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Luzerner Kantonalbank

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Luzerner Kantonalbank

Rating Score Snapshot

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

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

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

ALAC support	0
GRE support	+4
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 Canton of Lucerne.	Lending growth is higher than that of many cantonal bank peers, potentially resulting in increased risk accumulation.
Strong local retail franchise.	Concentrated in central Switzerland.
Very strong capitalization.	A substantial amount of additional Tier 1 (AT1) instruments, which we consider as lower quality capital.

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

We anticipate capitalization will remain the bank's key rating strength. This is indicated by our risk-adjusted capital (RAC) ratio forecast hovering between 18%-19% over the next 24 months supported by the bank's sound earnings retention, which compares very highly globally. LUKB reported a 7.3% return on equity (ROE) for full year 2024, contributing to its robust internal capital generation capacity. We project a 6%-7% ROE until 2027, this appears adequate when compared internationally considering LUKB's high capitalization.

We expect LUKB to defend its sound intrinsic creditworthiness. We anticipate that LUKB continues to benefit from its strong regional franchise in the canton and the surrounding area, which is supported by a robust Swiss economy and real estate markets. In our view, LUKB's sound underwriting focused on low risk collateralized lending translates into sound asset quality metrics on par with peers'. Nevertheless, we continue to apply a negative comparable adjustment notch in our SACP to capture the bank's somewhat higher-risk appetite toward commercial real estate and its more aggressive financial policy in terms of reliance on hybrid capital and wholesale funding.

Outlook

Our stable outlook reflects our expectation that LUKB will continue to benefit from an extremely high likelihood of support from the Canton of Lucerne over the next two years. Our ratings on LUKB are sensitive to our assessment of the canton's ability and willingness to support the bank.

Downside scenario

We could lower our issuer credit rating if LUKB's ties with the canton weaken or if there were changes to the canton's state guarantee. We currently consider both these scenarios very unlikely. If either were to occur, we assume LUKB's existing obligations would be grandfathered. We could also lower the rating if the canton's financial prospects and ability to support LUKB were to wane.

We consider the ratings on LUKB and on the bank's senior unsecured debt to be less sensitive to a downgrade, considering that such an action would hinge on a multi-notch downward revision of its SACP, all other things equal. We view this as unlikely.

However, if we concluded that the bank's lending growth had become overly aggressive, leading to a weaker risk profile than peers', or to a deterioration of our RAC to below 15% in the next 24 months, we could revise down the SACP and consequently lower our ratings on LUKB's hybrid issuances.

Upside scenario

A positive rating action stemming solely from a material improvement of LUKB's SACP is remote over the next two years. This is because we do not expect LUKB to significantly adjust its comparatively concentrated business model.

Key Metrics

Luzerner Kantonalbank--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	**2023a**	**2024a**	**2025f**	**2026f**	**2027f**
Growth in operating revenue	5.3	5.7	(0.3)-(0.3)	1.0-1.2	2.1-2.6

Luzerner Kantonalbank--Key ratios and forecasts (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	2023a	2024a	2025f	2026f	2027f
Growth in customer loans	6.1	4.0	4.1-5.0	4.1-5.0	4.0-4.9
Growth in total assets	0.7	3.6	3.9-4.8	3.9-4.8	3.9-4.8
Net interest income/average earning assets (NIM)	0.9	0.9	0.8-0.9	0.8-0.9	0.8-0.9
Cost-to-income ratio	52.4	52.2	52.6-55.3	53.6-56.3	53.9-56.7
Return on average common equity	7.5	7.3	6.1-6.7	5.9-6.5	5.8-6.4
Return on assets	0.5	0.5	0.4-0.5	0.4-0.4	0.4-0.4
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	0.1	0.1	0.1-0.1	0.1-0.1	0.1-0.1
Risk-adjusted capital ratio	19.1	19.1	18.4-19.3	18.1-19.0	17.8-18.7

All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin. N.M.--Not meaningful.

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

Our anchor for banks operating mainly in Switzerland, like LUKB, 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 and prudent underwriting standards, and for the superior financial strength of Swiss households and corporations to continue amid a difficult global economic outlook. We anticipate the country's GDP to expand by 1.5% in 2025. Overall, we see limited risks to Swiss banks' mortgage exposures as real estate price are supported by structural factors such as immigration, the scarcity of building land, and higher commodity prices.

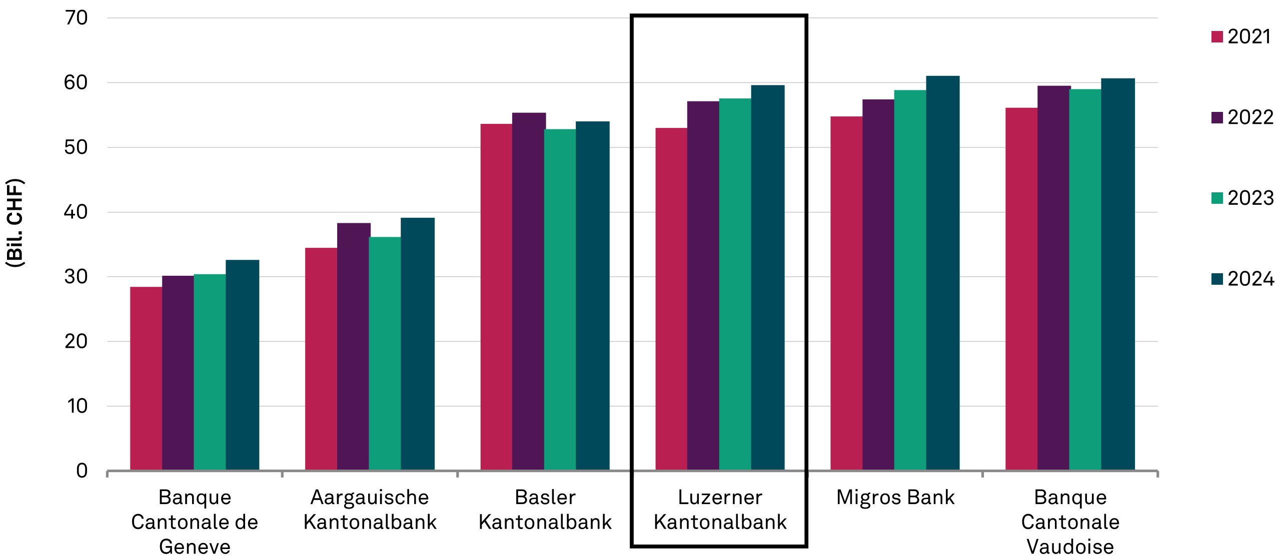
Our view of industry risk in Switzerland encompasses the stability of country's multitiered banking system government-guaranteed credit institutions viewed as safe havens. Proposals by the regulator and parliament could strengthen banks' corporate governance, supervision, and access to liquidity during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

Business Position: Strong Retail Franchise In Its Home Canton And Increased Business Growth Elsewhere

We consider LUKB's business position to be on par with that of its domestically focused Swiss peers. LUKB is a midsize Swiss cantonal bank with Swiss franc (CHF) 60 billion assets year-end 2024. It is the market leader in the Canton of Lucerne with a solid retail franchise and dominance in real estate financing, with about 30% of the retail and corporate banking market in the canton and the surrounding area. The bank is targeting further expansion of its residential real estate loan book outside its canton in the coming years, which adds some diversification, but derived revenues are less stable than those of stronger local businesses in the Canton of Lucerne, in our view. Additionally, the bank is increasing its structured products business. While this could enhance LUKB's earnings diversification, it may also introduce additional operational and litigation risks over time.

Chart 1

LUKB is a midsize Swiss cantonal bank
Total assets

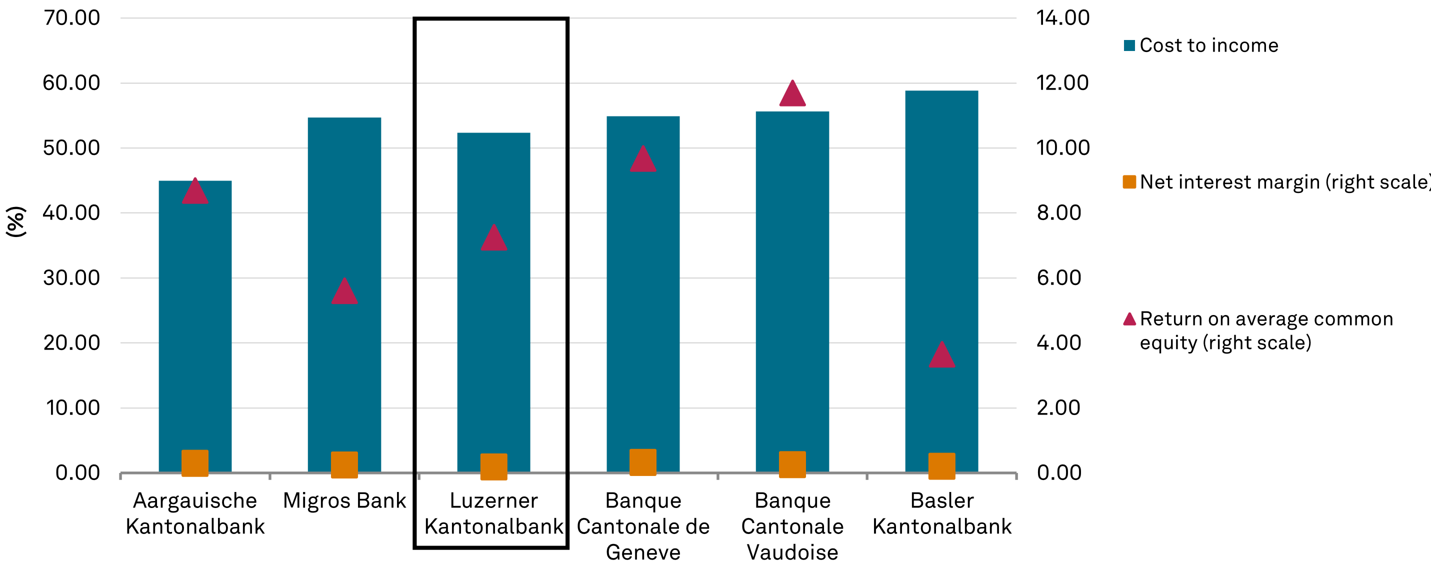


CHF--Swiss Franc. LUKB--Luzerner Kantonalbank. 2024 represents year-end data, except for AKB, BKB and BCV which are as of June 2024. Source: Company filings.

The bank's 7.3% ROE was supported by a cost-to-income ratio (CIR) of 52% (both per S&P Global Ratings' calculation) on Dec. 31, 2024, which compares in line with other cantonal bank peers. LUKB targets maintaining its CIR below 50% through a business cycle, after reporting 46% CIR (under its own calculation) as of end-2024. We anticipate management effectively contains costs while pushing for important projects (such as digitization; the reshaping of its organization; and adopting environmental, social, and governance requirements.)

Chart 2

LUKB with sound efficiency, good returns, and similar margins as peers



Cost to income, Net interest margin and Returns on average common equity as of Dec 2024, except for AKB, BKB and BCV which are as of June 2024. Source: S&P Global Ratings.

Capital And Earnings: A Key Rating Strength

We anticipate that LUKB will maintain its very high capitalization, mainly indicated by our forecast RAC ratio of 18%-19% over the next two years. Such robust ratios place LUKB among the highest capitalized banks globally, and at the mid-range of rated Swiss cantonal banks (see chart 3).

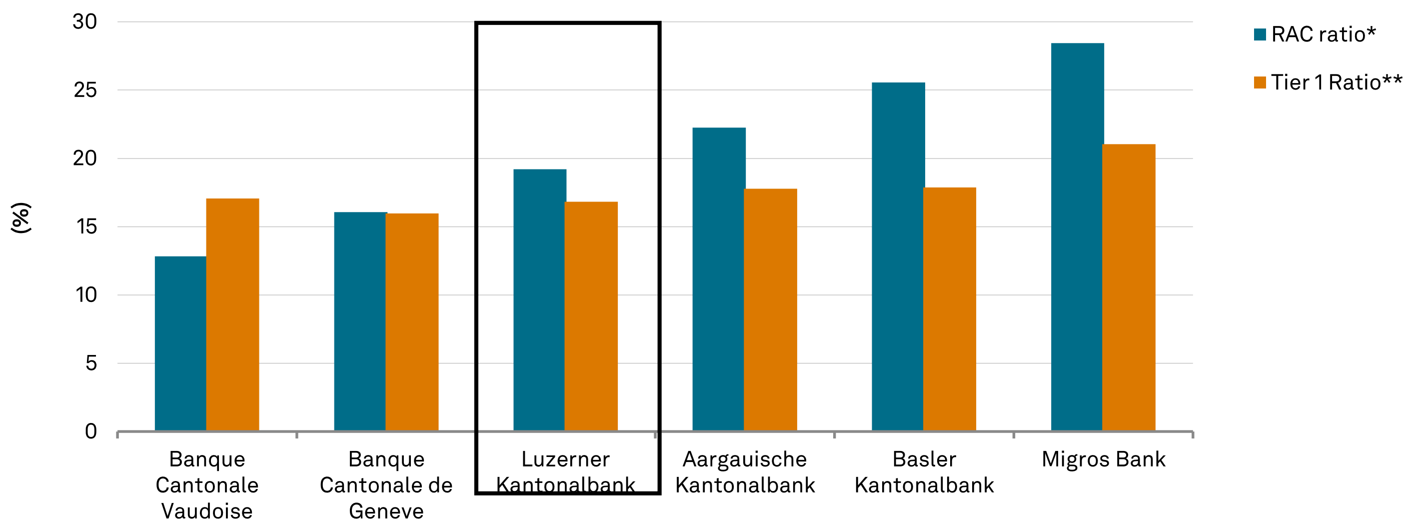
Our assessment is further backed by a regulatory CET1 capital ratio of 13.9% year-end 2024, which is comfortable above the bank's target of higher than 12%.

Through 2025-2027, we expect an annual customer loan growth of 4.5%, which could slightly outpace its internal capital generation.

Chart 3

LUKB's high capital ratios places it well in peer group

S&P Global Ratings risk-adjusted capital versus Tier 1 ratios

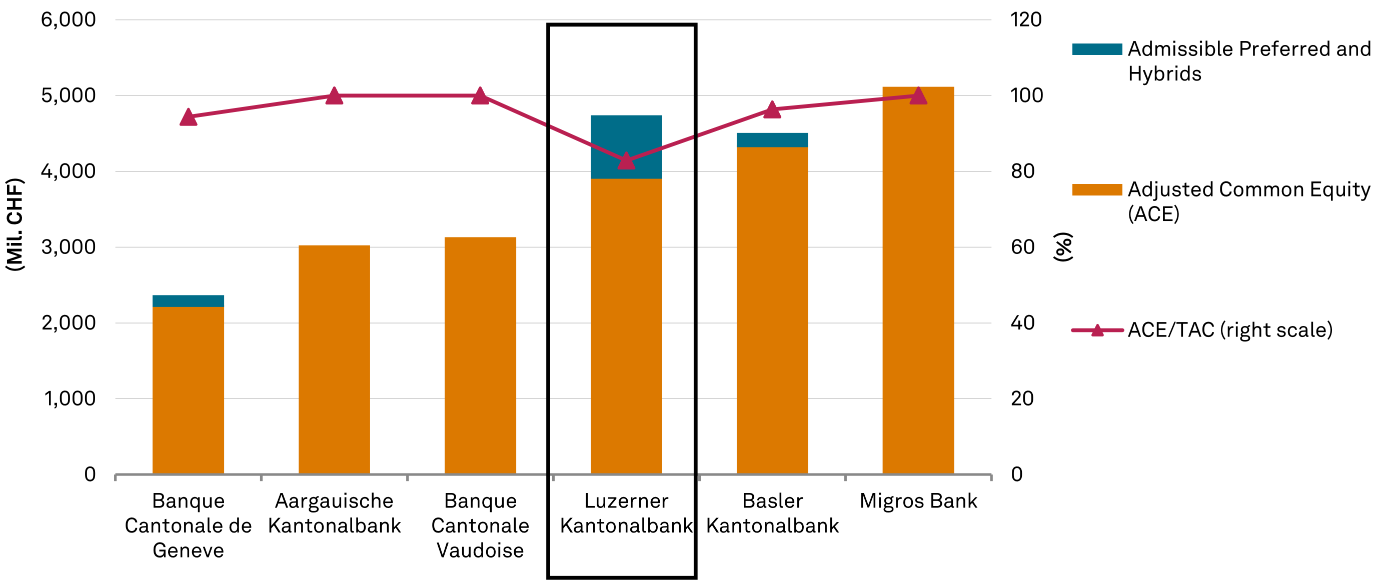


RAC Ratio--Risk-Adjusted Capital Ratio. LUKB--Luzerner Kantonalbank. *As of Dec 31, 2023. **As of Dec 30, 2024, except for AKB, BKB and BCV which are as of June 2024. Sources: Company fillings and S&P Global Ratings.

LUKB supports its capitalization buffer with CHF810 million of AT1 capital instruments, which we fully recognize in our RAC ratio. However, we note that LUKB has become reliant on hybrid capital, representing 17% of total adjusted capital as of end-2024, which is higher than its cantonal peers. We consider hybrid capital to be lower quality.

Chart 4

LUKB with a higher dependence on hybrid capital instruments
S&P Global Ratings' total adjusted capital* as of June 2024



CHF--Swiss franc. LUKB--Luzerner Kantonalbank. *Total Adjusted Capital= Adjusted Common Equity + Admissible Preferred and Hybrids. Data as of Dec 2024, except for AKB, BKB and BCV which are as of June 2024. Source: S&P Global Ratings.

We anticipate the bank's dividend strategy and payout ratio will remain broadly unchanged, including the fee paid for the cantonal guarantee. In 2024, LUKB paid CHF98 million to its owner (including cost for cantonal guarantee and tax payments) and we expect similar payout ratios in the next two years.

Risk Position: Sound Asset Quality Supported By A Robust Economy And Highly Collateralized Loan Portfolio

We expect LUKB's sound risk management, remarkable resilience of its customers, and robust domestic environment to support LUKB's asset quality remaining sound.

We anticipate LUKB's loan book will remain dominated by residential real estate loans (75% of the loan portfolio), the loans' concentration risk is mitigated by granular low-risk and well-collateralized lending nature (average loan-to-value ratio of 55% as of Dec. 31, 2024). About 35% of residential properties are outside the canton that adds reginal diversification at the cost of a less stable customer relationship.

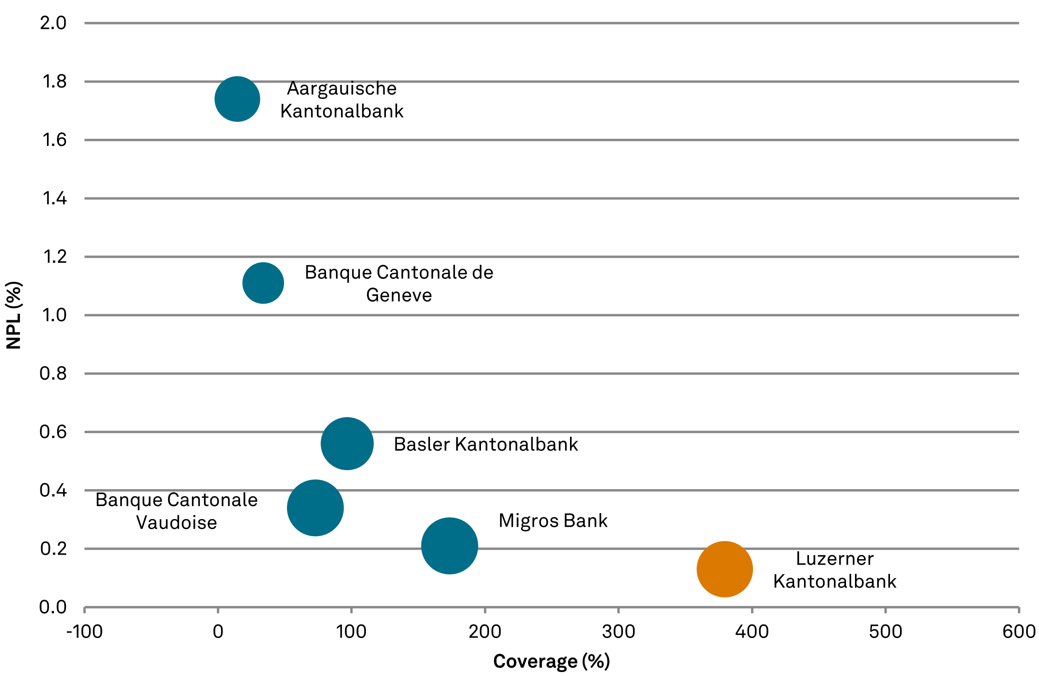
We expect above-average customer loan growth, which we think is based on price competition, but we do not see LUKB compromising its sound underwriting standards to attract new business.

The bank's participation in syndicated corporate loans, even though it is low (less than 5% of total loans), increases its credit risk exposure. However, we acknowledge LUKB's selective participation in this type of lending and sound underwriting standards.

We anticipate LUKB's nonperforming loans ratio remains between 0.1%-0.2% in the next two years, which is very low in global terms and about in line with many other cantonal banks.

Chart 5

LUKB with very low NPL exposure and high coverage in peer comparison



NPL--Gross nonperforming assets/customer loans + other real estate owned (%). LUKB--Luzerner Kantonalbank. Coverage--Loan loss reserves/gross nonperforming assets (%). Bubble size represents total assets.Data as of Dec 2024; except for AKB and BCV which are as of June 2024 and BKB which is as of Dec 2023. Source: S&P Global Ratings.

Funding And Liquidity: Strong Retail Deposit Franchise But Higher Dependency On Wholesale Funding Compared With Many Peers

We expect the bank's prudent management and an explicit guarantee by the Canton of Lucerne--which reinforces customer confidence--will continue to support our neutral assessment of LUKB's liquidity and funding position.

We anticipate that LUKB's stable funding ratio will remain at adequate levels over the next two years (100% as of Dec. 31, 2024) and see the bank's overall funding profile staying about in line with domestic peers. We expect LUKB will benefit from a stable customer deposit base, given its strong local franchise.

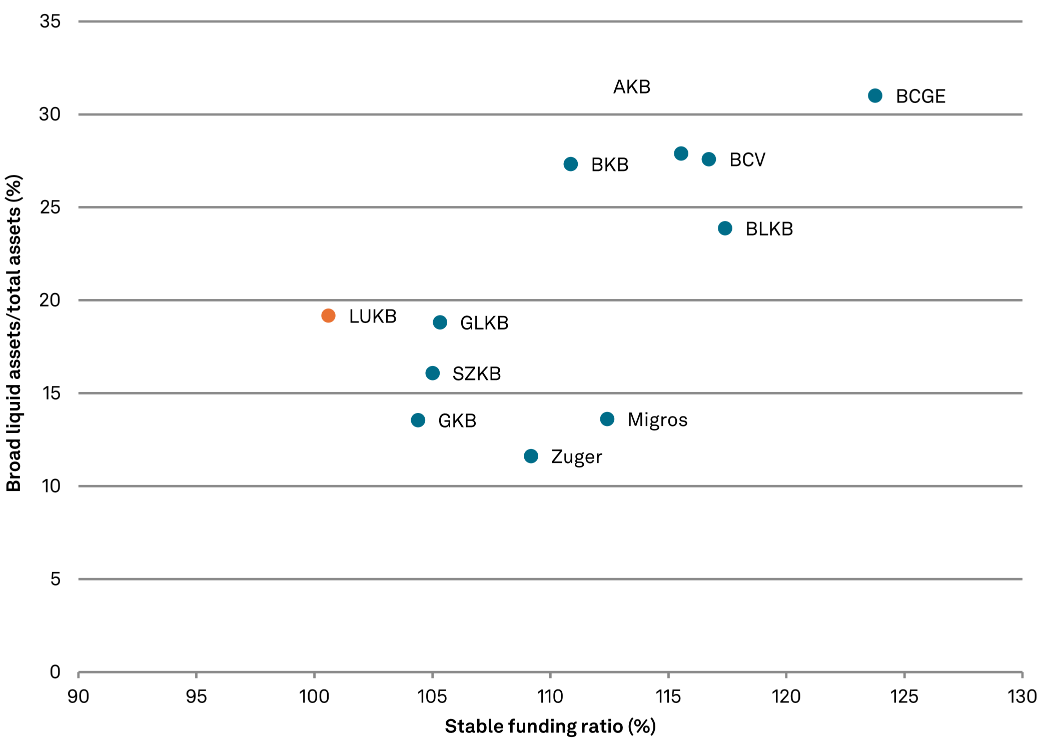
At the same time, the customer deposit share of LUKB's funding base weakened over the last few years, amounting to 54% as of Dec. 31, 2024, because of a higher share of senior and hybrid instruments. We expect the funding structure will remain similar in the medium term, including about one quarter of short-term wholesale refinancing, which is at a higher level compared with peers.

In our view, LUKB's liquidity will also remain adequate given its liquidity position would allow it to endure more than 12 months without access to market funding. This is indicated by its stable 1.0x broad liquid assets to short-term wholesale funding as of end-2024, or its 19% liquid assets to total assets for the same period. We do not expect ratios will increase materially as LUKB will tightly manage its liquidity in favor of profitability at a stable macroeconomic environment.

We also consider the bank has proper governance in place to prevent funding concentrations and conducts appropriate liquidity stress testing. Importantly, we also reflect some intrinsic advantages from the cantonal ownership and guarantee in the bank's SACP. We note that the cantonal backbone improves availability and lowers the costs of market funding for the bank.

Chart 6

Funding and liquidity metrics are about in line with peers



Funding And Liquidity Profile as of June 2024; except for LUKB which is as of Sept. 2024.Source: S&P Global Ratings.

Comparable Ratings Analysis

We continue to apply a negative comparable adjustment notch in our SACP to capture the bank's somewhat higher-risk appetite toward commercial real estate and its more aggressive financial policy in terms of reliance on hybrid capital and wholesale funding. While the relative weaknesses individually are not material enough to affect any other SACP factors directly, they collectively contribute to a weaker overall assessment than peers with an SACP of 'a+'.

Support: A Four-Notch Uplift Due To An Extremely High Likelihood Of Extraordinary Support

We expect LUKB will remain a government-related entity and see an extremely high likelihood that LUKB would receive timely and sufficient extraordinary support from its major stakeholder, the Canton of Lucerne, in the event of financial distress. We base this on our view of the bank's integral link with, and very important role for, the canton.

LUKB benefits from the existing cantonal guarantee on its unsubordinated obligations, which is stipulated by law, as well as its ownership structure and importance for the canton's regional economy. We think that any default by LUKB would have a significant negative impact on the regional economy. Because of this, we add a four-notch uplift to LUKB's 'a' SACP to derive the long-term rating.

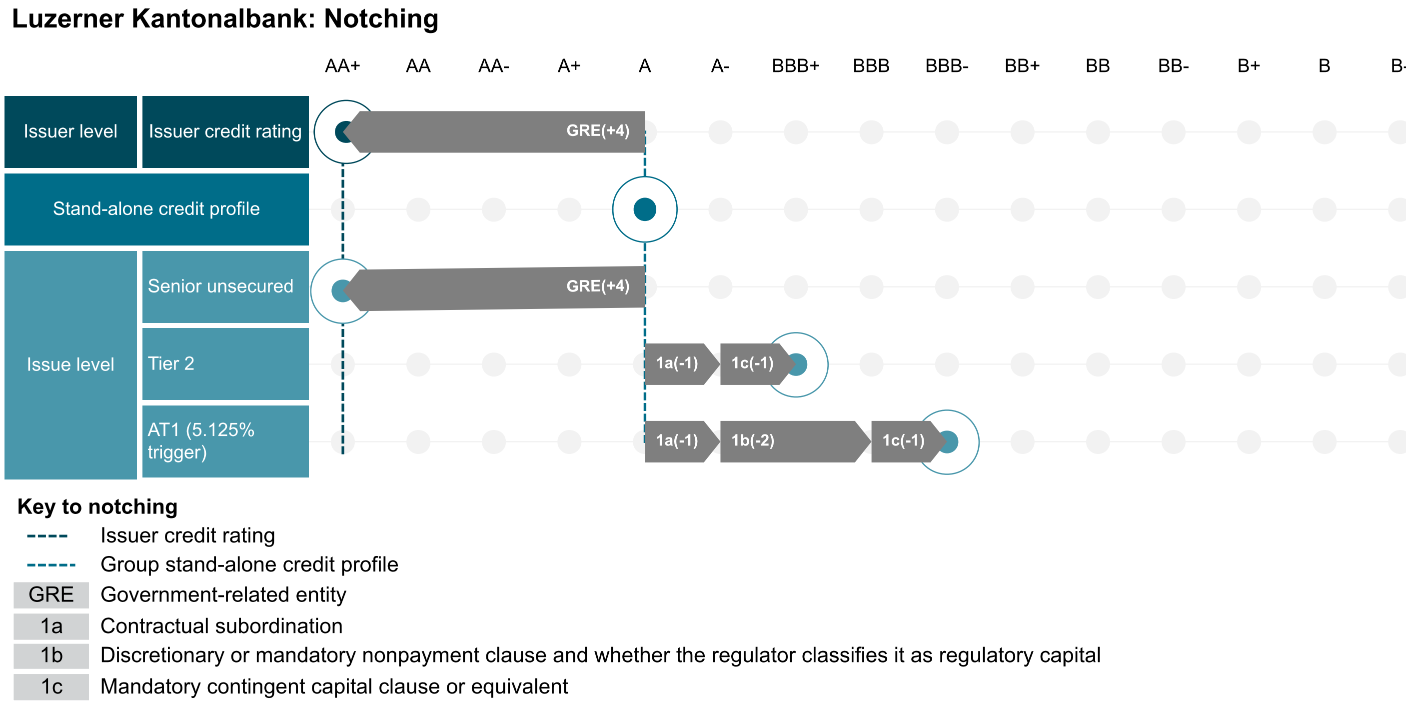
We expect the existing cantonal guarantees will remain in the medium term. Beyond our outlook horizon, we see a potential risk that future agreements between Switzerland and the EU regarding preferential Swiss market access might include the removal of the remaining guarantees for all cantonal banks.

Environmental, Social, And Governance

In our view, environmental, social, and governance factors have an overall neutral influence on our credit rating analysis of LUKB. The cantonal bank's franchise and mandate are focused on providing basic services to the canton's population and to support the economic development in the region. Also, the bank is committed to reduce its carbon footprint in the next few years, in line with the canton's climate strategy.

Hybrids

We rate LUKB's debt instruments according to their respective features. We understand that LUKB's hybrid debt is specifically excluded from the state guarantee granted by the Canton of Lucerne, and consequently we notch down from the bank's SACP.



Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on Feb.10, 2025.
The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.

Key Statistics

Table 1

Luzerner Kantonalbank--Key figures

	--Year ended Dec. 31--				
(Mil. CHF)	**2024**	**2023**	**2022**	**2021**	**2020**
Adjusted assets	59,462	57,382	56,956	52,805	48,698
Customer loans (gross)	43,403	41,738	39,348	37,229	34,946
Adjusted common equity	3,916	3,717	3,098	2,943	2,834
Operating revenues	659	624	593	582	535
Noninterest expenses	344	327	309	297	281
Core earnings	284	265	248	246	214

CHF--Swiss franc.

Table 2

Luzerner Kantonalbank--Business position					
	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Total revenues from business line (Mil. CHF)	691.0	624.0	597.1	582.4	539.0
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	7.3	7.5	7.2	7.3	7.2

CHF--Swiss franc.

Table 3

Luzerner Kantonalbank--Capital and earnings					
	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Tier 1 capital ratio	16.8	16.3	15.3	15.7	15.8
S&P Global Ratings' RAC ratio before diversification	N/A	19.1	16.2	16.3	16.8
S&P Global Ratings' RAC ratio after diversification	N/A	14.8	12.4	12.5	13.1
Adjusted common equity/total adjusted capital	82.9	82.1	79.3	78.4	79.3
Net interest income/operating revenues	67.3	67.7	65.8	63.9	68.4
Fee income/operating revenues	19.7	18.9	20.1	20.7	19.3
Market-sensitive income/operating revenues	12.2	12.3	13.1	14.3	11.0
Cost-to-income ratio	52.2	52.4	52.1	51.0	52.5
Preprovision operating income/average assets	0.5	0.5	0.5	0.6	0.6
Core earnings/average managed assets	0.5	0.5	0.5	0.5	0.5

N/A--Not applicable. RAC--Risk-adjusted capital.

Table 4

Luzerner 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	8,524	15	0	2	0
Of which regional governments and local authorities	0	0	0	0	0
Institutions and CCPs	2,733	1,064	39	663	24
Corporate	13,714	10,276	75	8,255	60
Retail	32,908	11,662	35	8,016	24
Of which mortgage	29,676	10,317	35	5,989	20
Securitization§	0	0	0	0	0
Other assets†	270	251	93	251	93
Total credit risk	58,150	23,267	40	17,188	30
Credit valuation adjustment					
Total credit valuation adjustment	--	197	--	0	--
Market Risk					
Equity in the banking book	487	2,126	437	3,643	749

Table 4

Luzerner Kantonalbank--Risk-adjusted capital framework data (cont.)					
Trading book market risk	--	1,110	--	1,665	--
Total market risk	--	3,236	--	5,308	--
Operational risk					
Total operational risk	--	1,118	--	1,172	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	27,830	--	23,667	100
Total diversification/ Concentration adjustments	--	--	--	6,906	29
RWA after diversification	--	27,830	--	30,573	129
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		4,527	16.3	4,527	19.1
Capital ratio after adjustments‡		4,527	16.3	4,527	14.8

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CHF--Swiss franc. Sources: Company data as of Dec. 31, 2023, S&P Global Ratings.

Table 5

Luzerner Kantonalbank--Risk position					
	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Growth in customer loans	4.0	6.1	5.7	6.5	6.9
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	29.2	30.5	30.1	28.4
Total managed assets/adjusted common equity (x)	15.2	15.4	18.4	18.0	17.2
New loan loss provisions/average customer loans	(0.0)	(0.0)	(0.0)	0.0	0.0
Net charge-offs/average customer loans	N.M.	N.M.	N.M.	0.0	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.1	0.1	0.1	0.1	0.2
Loan loss reserves/gross nonperforming assets	379.6	481.4	510.4	601.4	301.0

N/A--Not applicable. N.M.--Not meaningful. RWA--Risk-weighted assets.

Table 6

Luzerner Kantonalbank--Funding and liquidity					
	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Core deposits/funding base	54.1	55.8	52.1	59.2	57.2
Customer loans (net)/customer deposits	148.4	143.9	144.6	129.6	137.3
Long-term funding ratio	82.0	84.8	78.3	85.7	82.9
Stable funding ratio	100.6	104.7	101.5	110.2	104.3
Short-term wholesale funding/funding base	19.6	16.6	23.4	15.5	18.5

Table 6

Luzerner Kantonalbank--Funding and liquidity (cont.)					
	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Regulatory net stable funding ratio	19.6	16.6	23.4	15.5	18.5
Broad liquid assets/short-term wholesale funding (x)	1.1	1.3	1.1	1.6	1.3
Broad liquid assets/total assets	19.2	19.7	23.2	22.9	21.1
Broad liquid assets/customer deposits	39.2	39.2	48.9	42.3	40.6
Net broad liquid assets/short-term customer deposits	3.0	9.7	4.1	16.3	8.3
Short-term wholesale funding/total wholesale funding	41.4	36.2	47.3	36.4	41.6
Narrow liquid assets/three-month wholesale funding (x)	1.4	1.5	1.2	2.0	1.6

Luzerner 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	Adequate
Comparable ratings analysis	-1
Support	+4
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

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April. 30, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 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

Related Research

- Full Analysis: Switzerland, Feb. 10, 2025
- The Top Trends Shaping European Bank Ratings In 2025: Solid Positions, Growing Ambitions, Jan. 27, 2025
- Banking Industry Country Risk Assessment: Switzerland, July 30, 2024
- Switzerland-Based Luzerner Kantonalbank Upgraded To 'AA+' On The Canton's Improved Fiscal Performance; Outlook Stable, June 5, 2024
- Luzerner Kantonalbank, March 26, 2024
- Subnational Debt 2024: Switzerland, Resilient Budget Surpluses Should Enable Further Deleveraging, Feb. 29, 2024
- Switzerland 'AAA/A-1+' Ratings Affirmed; Outlook Stable, Aug. 11, 2023
- LUKB's Capital Increase Supports Capital Buffers And Quality Of Capital, May 26, 2023

Ratings Detail (As Of March 27, 2025)*	
Luzerner Kantonalbank	
Issuer Credit Rating	AA+/Stable/A-1+
Junior Subordinated	BBB-
Senior Unsecured	AA+
Subordinated	BBB+
Issuer Credit Ratings History	
05-Jun-2024	AA+/Stable/A-1+
24-May-2022	AA/Positive/A-1+
01-Dec-2014	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.