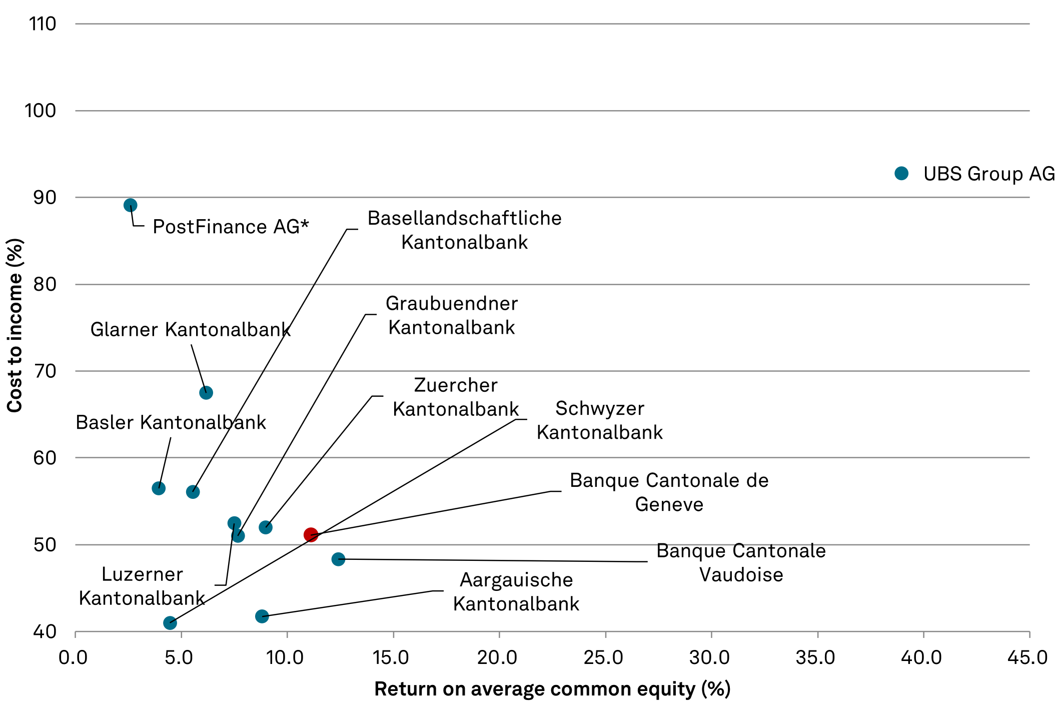
- Average annual credit growth of 3% to 5%,
- Cost of risk contained to 1 bps-4 bps,
- Annual net income of CHF400 million-CHF430 million, and
- Yearly modest increase dividend pay-out per share.

The quality of capital is high, being composed almost entirely of common equity tier 1 (CET1) capital. On Dec. 31, 2023, BCV's CET1 ratio was 17.9% and its total capital ratio was 18%; the CET1 ratio was 17.0% on June 30, 2024. The Swiss regulator, FINMA, set the capital requirement at 14%, including a 1% add-on initially requested due to the low-interest-rate environment and a countercyclical buffer requirement of 1%. BCV's CET1 ratio has been broadly stable and higher than 17% on average over the past five years.

Chart 5

Banque Cantonale Vaudoise--Still outperforming its domestic peers

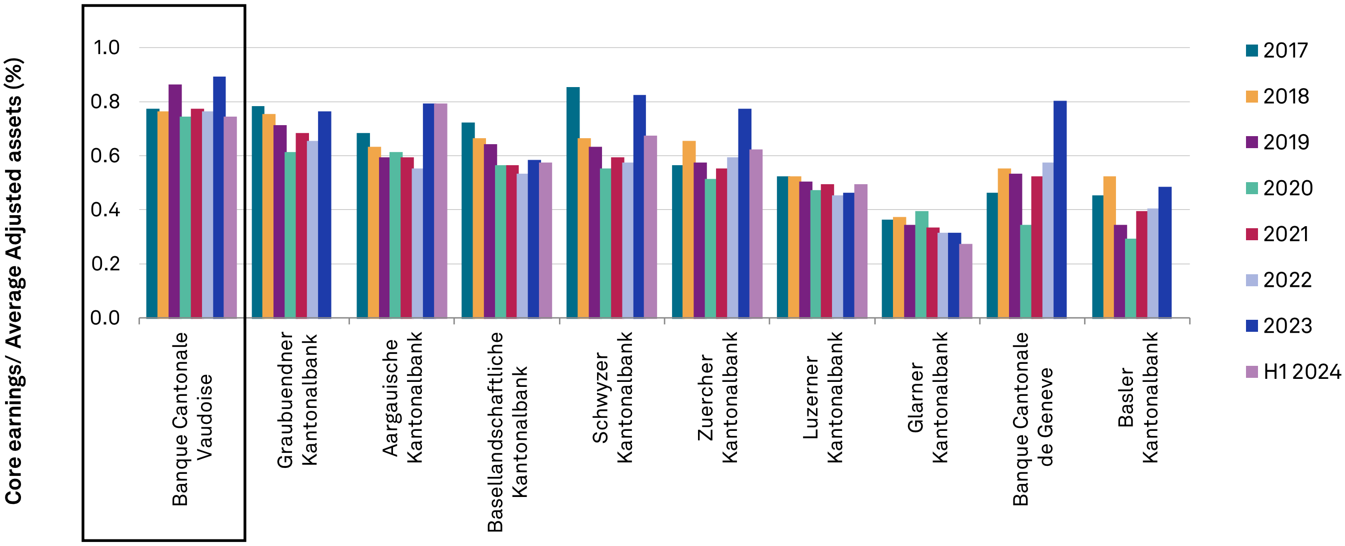
Year-end 2023 data



*2020 Data. Source: S&P Global Ratings.

Chart 6

Banque Cantonale Vaudoise--Sustained strong performance compared to peers



Source: S7P Global Ratings.

Risk Position: Concentration Of Risk In Vaud's Real Estate Markets And Reduced Trade Finance Exposures

Our assessment of BCV's risk position as adequate reflects the balance between its high exposure to Vaud's property markets and its good track record of very low cost of risk on real estate exposures. We estimate the proportion of owner-occupied mortgages is low at about one-half of BCV's mortgage portfolio of CHF32 billion at year-end 2023.

The remainder of mortgage loans chiefly comprise residential rental properties and, to a much lesser extent, corporate properties since office lending and commercial and industrial property lending each account for 2% of BCV's lending book. Although loans are concentrated in Vaud's real estate sector, we consider the client diversification of its real-estate loan portfolio.

Overall, BCV enjoys a solid track record of very low cost of risk on its real estate exposures, which reflects the strength of the sector, its experienced management team, and the well-managed growth of its activities. Residential real-estate prices and domestic lending in Switzerland have experienced strong cumulative growth over the past several years, particularly mortgage lending.

We believe this represents an incremental risk for Swiss banks that have mainly domestic operations and large exposure to the Swiss real estate market. House price increases in Vaud since 2016 partially reflect economic growth in the canton and strong immigration-led demand compared with limited supply, translating into a very limited vacancy rate of around 1.0% for the canton in 2023. Given BCV's significant exposure to residential real estate, we believe that an unexpected deterioration in prices could increase the bank's loan losses. However, we consider that the risk of a sharp correction in property prices is low and we forecast a reducing core inflation rate of 1.1% for 2024 and 0.8% in 2025. Also, the riskier rental housing market is mostly dominated by pension funds and other institutional players.

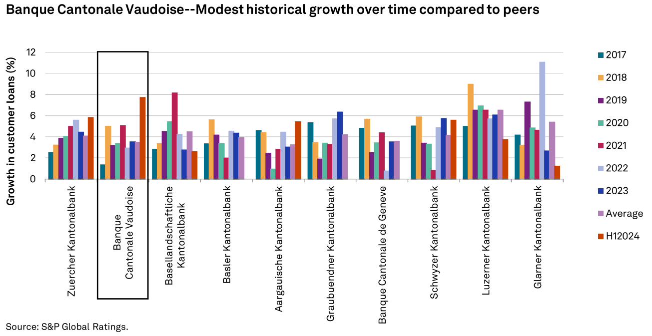
BCV's underwriting standards support our assessment of its risk position. Loan-to-value ratios on new mortgage lending are capped at 80% for owner-occupied housing (lower levels are applied to buy-to-let homes), meaning borrowers must provide a minimum downpayment of 20% in cash. Moreover, the annual cost of borrowing (calculated on a theoretical 7% interest rate) must not exceed one-third of a customer's annual net income.

BCV was the first cantonal bank to file its regulatory reporting using the internal ratings-based approach. This reflects, in our view, the quality of its credit risk management. Gross nonperforming loans stood at a low and stable 0.34% of total customer loans as of first-half 2024 and we estimate it will increase slightly as a result of economic slowdown but remain below 0.5% over 2024-2026. We forecast the cost of risk to remain marginal and well below 10 bps. The bank's riskiest positions include trade finance exposures, which BCV voluntarily reduced at the start of the pandemic and has continued to keep significantly below pre-pandemic levels. Although BCV hedges market risk arising from its structured products and certificates businesses, some residual risk remains, mainly dividend and correlation type risk.

We understand BCV's interest rate management relies on a prudent hedging policy, and the bank reviews its rates scenario every month.

Chart 7

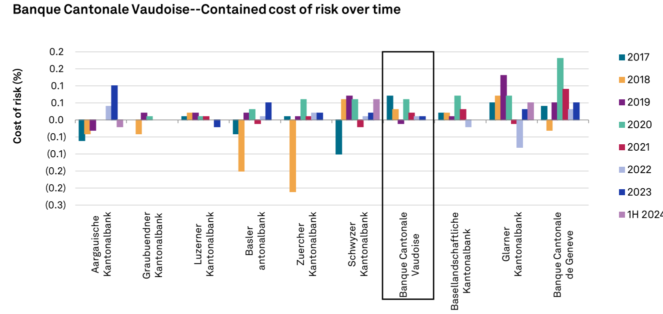
Banque Cantonale Vaudoise--Modest historical growth over time compared to peers



Source: S&P Global Ratings.

Chart 8

Banque Cantonale Vaudoise--Contained cost of risk over time



Source: S&P Global Ratings.

Funding And Liquidity: Stable Deposits And Liquidity Buffer In Line With Peers

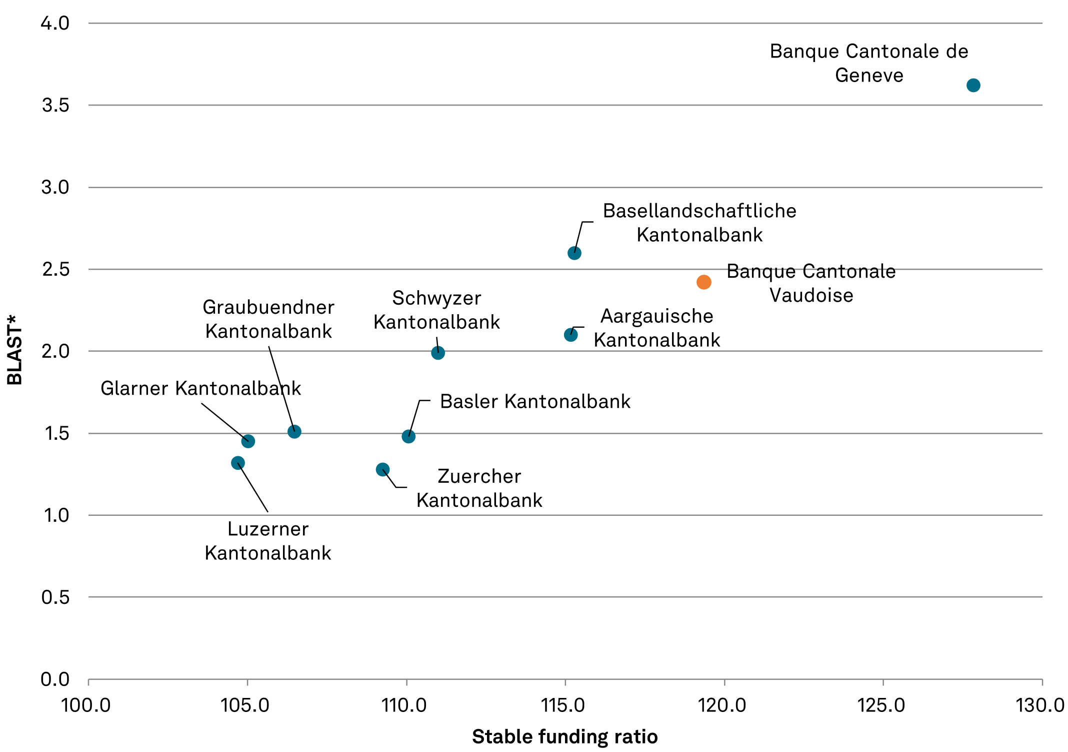
Core customer deposits represented 67% of the funding base in June 2024, according to our calculations. This ratio is decreasing from 76% in 2019 but remains in the upper band compared with Swiss cantonal peers. Like other cantonal banks, BCV uses covered bonds issued by the Centrale de Lettres de Gage (CLG; the Swiss Cantonal Bank Mortgage Bond Center) as a financing source. Through this mutualized source of funding, the bank benefits from the excellent creditworthiness of the CLG, which is backed by Swiss cantonal banks and ultimately by most cantons. BCV's stable funding ratio was about 117% in June 2024, which is broadly in line with that of domestic cantonal peers, which we also see as having adequate funding.

BCV's liquidity buffer has reduced in recent years, with our measure of broad liquid assets falling to 2.4x short-term wholesale funding from 5x in 2019. This means BCV's liquidity buffer over its wholesale funding maturing within one year has reduced over time. This declining liquidity buffer is common to other cantonal banks.

Furthermore, a significant portion of the deposit base contains private banking deposits and uninsured institutional investor deposits, which are more volatile than traditional retail deposits, in our view. Nevertheless, BCV liquidity's is well managed, with a liability-driven asset and liability management strategy, and the bank has a pool of bonds that are eligible as collateral with the SNB. We understand that the bank's policy is to exceed the regulatory requirement for the Basel III liquidity coverage ratio by at least 10% (plus an additional buffer depending on circumstances) which, at half-year 2024, stood at 127%.

Chart 9

Banque Cantonale Vaudoise--Outperformers compared to other cantonal banks



*BLAST: Broad Liquid Assets over Short-Term Funding. Source: S&P Global Ratings.

External Support: Three Notches Of Uplift For GRE Support

We view BCV as a government-related entity (GRE). In accordance with our criteria for GREs, we believe there is a very high likelihood that the government of Vaud would provide timely and sufficient extraordinary support to BCV in the event of financial stress, as it did in 2001-2003. For this reason, the long-term rating on BCV is three notches above its SACP.

We base our view of a very high likelihood of extraordinary support on our assessment of BCV's:

- Very important role in Vaud, reflecting its public policy role in the canton's economic development and the possibility that a default could damage the canton's reputation; and
- Very strong link with the canton. A law passed in March 2010 stipulates that Vaud will keep a majority stake of at least 50% plus one share in the bank. The canton owns 66.95% of BCV. Unlike some other Swiss cantonal banks, however, the bank does not benefit from a cantonal statutory guarantee.

Additional Rating Factors: None

No additional factors affect the rating.

Environmental, Social, And Governance (ESG)

ESG factors are neutral to our assessment of BCV's creditworthiness. Like its direct cantonal peers, the bank's franchise and its mandate focus on providing basic services to the canton's population and supporting economic development in the region. The bank's social credit factors are in line with those of peers in the banking industry, while its governance standards are comparable with the practice in its home country.

BCV is marginally more exposed to transition risk than some of its cantonal peers due to its trade finance activity, but this represents a small part of its overall activity. BCV target a 35% reduction of its 2019 direct carbon dioxide emissions by 2030 and had already achieved a 23% reduction by year-end 2023. In addition, we view as positive top management's cyber risk awareness.

Key Statistics

Table 1

Banque Cantonale Vaudoise--Key figures

	--Fiscal year end Dec. 31--				
(Mil. CHF)	**2023**	**2022**	**2021**	**2020**	**2019**
Adjusted assets	58,780	59,321	55,872	53,100	48,261
Customer loans (gross)	38,005	36,720	35,679	33,967	32,856
Adjusted common equity	3,082	2,998	2,933	2,947	2,955
Operating revenues	1,161	1,037	1,014	960	992
Noninterest expenses	561	537	527	518	528
Core earnings	523	436	418	376	411

CHF--Swiss franc.

Table 2

Banque Cantonale Vaudoise--Business position

	--Fiscal year end Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Total revenues from business line (currency in millions)	1,162.5	1,037.8	1,026.1	965.1	992.8
Commercial banking/total revenues from business line	25.3	27.7	28.8	29.1	26.7
Retail banking/total revenues from business line	20.1	18.9	18.3	18.0	17.5
Asset management/total revenues from business line	37.9	38.0	39.5	37.5	36.6
Other revenues/total revenues from business line	11.6	9.9	7.9	9.7	14.2
Investment banking/total revenues from business line	5.0	5.6	5.4	5.7	5.0
Return on average common equity	12.4	10.6	10.5	9.2	10.2

Table 3

Banque Cantonale Vaudoise--Capital and earnings

	--Fiscal year end Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	17.9	17.6	17.2	17.7	17.1
S&P Global Ratings' RAC ratio before diversification	12.8	12.0	12.3	12.6	13.0
S&P Global Ratings' RAC ratio after diversification	11.2	10.5	10.8	11.1	11.6
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	51.4	44.5	46.6	49.4	50.1
Fee income/operating revenues	29.2	33.1	35.2	32.3	32.5
Market-sensitive income/operating revenues	16.4	18.2	14.1	14.5	12.9
Cost to income ratio	48.3	51.8	52.0	53.9	53.2
Preprovision operating income/average assets	1.0	0.9	0.9	0.9	1.0
Core earnings/average managed assets	0.9	0.8	0.8	0.7	0.9

RAC--Risk-adjusted capital.

Table 4

Banque Cantonale Vaudoise--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	15,734	599	4	113	1
Of which regional governments and local authorities	0	0	0	0	0
Institutions and CCPs	5,874	764	13	1,221	21
Corporate	19,426	10,251	53	12,181	63
Retail	22,060	4,089	19	5,477	25
Of which mortgage	19,875	3,406	17	4,143	21
Securitization§	0	0	0	0	0
Other assets†	500	492	98	454	91
Total credit risk	63,594	16,194	25	19,445	31

Table 4

Banque Cantonale Vaudoise--Risk-adjusted capital framework data (cont.)					
Credit valuation adjustment					
Total credit valuation adjustment	--	124	--	0	--
Market Risk					
Equity in the banking book	43	156	362	308	715
Trading book market risk	--	141	--	212	--
Total market risk	--	297	--	519	--
Operational risk					
Total operational risk	--	1,909	--	4,190	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	19,306	--	24,155	100
Total diversification/ Concentration adjustments	--	--	--	3,347	14
RWA after diversification	--	19,306	--	27,502	114
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		3,465	17.9	3,082	12.8
Capital ratio after adjustments‡		3,465	17.9	3,082	11.2

*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, 2023, S&P Global Ratings.

Table 5

Banque Cantonale Vaudoise--Risk position

	--Fiscal year end Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	3.5	2.9	5.0	3.4	3.2
New loan loss provisions/average customer loans	0.0	0.0	0.0	0.1	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	0.3	0.4	0.4	0.9	0.9
Loan loss reserves/gross nonperforming assets	72.9	62.3	64.2	39.6	31.3

Table 6

Banque Cantonale Vaudoise--Funding and liquidity

	--Fiscal year end Dec. 31--				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	69.0	72.0	75.9	73.7	76.2
Customer loans (net)/customer deposits	103.9	95.4	93.2	95.6	99.2
Long-term funding ratio	88.0	87.9	90.0	92.4	95.0
Stable funding ratio	119.4	122.4	122.4	126.5	122.2

Table 6

Banque Cantonale Vaudoise--Funding and liquidity (cont.)					
	--Fiscal year end Dec. 31--				
(%)	2023	2022	2021	2020	2019
Short-term wholesale funding/funding base	12.9	12.9	10.7	8.1	5.4
Regulatory net stable funding ratio	120.0	124.0	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	2.4	2.5	3.0	3.9	5.0
Broad liquid assets/total assets	28.0	29.3	28.7	28.7	24.3
Net broad liquid assets/short-term customer deposits	26.5	27.4	27.9	32.1	28.4
Regulatory liquidity coverage ratio (LCR) (%)	129.0	129.0	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	41.6	46.3	44.5	31.0	22.8

N/A--Not applicable.

Banque Cantonale Vaudoise--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	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
- 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

Ratings Detail (As Of January 14, 2025)*	
Banque Cantonale Vaudoise	
Issuer Credit Rating	AA/Stable/A-1+
Issuer Credit Ratings History	
18-Jun-2013	AA/Stable/A-1+
03-Jul-2012	AA/Negative/A-1+
05-Dec-2011	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.