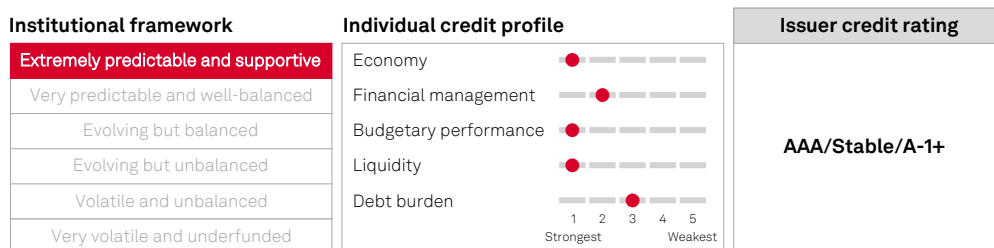


# Solothurn (Canton of)

May 4, 2026

This report does not constitute a rating action.

## Ratings Score Snapshot



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## Credit Highlights

### Overview

#### Credit context and assumptions

The Canton of Solothurn benefits from a strong national and local economy, with a robust tax base.

We think the canton has sufficient capacity to absorb budgetary challenges over the next few years.

We assume Solothurn will maintain its commitment to fiscal discipline by implementing planned savings measures and adapting to evolving budgetary pressures.

#### Base-case expectations

We expect spending pressures, particularly in health care and education, to weigh on fiscal results from 2027.

Positive results from 2025 provide fiscal space to help navigate the more challenging years ahead.

We project debt burden to remain relatively stable, representing about 74.6% of consolidated operating revenue in 2028.

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### Solothurn possesses a robust credit profile anchored by a resilient economy and an extremely predictable and supportive institutional framework.

The canton benefits from a diversified economic base, a healthy labor market, and an extremely predictable and supportive institutional framework. This foundation provides a strong position to face potential adverse economic challenges.

### We expect Solothurn’s strong budgetary performance to moderate.

While the canton currently exhibits strong budgetary performance, we expect increasing expenditure pressures--driven by demographic shifts and federal initiatives--to offset some revenue gains. This will likely result in declining operating margins and potentially marginal deficits later in our forecast period. Solothurn’s financial discipline will be key to retaining sound budgetary performance.

**While weaker economic growth and expenditure pressures may temporarily slow the pace of deleveraging, we expect the canton to remain committed to reducing its debt.** Positive results in 2024 and 2025 provide Solothurn with a buffer to cover modest deficits in subsequent years without increasing its long-term debt. Moreover, should financial performance improve beyond current expectations, we anticipate the canton will prioritize debt repayment over refinancing.

## Outlook

The stable outlook reflects our view that Solothurn's financial performance will improve over 2024-2026, partly owing to a cost-savings package we expect it to implement. At the same time, we assume the canton will continue to gradually reduce debt.

### Downside scenario

We could lower the ratings on Solothurn if we observed a structural deterioration in financial performance that has the potential to bring the canton's current debt reduction to a stop.

## Rationale

### Solothurn's financial stability is underpinned by its robust economy and cautious financial management

Despite recent downward revisions to Swiss GDP growth forecasts following the outbreak of the Middle East war and ongoing trade tensions, we expect Solothurn's economy to remain resilient. Growth continues to be supported by solid private consumption and a robust labor market. The canton's economic strengths and supportive institutional framework underpin our assessment, although persistent global uncertainties warrant continued monitoring. Solothurn benefits from its position within Switzerland's strong and diversified economy, where the services sector dominates and advanced manufacturing remains a key pillar. Although real GDP growth has moderated from 2024-2025 levels, we project it will remain strong over our forecast horizon (2026-2028). The cantonal unemployment rate (3.3% in March 2026) is slightly above the national average but remains low, indicating a healthy labor market. Solothurn's economy is well diversified, combining a strong industrial base with a growing services sector, where manufacturing--particularly precision engineering, medical technology, and machinery--plays a significant role. The canton's proximity to Zurich, Basel, and Bern enhances its appeal as a business location and facilitates access to skilled labor.

Solothurn exhibits strong financial management practices. The canton's commitment to prudent fiscal planning is reflected in its adoption of a savings package designed to offset rising expenditure. While the 2026 budget relies primarily on targeted measures rather than structural reforms, we believe continued fiscal discipline--supported by higher distributions from the Swiss National Bank--could lead to improved budgetary outcomes compared with our previous expectations.

Management's proactive approach to budgetary control underscores a high level of financial discipline. Moreover, the canton's ability to adapt to evolving fiscal challenges and its commitment to long-term financial soundness support our overall assessment.

### Solothurn will maintain very strong liquidity and moderate debt levels

## Solothurn (Canton of)

Solothurn's budgetary performance is very strong, with a surplus after capital accounts of 5.9% in 2025, exceeding our base-case projections. This outperformance was driven by higher-than-anticipated tax revenue--from corporate and personal income tax, as well as profit distributions from the Swiss National Bank--and effective cost control measures. However, our projections indicate a softening of operating margins over the forecast horizon (2026-2028), declining to 6.1%, 3.7%, and 4.2%, respectively. While remaining positive, these margins are lower than in 2025. We expect increased expenditure pressures stemming from federal government saving measures and demographic developments--if not offset by revenue growth--to lead to a decline in the projected surplus after capital accounts to 1.9% in 2026, and potentially marginal deficits over 2027-2028.

Despite our projection of a potential deficit, we anticipate tax-supported debt to remain at Swiss franc (CHF) 1.8 billion or 75% of consolidated operating revenues. However, should financial performance improve beyond current expectations, we expect the canton to prioritize debt repayment over refinancing, which would result in debt reduction.

We estimate Solothurn's liquidity position will remain exceptional, supported by its established, reliable access to the highly liquid Swiss capital markets, further bolstered by liquid assets, contracted funding, and approximately CHF194 million in cash reserves at year-end 2025. In addition, the canton continues to benefit from access to committed credit lines and very low interest rates.

### Solothurn (Canton of)--Selected indicators

(Mil. \$)	2023	2024	2025	2026bc	2027bc	2028bc
Operating revenue	2,636	2,874	2,837	2,975	2,844	2,815
Operating expenditure	2,553	2,745	2,583	2,793	2,738	2,696
Operating balance	83	129	255	181	106	119
Operating balance (% of operating revenue)	3.2	4.5	9.0	6.1	3.7	4.2
Capital revenue	5	8	7	17	25	18
Capital expenditure	103	95	95	142	157	172
Balance after capital accounts	(15)	42	167	57	(26)	(35)
Balance after capital accounts (% of total revenue)	(0.6)	1.4	5.9	1.9	(0.9)	(1.2)
Debt repaid	167	65	239	0	244	--
Gross borrowings	189	173	153	--	244	--
Balance after borrowings	9	150	83	57	(26)	(35)
Direct debt (outstanding at year-end)	2,069	2,028	2,222	2,201	2,122	2,097
Direct debt (% of operating revenue)	73.4	72.4	74.7	74.9	75.5	74.5
Tax-supported debt (outstanding at year-end)	2,081	2,035	2,224	2,204	2,124	2,099
Tax-supported debt (% of consolidated operating revenue)	73.8	72.7	74.7	75.0	75.6	74.6
Interest (% of operating revenue)	0.9	0.8	0.8	0.9	0.9	0.9
Local GDP per capita (\$)	82,083.6	85,223.9	90,797.7	96,410.1	94,545.1	94,039.3
National GDP per capita (\$)	103,593.9	107,161.3	114,152.8	120,848.5	117,705.6	116,394.8

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. \$--U.S. dollar.

## Solothurn (Canton of)--Rating component scores

Key rating factors	Scores
Institutional framework	1
Economy	1
Financial management	2
Budgetary performance	1
Liquidity	1
Debt burden	3
Stand-alone credit profile	aaa
Issuer credit rating	AAA

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the **"Methodology For Rating Local And Regional Governments Outside Of The U.S.,"** published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

## Key Sovereign Statistics

- [Sovereign Risk Indicators](https://www.spglobal.com/ratings/sri/), April 13, 2026. An interactive version is available at <https://www.spglobal.com/ratings/sri/>

## Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S.](#), July 15, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

- [Economic Outlook Europe Q2 2026: Global Shock Leaves Recovery Uncertain](#), March 25, 2026
- [Sovereign Ratings List](#), March 12, 2026
- [Sovereign Ratings History](#), March 12, 2026
- [Sovereign Ratings Score Snapshot](#), March 9, 2026
- [When Nature Sends The Bill: The Impact Of Extreme Weather Events On Swiss Canton Ratings](#), Feb. 10, 2026
- [Subnational Government Outlook 2026: Resilient, But Signs Of Stress Emerge](#), Jan. 20, 2026
- [Switzerland](#), Feb. 9, 2026

## Solothurn (Canton of)

- [Institutional Framework Assessment: Swiss Cantons Use Fiscal Autonomy To Retain Attractiveness](#), Jan. 31, 2025

### Ratings Detail (as of April 22, 2026)\*

#### Solothurn (Canton of)

Issuer Credit Rating	AAA/Stable/A-1+
Senior Unsecured	AAA

#### Issuer Credit Ratings History

03-May-2024	AAA/Stable/A-1+
06-May-2022	AA+/Positive/A-1+
01-Dec-2010	AA+/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.

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