

## Schwyzer Kantonalbank

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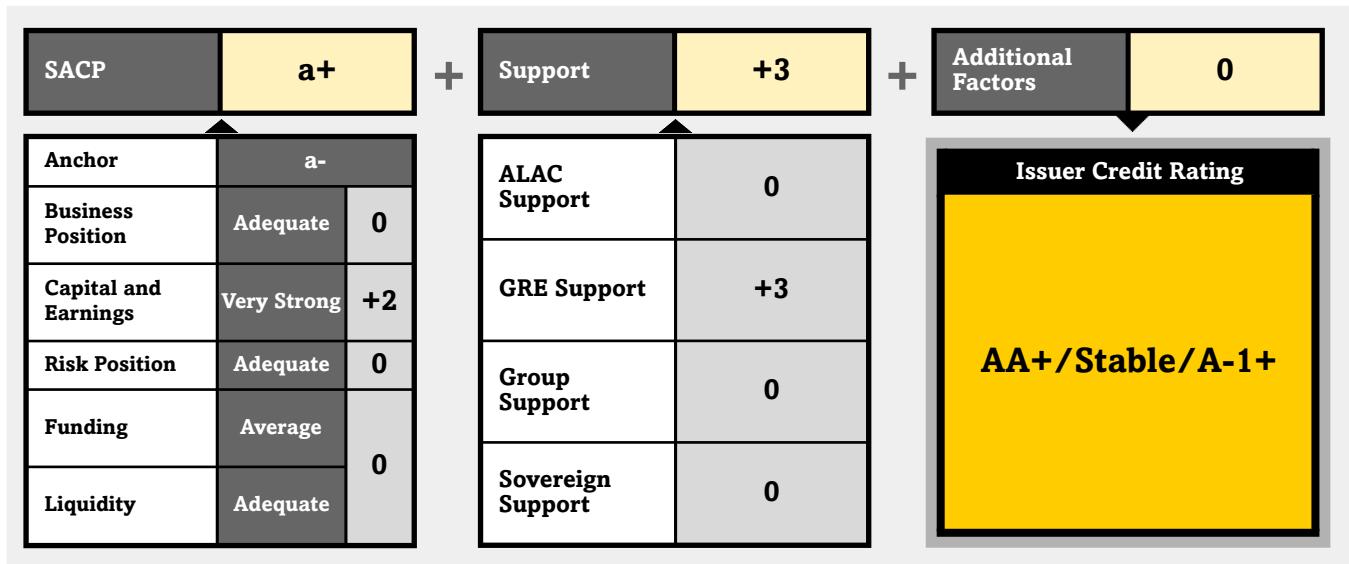
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# Schwyzer Kantonalbank



## Credit Highlights

| Overview   |   |
|--|---|
| Key strengths  | Key risks   |
| Ownership and extremely high likelihood of support from the financially strong Swiss Canton of Schwyz. | Concentration risk in residential mortgage lending in the Canton of Schwyz.           |
| Very strong capitalization alongside prudent risk management.  | Pressure on revenue from the prolonged low-interest-rate environment and competition. |
| Leading franchise in home canton with solid earnings.  |   |

*Schwyzer Kantonalbank (SZKB) remains remarkably resilient against the pandemic thanks to its solid franchise and high business stability offsetting concentration risks in real estate lending in Schwyz.* Despite COVID-19, we forecast SZKB will maintain relatively stable return on equity (ROE) between 3%-4% by 2023, benefitting from SZKB's solid business model, and ongoing prudent risk management with cautious lending standards safeguarding its strong asset quality. SZKB is also helped by the resilient credit conditions in its home canton and real estate financing in particular, considering that more than 70% is well collateralized residential mortgage lending. The remainder is more concentrated regional commercial real estate loans and financing local small and midsize enterprises (SMEs), increasingly (about 30%) outside its home canton.

We expect that SZKB will remain the market leader in its canton, defending its superior franchise and longstanding customer relationships with approximately 80% of the canton's population. Accordingly, we expect SZKB's business profile will remain strongly linked to the economic cycles of the Canton of Schwyz.

*Very high capitalization buffers and a robust liquidity profile are beneficial.* We anticipate that SZKB will maintain its superior capitalization, also supported by the resilience of the Swiss economy amid COVID-19 fallout. We anticipate relative earnings stability due to prudent underwriting standards and resilient Swiss real estate markets. We forecast that our main capital indicator, our risk-adjusted capital (RAC) ratio, will remain stable at 24% over the next 24 months, which puts SZKB's capitalization among the world's strongest, together with some cantonal bank peers. S&P

Global Ratings expects SZKB to maintain its good liquidity buffers and continue to benefit from the cantonal guarantee.

*We anticipate that, if necessary, SZKB will receive government support from its sole owner, Canton of Schwyz, for the foreseeable future.* In our view, SZKB will maintain its integral link with and a very important role for the canton, which is largely facilitated by the cantonal bank law. We expect the canton will maintain the existing guarantee for the at least the next two years. Although we have not see evidence of it, there is a potential long-term 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.

### Outlook: Stable

The stable outlook on Schwyzer Kantonalbank (SZKB) mainly indicates that we expect the likelihood of support from the Canton of Schwyz to remain unchanged in the next two years. Our rating on SZKB remains sensitive to our assessment of the cantonal owners' ability and willingness to support the bank.

#### Downside scenario

A weakening in SZKB's role for or link with the canton, or detrimental changes in the statutory guarantee, could lead us to revise down our support assessment of the bank's status as a government-related entity (GRE). However, we do not envisage such a scenario in the next two years. Also, if this were to happen, we would expect that SZKB's existing obligations would be grandfathered.

#### Upside scenario

We think it unlikely that we would revise upward the rating based on an improvement of SZKB's 'a+' stand-alone credit profile (SACP), given the bank's comparatively concentrated business profile. A deterioration of the SACP would not immediately affect the overall rating, because we expect that the owner's support would compensate for the stand-alone weakness.

## Key Metrics

### Schwyzer Kantonalbank--Key Ratios And Forecasts

|  | --Fiscal year ended Dec. 31 -- |       |             |           |           |
|--|--------------------------------|-------|-------------|-----------|-----------|
| (%)  | 2019a                          | 2020a | 2021f       | 2022f     | 2023f     |
| Growth in operating revenue                      | 3.5                            | (2.1) | (0.7)-(0.8) | 2.5-3.0   | 2.4-3.0   |
| Growth in customer loans                         | 3.4                            | 3.3   | 2.6-3.2     | 1.6-2.0   | 1.6-2.0   |
| Growth in total assets                           | 9.9                            | 6.7   | 4.0-4.9     | 6.3-7.7   | 6.4-7.8   |
| Net interest income/average earning assets (NIM) | 1.1                            | 1.0   | 0.9-1.0     | 0.9-1.0   | 0.9-1.0   |
| Cost to income ratio                             | 47.3                           | 50.1  | 51.7-54.4   | 51.1-53.7 | 50.3-52.9 |
| Return on average common equity                  | 4.1                            | 3.8   | 3.2-3.5     | 3.4-3.8   | 3.4-3.8   |
| Return on assets                                 | 0.4                            | 0.4   | 0.3-0.3     | 0.3-0.4   | 0.3-0.3   |
| New loan loss provisions/average customer loans  | 0.1                            | 0.1   | 0.1-0.1     | 0.1-0.1   | 0.1-0.1   |
| Gross nonperforming assets/customer loans        | 0.3                            | 0.3   | 0.3-0.3     | 0.3-0.4   | 0.3-0.4   |
| Risk-adjusted capital ratio                      | 23.5                           | 24.3  | 23.6-24.8   | 23.9-25.1 | 24.3-25.5 |

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast.

## Anchor: 'a-' For Banks Operating Predominantly In Switzerland

Our criteria use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. Our anchor for a bank operating mainly in Switzerland is 'a-'. We observe a stable trend for economic and industry risk in Switzerland.

Switzerland's economy contracted significantly in 2020 due to the spread of COVID-19, but we expect it to fully recover over the coming two years. Under this base case, we think the Swiss banking sector will remain resilient, supported by very high household income levels and a proven stress-resilient corporate sector. We think Swiss authorities' abundant support measures should cushion the short-term effect on Swiss banks' loan books. Additionally, we view positively banks' prudent loan underwriting standards and high collateralization of residential mortgage loans, which dominate most customer portfolios. Considering these factors, we expect only a limited increase in credit losses, from historical low levels. We also expect that price growth in the owner-occupier segment will remain muted in the wake of the pandemic. However, a particular risk remains in the investment property segment, where we were already seeing signs of a price correction before the COVID-19 pandemic.

Our view of industry risk in Switzerland encompasses the stability of the domestic banking sector and our expectation that damage from the COVID-19 pandemic will remain contained. We view positively the limited presence of foreign players, banks' high capitalization levels in an international comparison, and their low reliance on capital markets for funding. In our view, the Swiss regulator remains ahead in terms of both regulatory oversight and innovations. We think the Financial Market Supervisory Authority's thorough investigations of past international large-scale money-laundering cases have improved market discipline. We particularly consider compliance with the highest anti-money-laundering standards as crucial for the stability of the banking sector, reflecting the importance of the wealth management industry.

We expect that banks' interest margins will continue to decline gradually in a permanent low-interest-rate environment. However, we expect that repricing of lending products, additional fee income from investment advisory-related activities, and ongoing cost management can offset some of the pressure. We currently consider risk for Swiss banks from tech disruption limited, given the small size of the market with high barriers to entry, and technologically well-equipped banks.

## Business Position: Cost-Efficient Strong Franchise In Schwyz

SZKB has a stable but regionally focused market position. We expect that its business profile will remain a neutral rating factor, in line with peers operating in favorably low industry risk countries.

SZKB had total assets of Swiss franc (CHF) 21.4 billion (about €19.5 billion) as of June 30, 2021, and we expect the size of the bank will remain at a similar level in the coming years--relatively small, compared with most of its Swiss peers (see charts 1 and 2). For regional diversification, SZKB targets SME and retail mortgage clients in German-speaking Switzerland. The share of the outstanding credit exposures outside of its home canton already surpasses 30%. We view this as a defensible level in the next 12-24 months. However, SZKB's strategy will still be

focused on the local economy, in line with the underlying cantonal bank low.

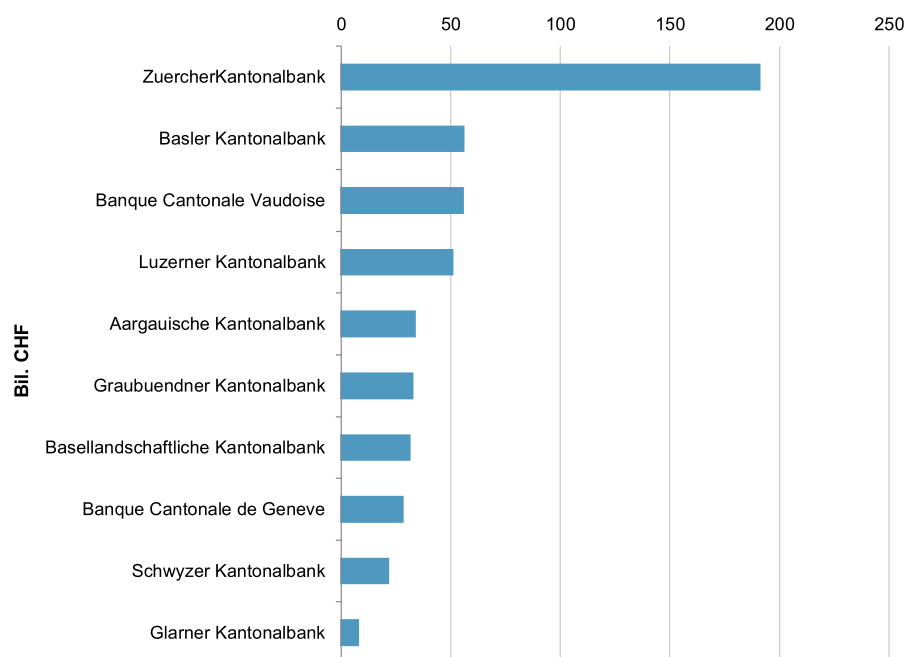
We expect that SZKB will remain the market leader in its canton, defending its superior franchise and longstanding customer relationships, with approximately 80% of the canton's population. Accordingly, we expect SZKB's business profile will remain strongly linked to the Canton of Schwyz' economic cycles. To mitigate regional concentration risk, the bank continues to manage its strength of high efficiencies, as demonstrated by its comparatively low S&P Global Ratings-adjusted cost-to-income ratio of around 50% in recent years.

We see the risk of disruption for SZKB's business model from new fintech competitors as relatively low in the foreseeable future, given a loyal and conservative client base, which will likely also favor a relationship-based bank over pure digital banks in the future, even though SZKB has successfully developed a modern digital banking platform. This helps to optimize processes, expand business, and stabilize earnings against a continuous drop in net interest margins. Moreover, the bank is increasingly diversifying into investment fund offerings and private banking activities.

### Chart 1

#### Schwyzer Kantonalbank Is Among The Smaller Rated Cantonal Banks

By total assets, HY2021

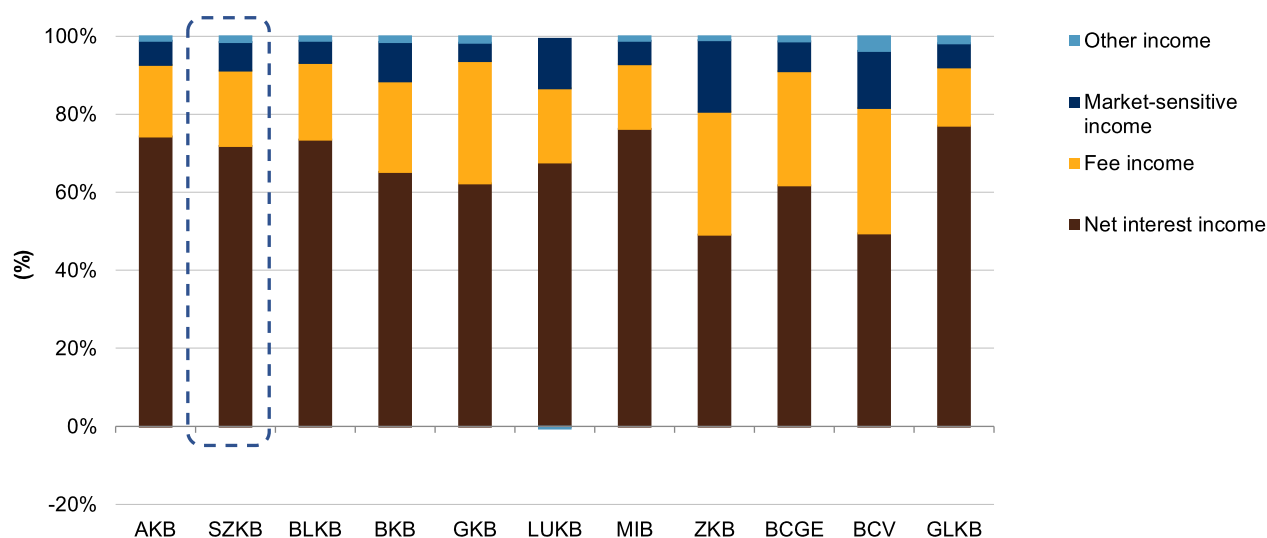


CHF--Swiss franc. Source: S&P Global Ratings.

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Chart 2

## Breakdown Of Operating Revenue



Data relates to FY-2020. AKB--Aargauische Kantonalbank. BCGE--Banque Cantonale de Geneve. BCV--Banque Cantonale Vaudoise. BLKB--Basellandschaftliche Kantonalbank. BKB--Basler Kantonalbank. GLKB--Glarner Kantonalbank. GKB--Graubundner Kantonalbank. LUKB--Luzerner Kantonalbank. SZKB--Schwyzer Kantonalbank. ZKB--Zuercher Kantonalbank. Source: S&P Global Ratings. Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

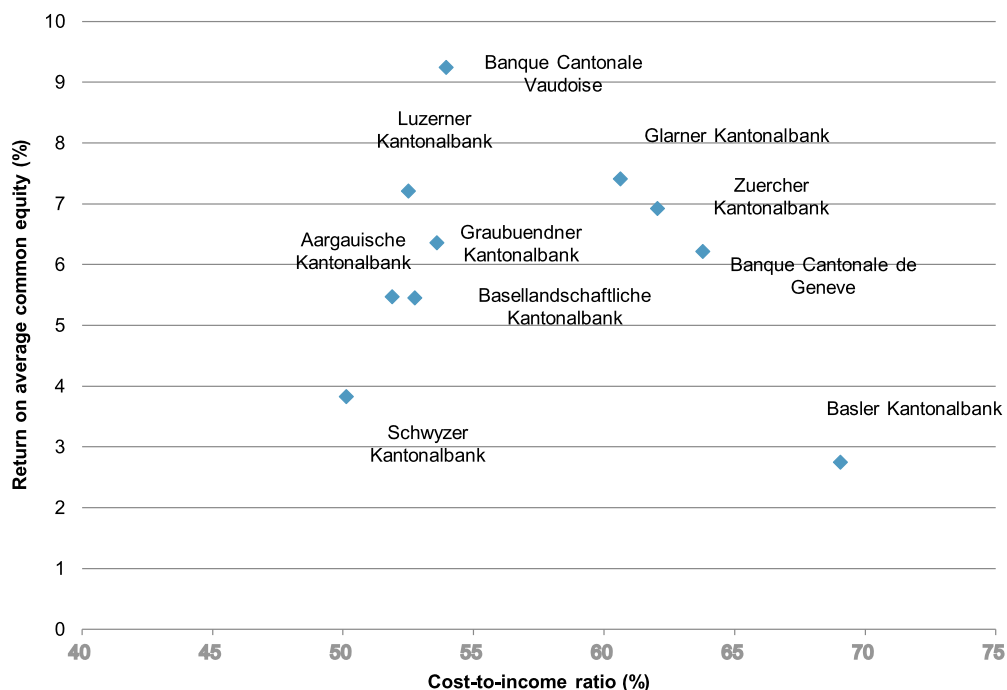
## Capital And Earnings: Exceptional Capitalization In A Global Comparison

We expect that SZKB's capital and earnings position will remain a particular strength for the rating. We forecast our measure of the bank's RAC ratio will remain above 20% for at least the next two years (24.3% at year-end 2020). We also acknowledge SZKB's superior core tier 1 equity, which is entirely comprised of share capital, capital surplus, and reserves. SZKB also has stable, solid earnings capacity and reasonable dividend policies (CHF47 million for 2020 results after a similar amount paid for previous years).

We remain confident that the Canton of Schwyz will continue to hold its superior capital position at SZKB and will not request any extraordinary dividend payouts. SZKB has a high quality of earnings, with a high earnings buffer of about 104 basis points over our risk-weighted assets. We expect that the bank will maintain this quality as a favorable first line of defense against potential future losses in a tough economic cycle.

**Chart 3****Low Profitability But Exceptional Efficiency Metrics**

Relative to cantonal bank peers



Source: S&amp;P Global Ratings. All data as per FY 2020.

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## Risk Position: Prudent Risk Management And Swiss Customers' Financial Health Balances Mitigate Regional Concentrations

We expect that SZKB's prudent risk management and cautious lending standards, particularly in residential mortgage lending, contribute to the high asset quality of its loan portfolio. Together with the strong financial health of Swiss customers, this balances out risks arising from SZKB's regional concentrations.

We expect SZKB's loan growth to moderate around 2.0%-3.0% over the next 24 months, reflecting cautious underwriting standards amid the difficult operating environments engendered by COVID-19. We anticipate that SZKB's asset quality will continue to benefit from the bank's high share in granular, lower-risk residential real estate loans, which represent roughly 75% of SZKB's CHF15.9 billion of total loans. Less-diversified commercial real estate loans represent about 12%. SZKB's high granularity and collateralization in its real estate portfolio partly offset high concentration risk to regional real estate loans. The average loan-to-value (LTV) ratio for both residential and commercial real estate loans fluctuates around 60%. Although it is not yet a major issue, the risk of corrections in real estate markets is increasing, and we have seen higher vacancy rates for rental apartments in the Canton of Schwyz while the canton's GDP grew at a slightly slower pace than the Swiss average.



We expect SZKB will continue to benefit from its comprehensive risk-management philosophy to operate only in markets and with products it knows well. The bank mostly avoids engaging in complex products. We also think SZKB's management will continue to prudently manage its limited market risk. Its market risk mainly comprises interest rate risk from mismatches in asset-liability management activities, which SZKB adequately hedges, in our view. SZKB engages in very limited trading activities, mostly reflecting the active management of its own and clients' foreign currency holdings. Other non-foreign-exchange transactions are generally initiated by clients.

We understand that SZKB's private banking activities have never focused on business outside Switzerland, which significantly limits SZKB's related legal, financial, or reputational risk. SZKB had only 1.2% of assets outside Switzerland as of Dec. 31, 2020, below the bank's own prudent, long-held 5% limit. Although registered as a compliant Foreign Account Tax Compliance Act (FATCA) foreign financial institution, SZKB is primarily a local bank. It does not participate in cross-border transactions.

## **Funding And Liquidity: Favorable Market Conditions And Cantonal Guarantee Bolster Prudent Liquidity And Funding Management**

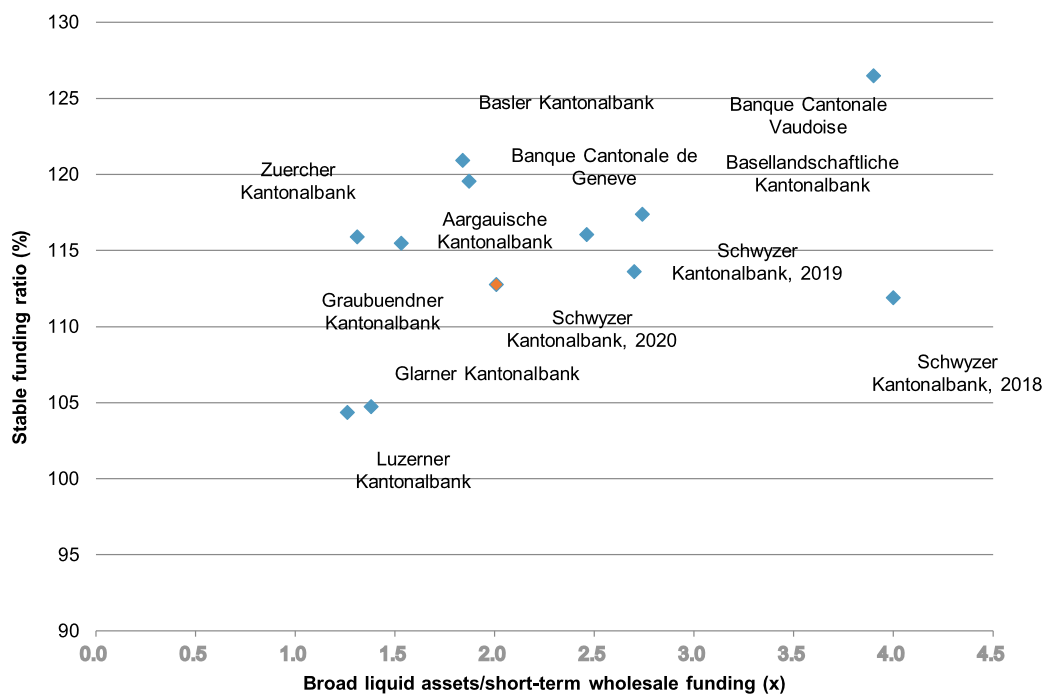
We expect SZKB's funding management and liquidity position to remain in line with that of other domestic banks, benefiting from the very favorable operating conditions in the Swiss market. In our view, the bank's prudent management and an explicit guarantee by the Canton of Schwyz will continue to back SZKB's strong liquidity position.

We anticipate that SZKB's funding will continue to benefit from its stable and loyal customer deposit base owing to the bank's leading franchise and intimate knowledge of customers in the Canton of Schwyz, bolstered by its cantonal guarantee and by a stable relationship with its owner, Canton of Schwyz. For example, core customer deposits accounted for 75.6% of its funding base as of June 30, 2021, while the remainder is a wholesale funding mix largely in unsecured and secured long-term funding and only limited use of more volatile interbank markets. Accordingly, we forecast that SZKB's stable funding ratio will remain at favorable levels, between 110%-115% (112.8% at year-end 2020).

We assess SZKB's liquidity as a particular strength considering the bank's ongoing sound management of its liquidity position, which would enable the bank to endure more than 12 months without access to market funding in an adverse scenario. This includes our view that SZKB will maintain its prudent securities portfolio composition. We anticipate that SZKB will maintain its superior ratio of broad liquid assets to short-term wholesale funding (2.0x at year-end 2020). This ratio, which is above the Swiss average, supports SZKB's very favorable liquidity position.

**Chart 4****Funding And Liquidity Metrics Are In Line With Domestic Peers**

And stable over time



Source: S&amp;P Global Ratings. All data for FY2020 unless indicated otherwise.

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## Support: Extremely High Likelihood Of Extraordinary Local Government Support

The long-term issuer credit rating on SZKB is three notches above the SACP, reflecting our view that there is an extremely high likelihood of timely and sufficient extraordinary support from its sole owner, the Canton of Schwyz, if needed. We base this on our view of the bank's integral link with and very important role for the canton. This view is mainly underpinned by SZKB's importance to the regional economy and the cantonal guarantee. We think a default by SZKB would have a significant systemic impact on the local economy. We do not anticipate any change to SZKB's current integral link with and very important role for the canton in the medium term.

We think the prospect of extraordinary government support for Swiss banks is uncertain because Switzerland has implemented several legislative measures in recent years and established a functioning resolution regime. However, we generally consider resolution frameworks less likely to impede the cantonal owners' willingness to provide extraordinary support to GRE banks, including SZKB. Despite the reduced predictability of government support to systemically important commercial banks, we expect the canton's government will remain highly supportive of SZKB. Furthermore, the cantonal government has sufficient financial resources to support SZKB.

Owing to SZKB's low systemic importance at the national level, and because its GRE status is already a benefit to the bank's SACP, we do not factor any additional uplift from additional loss-absorbing capital into our assessment.

## Environmental, Social, And Governance

We consider ESG credit factors for SZKB to be broadly in line with industry and country peers and to have a neutral impact in our assessment of SZKB's creditworthiness.

## Additional Rating Factors: None

No additional factors affect this rating.

## Key Statistics

**Table 1**

| Schwyzer Kantonalbank--Key Figures |                        |          |          |          |          |
|------------------------------------|------------------------|----------|----------|----------|----------|
|                                    | --Year-ended Dec. 31-- |          |          |          |          |
| (Mil. CHF)                         | 2021*                  | 2020     | 2019     | 2018     | 2017     |
| Adjusted assets                    | 21,429.8               | 21,425.6 | 20,081.5 | 18,277.5 | 17,557.5 |
| Customer loans (gross)             | 15,849.8               | 16,062.3 | 15,548.8 | 15,040.2 | 14,203.4 |
| Adjusted common equity             | 1,940.9                | 1,950.9  | 1,884.4  | 1,811.5  | 1,738.6  |
| Operating revenues                 | 122.8                  | 245.3    | 250.6    | 242.0    | 245.5    |
| Noninterest expenses               | 61.1                   | 123.0    | 118.6    | 115.6    | 114.6    |
| Core earnings                      | 63.9                   | 113.4    | 121.6    | 117.6    | 145.1    |

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

**Table 2**

| Schwyzer Kantonalbank--Business Position                      |                        |       |       |       |       |
|---|------------------------|-------|-------|-------|-------|
|   | --Year ended Dec. 31-- |       |       |       |       |
| (%)   | 2021*                  | 2020  | 2019  | 2018  | 2017  |
| Loan market share in country of domicile                      | N/A                    | N/A   | 1.3   | 1.3   | 1.2   |
| Deposit market share in country of domicile                   | N/A                    | N/A   | 1.0   | 1.0   | 1.0   |
| Total revenues from business line (currency in millions)      | 122.9                  | 245.4 | 250.6 | 245.0 | 247.8 |
| Commercial & retail banking/total revenues from business line | 100.0                  | 100.0 | 100.0 | 100.0 | 100.0 |
| Return on average common equity                               | 3.5                    | 3.8   | 4.1   | 4.2   | 4.6   |

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

**Table 3**

| Schwyzer Kantonalbank--Capital And Earnings |                        |      |      |      |      |
|---|------------------------|------|------|------|------|
|   | --Year ended Dec. 31-- |      |      |      |      |
| (%)   | 2021*                  | 2020 | 2019 | 2018 | 2017 |
| Tier 1 capital ratio                        | N/A                    | 22.1 | 21.2 | 21.3 | 21.1 |

**Table 3**

| <b>Schwyzer Kantonalbank--Capital And Earnings (cont.)</b> |                               |             |             |             |             |
|--|-------------------------------|-------------|-------------|-------------|-------------|
|  | <b>--Year ended Dec. 31--</b> |             |             |             |             |
| <b>(%)</b>   | <b>2021*</b>                  | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| S&P Global Ratings' RAC ratio before diversification       | N/A                           | 24.3        | 23.5        | 24.1        | 24.4        |
| S&P Global Ratings' RAC ratio after diversification        | N/A                           | 18.7        | 18.1        | 17.3        | 17.4        |
| Adjusted common equity/total adjusted capital              | 100.0                         | 100.0       | 100.0       | 100.0       | 100.0       |
| Net interest income/operating revenues                     | 71.5                          | 71.9        | 71.5        | 74.0        | 72.9        |
| Fee income/operating revenues                              | 20.7                          | 19.4        | 17.7        | 17.4        | 15.6        |
| Market-sensitive income/operating revenues                 | 6.6                           | 7.3         | 9.5         | 6.5         | 10.6        |
| Cost to income ratio                                       | 49.7                          | 50.1        | 47.3        | 47.8        | 46.7        |
| Preprovision operating income/average assets               | 0.6                           | 0.6         | 0.7         | 0.7         | 0.8         |
| Core earnings/average managed assets                       | 0.6                           | 0.5         | 0.6         | 0.7         | 0.8         |

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

**Table 4**

| <b>Schwyzer Kantonalbank--Risk Position</b>                                     |                               |             |             |             |             |
|---|-------------------------------|-------------|-------------|-------------|-------------|
|   | <b>--Year ended Dec. 31--</b> |             |             |             |             |
| <b>(%)</b>  | <b>2021*</b>                  | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| Growth in customer loans  | (2.6)                         | 3.3         | 3.4         | 5.9         | 5.0         |
| Total diversification adjustment/S&P Global Ratings' RWA before diversification | N/A                           | 30.1        | 29.9        | 39.3        | 40.0        |
| Total managed assets/adjusted common equity (x)                                 | 11.0                          | 11.0        | 10.7        | 10.1        | 10.1        |
| New loan loss provisions/average customer loans                                 | (0.0)                         | 0.1         | 0.1         | 0.1         | (0.1)       |
| Net charge-offs/average customer loans  | N.M.                          | (0.0)       | 0.0         | 0.0         | 0.0         |
| Gross nonperforming assets/customer loans + other real estate owned             | 0.0                           | 0.3         | 0.3         | 0.1         | 0.1         |
| Loan loss reserves/gross nonperforming assets                                   | N/A                           | 354.6       | 333.6       | 841.0       | 727.1       |

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

**Table 5**

| <b>Schwyzer Kantonalbank--Funding And Liquidity</b>  |                               |             |             |             |             |
|--|-------------------------------|-------------|-------------|-------------|-------------|
|  | <b>--Year ended Dec. 31--</b> |             |             |             |             |
| <b>(%)</b>   | <b>2021*</b>                  | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| Core deposits/funding base                           | 75.6                          | 74.3        | 73.2        | 77.3        | 76.5        |
| Customer loans (net)/customer deposits               | 108.5                         | 110.6       | 116.8       | 117.7       | 117.0       |
| Long-term funding ratio                              | 90.0                          | 89.3        | 93.0        | 96.4        | 94.9        |
| Stable funding ratio                                 | 114.0                         | 112.8       | 113.6       | 111.9       | 111.6       |
| Short-term wholesale funding/funding base            | 11.0                          | 11.8        | 7.8         | 4.0         | 5.7         |
| Broad liquid assets/short-term wholesale funding (x) | 2.2                           | 2.0         | 2.7         | 4.0         | 3.1         |
| Net broad liquid assets/short-term customer deposits | 17.7                          | 16.4        | 18.8        | 16.1        | 15.8        |
| Short-term wholesale funding/total wholesale funding | 45.3                          | 45.9        | 29.0        | 17.6        | 24.2        |
| Narrow liquid assets/3-month wholesale funding (x)   | 2.8                           | 2.6         | 3.8         | 4.5         | 3.3         |

\*Data as of June 30.

## Related Criteria

- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011

## Related Research

- Banking Industry Country Risk Assessment Update: September 2021, Sept. 30, 2021
- As Near-Term Risks Ease, The Relentless Profitability Battle Lingers For European Banks, June 25, 2021
- Banking Industry Country Risk Assessment: Switzerland, Jan. 6, 2021
- Schwyzer Kantonalbank, Nov. 17, 2020

| Anchor Matrix |               |      |      |      |      |      |      |     |     |    |
|---------------|---------------|------|------|------|------|------|------|-----|-----|----|
| Industry Risk | Economic Risk |      |      |      |      |      |      |     |     |    |
|               | 1             | 2    | 3    | 4    | 5    | 6    | 7    | 8   | 9   | 10 |
| 1             | a             | a    | a-   | bbb+ | bbb+ | bbb  | -    | -   | -   | -  |
| 2             | a             | a-   | a-   | bbb+ | bbb  | bbb  | bbb- | -   | -   | -  |
| 3             | a-            | a-   | bbb+ | bbb+ | bbb  | bbb- | bbb- | bb+ | -   | -  |
| 4             | bbb+          | bbb+ | bbb+ | bbb  | bbb  | bbb- | bb+  | bb  | bb  | -  |
| 5             | bbb+          | bbb  | bbb  | bbb  | bbb- | bbb- | bb+  | bb  | bb- | b+ |
| 6             | bbb           | bbb  | bbb- | bbb- | bbb- | bb+  | bb   | bb  | bb- | b+ |
| 7             | -             | bbb- | bbb- | bb+  | bb+  | bb   | bb   | bb- | b+  | b+ |
| 8             | -             | -    | bb+  | bb   | bb   | bb   | bb-  | bb- | b+  | b  |
| 9             | -             | -    | -    | bb   | bb-  | bb-  | b+   | b+  | b+  | b  |
| 10            | -             | -    | -    | -    | b+   | b+   | b+   | b   | b   | b- |

### Ratings Detail (As Of November 23, 2021)\*

#### Schwyzer Kantonalbank

Issuer Credit Rating

AA+/Stable/A-1+

## Ratings Detail (As Of November 23, 2021)\*(cont.)

### Issuer Credit Ratings History

|             |                   |
|-------------|-------------------|
| 25-Aug-2016 | AA+/Stable/A-1+   |
| 25-Feb-2015 | AA+/Negative/A-1+ |
| 01-Dec-2014 | AA+/Stable/A-1+   |

### Sovereign Rating

|             |                 |
|-------------|-----------------|
| Switzerland | AAA/Stable/A-1+ |
|-------------|-----------------|

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