

Investor Presentation Basler Kantonalbank



Our aim is the sustainable and permanent communication with investors and analysts.



**Basler
Kantonalbank**

fair banking

Agenda

1. Key figures for the BKB Group
2. Annual results for the BKB Group
3. Visions / aims & lines of attack for the BKB Group
4. Price performance

Ranking of Swiss banks as at 31.12.2005

Total assets		
Rank	Bank	(in CHF m)
1	UBS	2,060,250
2	Credit Suisse	1,339,052
3	Raiffeisenbanken	108,200
4	Zürcher Kantonalbank	84,351
5	Banque Cantonale Vaudoise (BCV)	34,900
6	Julius Bär	28,648
7	Migrosbank	28,000
8	Basler Kantonalbank	24,654
9	Berner Kantonalbank	20,724
10	St. Galler Kantonalbank	19,117
11	Luzerner Kantonalbank	18,880
12	Neue Aargauer Bank	17,526
13	Aargauische Kantonalbank	15,500

Client assets		
Rank	Bank	(in CHF m)
1	UBS	2,652,000
2	Credit Suisse	1,484,300
3	Bank Julius Bär & Co. AG	304,300
4	Zürcher Kantonalbank	128,591
5	Union Bancaire Privée UBP	95,783
6	Banque Privée. E. de Rothschild SA	74,405
7	Banque Cantonale Vaudoise	71,751
8	Vontobel Holding AG	57,600
9	Coutts Bank von Ernst AG	48,781
10	Clariden Bank	48,314
11	Crédit Agricole (Suisse) SA	47,242
12	Basler Kantonalbank	39,320
13	St. Galler Kantonalbank	30,769

Net income		
Rank	Bank	(in CHF m)
1	UBS	14,690
2	Credit Suisse	5,850
3	Zürcher Kantonalbank	810
4	Raiffeisen-Gruppe	608
5	Banque Cantonale Vaudoise (BCV)	457
6	HSBC Private Bank (Suisse)	347
7	Union Bancaire Privée UBP	326
8	BNP Paribas (Suisse) SA	309
9	Basler Kantonalbank	263
10	Clariden Bank	190
11	Vontobel Holding AG	183
12	Bank Leu AG	179
13	St. Galler Kantonalbank	168

Share capital and reserves		
Rank	Bank	(in CHF m)
1	UBS	51,943
2	Credit Suisse	42,118
3	Bank Julius Bär & Co. AG	6,207
4	Zürcher Kantonalbank	6,138
5	Raiffeisen-Gruppe	5,976
6	Banque Cantonale Vaudoise	3,160
7	HSBC Private Bank (Suisse)	2,631
8	Basler Kantonalbank	2,285
9	BNP Paribas (Suisse) SA	2,076
10	Migros Bank	1,943
11	Union Bancaire Privée UBP	1,713
12	St. Galler Kantonalbank	1,489
13	Berner Kantonalbank	1,478

Source: Handelszeitung 2006


Key figures for the BKB Group as at 31.12.2006

Basler Kantonalbank Group

Gross operating profit:	CHF 411 m
Total assets:	CHF 25.7 bn
Client assets:	CHF 42.0 bn
Number of clients:	479,379
Cost-income ratio:	42.0%

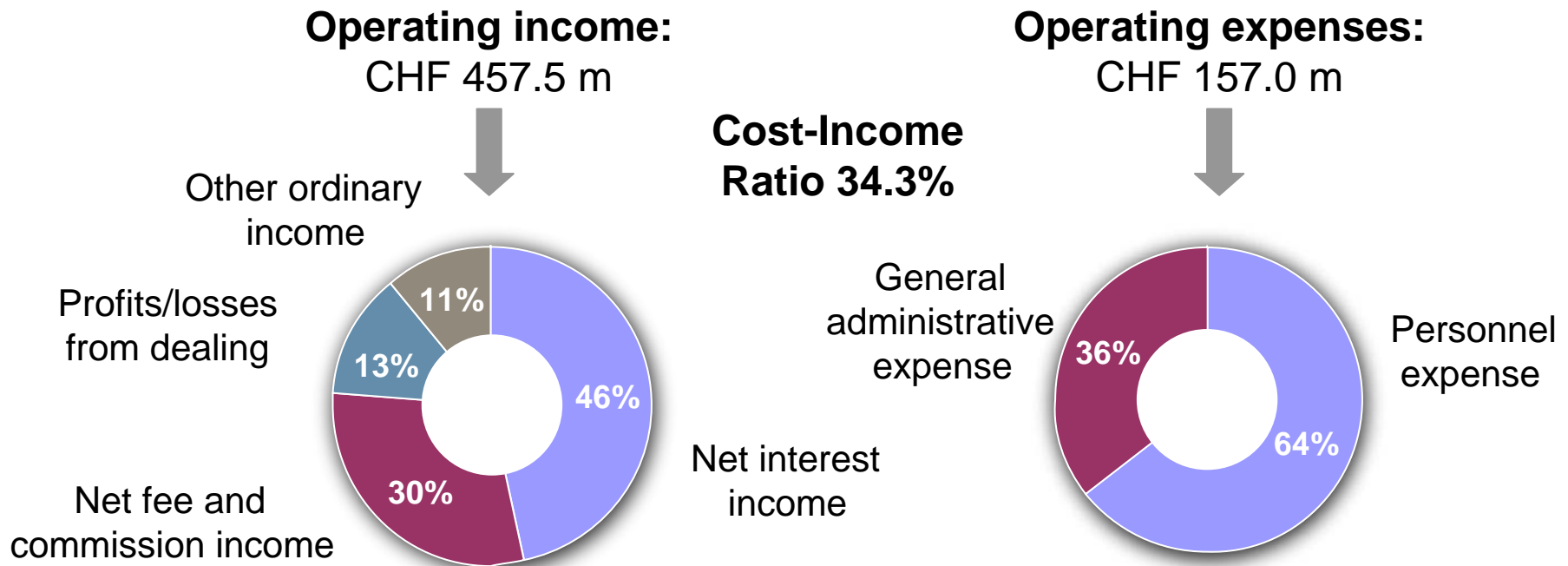
8th-largest Swiss banking group (by total assets)

Key figures BKB parent company and Bank Coop as at 31.12.2006

	 Basler Kantonalbank fair banking	fair banking bank coop
Gross operating profit:	CHF 300 m	CHF 126 m
Total assets:	CHF 15.3 bn	CHF 11,6 bn
Client assets:	CHF 26.0 bn	CHF 16,0 bn
Number of clients:	198,061	281,318
Cost-income ratio:	34.3%	53.7%

Analysis of the gross operating profit of the BKB parent company as at 31.12.2006

In % terms the gross operating profit breaks down as follows



Summary

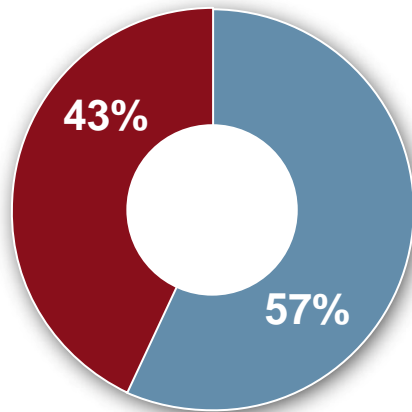
Basler Kantonalbank is an atypical and particularly dynamic cantonal bank.

Segment information as at 31.12.2006 (unaudited)

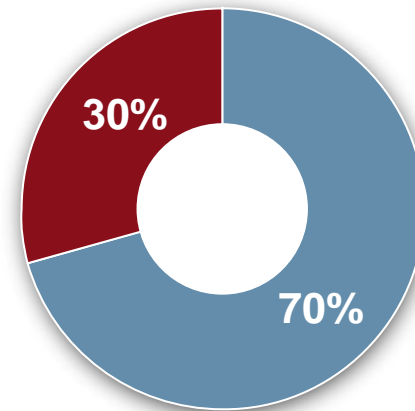
	2006 Private Banking CHF 1000	2006 Retail Banking CHF 1000	2006 Commercial Banking CHF 1000	2006 Trading Depart. CHF 1000	2006 Corporate Center CHF 1000	2006 Total CHF 1000
Net interest income	34 845	95 502	43 871	1 965	36 739	212 922
Net fee an commission income	92 495	30 368	3 270	12 242	- 2 613	135 762
Profits/losses from dealing	11 047	8 991	1 242	37 605	70	58 955
Other ordinary income	116	379	19	3	49 362	49 879
Operating income	138 503	135 240	48 402	51 815	83 558	457 518
Personnel expense	-14 590	-16 526	- 4 086	-10 398	- 55 280	-100 880
General administrative expense	- 5 362	- 9 683	-1 409	- 3 518	- 36 133	-56 105
internal cost allocation	-18 577	-28 587	- 3 756	- 3 255	54 175	-
Operating expense	- 38 529	-54 796	- 9 251	-17 171	- 37 238	-156 985
Gross operating profit	99 974	80 444	39 151	34 644	46 320	300 533
Depreciation, write-offs on fixed Assets					- 20 070	-20 070
Value adjustments, provisions and losses	61	2 213	-13 914		- 4 215	-15 855
Operating results (pre-tax)	100 035	82 656	25 236	34 644	22 035	264 607
Guarantor settlement						-33 930
Interim results						230 678
Extraordinary income						37 187
Extraordinary expenses						-195 050
Taxes						- 363
Net profit						72 451

The balance sheet and income structure of the BKB Group, 2006

Distribution of total assets:

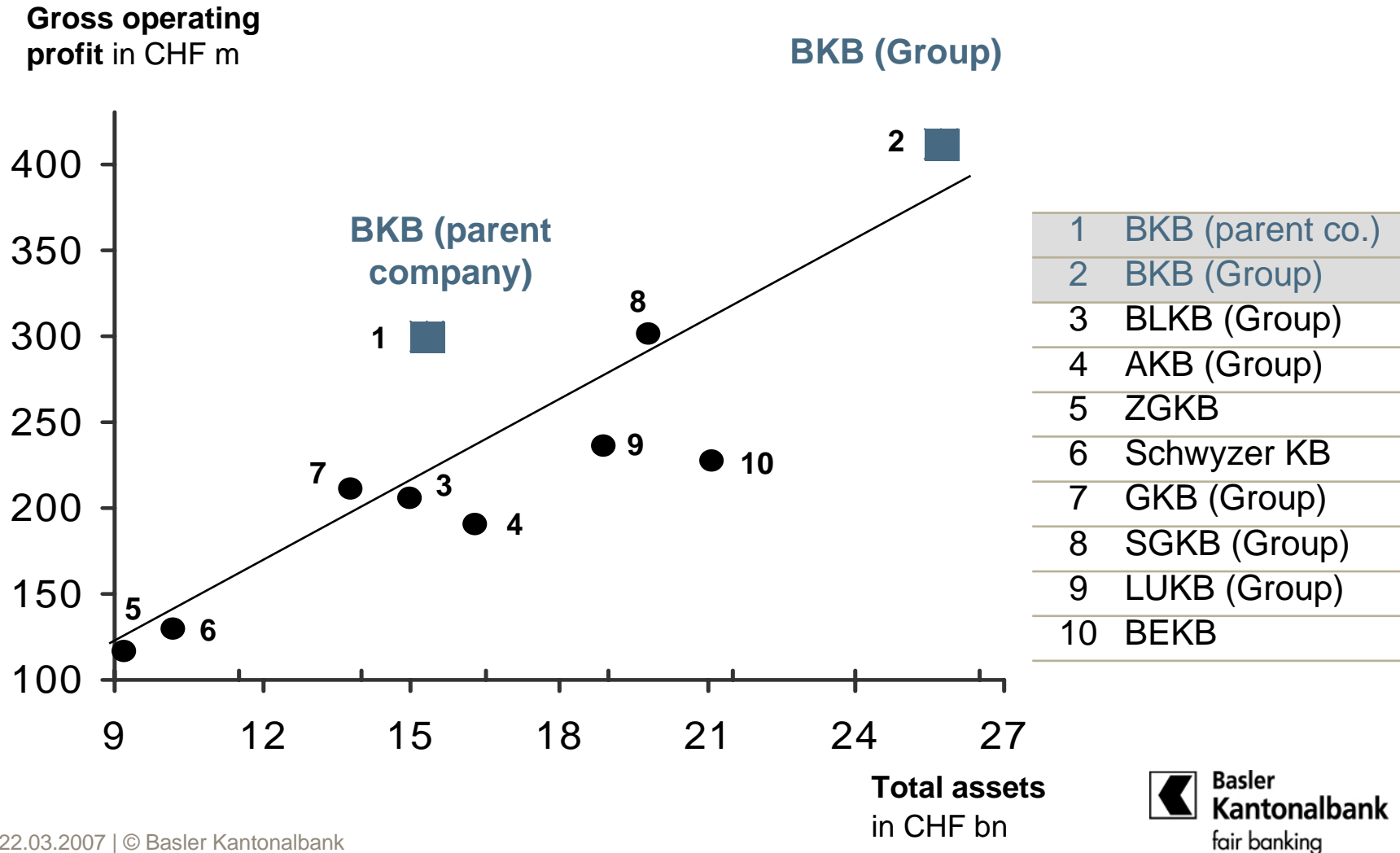


Distribution of gross operating profit:



■ Basler Kantonalbank
■ Bank Coop

Earnings power comparison with other cantonal banks



Balance sheet of the Basler Kantonalbank parent company as at 31.12.2006

CHF 1000	31.12.2005	31.12.2006	+/- in %
ASSETS			
Due from banks	1'733'921	2'047'485	18.1%
Due from customers	1'733'213	1'600'116	-7.7%
Mortgages	7'453'947	7'721'558	3.6%
Trading inventories in securities and precious metals	662'310	1'383'211	108.8%
Financial investments	930'722	850'771	-8.6%
LIABILITIES			
Due to banks	857'360	1'205'800	40.6%
Due to customers on savings and investment accounts	4'516'809	4'446'337	-1.6%
Other amounts due to customers	2'807'989	3'598'422	28.1%
Issues of medium-term notes	191'105	243'717	27.5%
Debentures and mortgage bond loans	2'723'000	2'775'000	1.9%
Total assets	14'128'989	15'259'937	8.0%

Income statement for 2006 Basler Kantonalbank parent company as at 31.12.2006

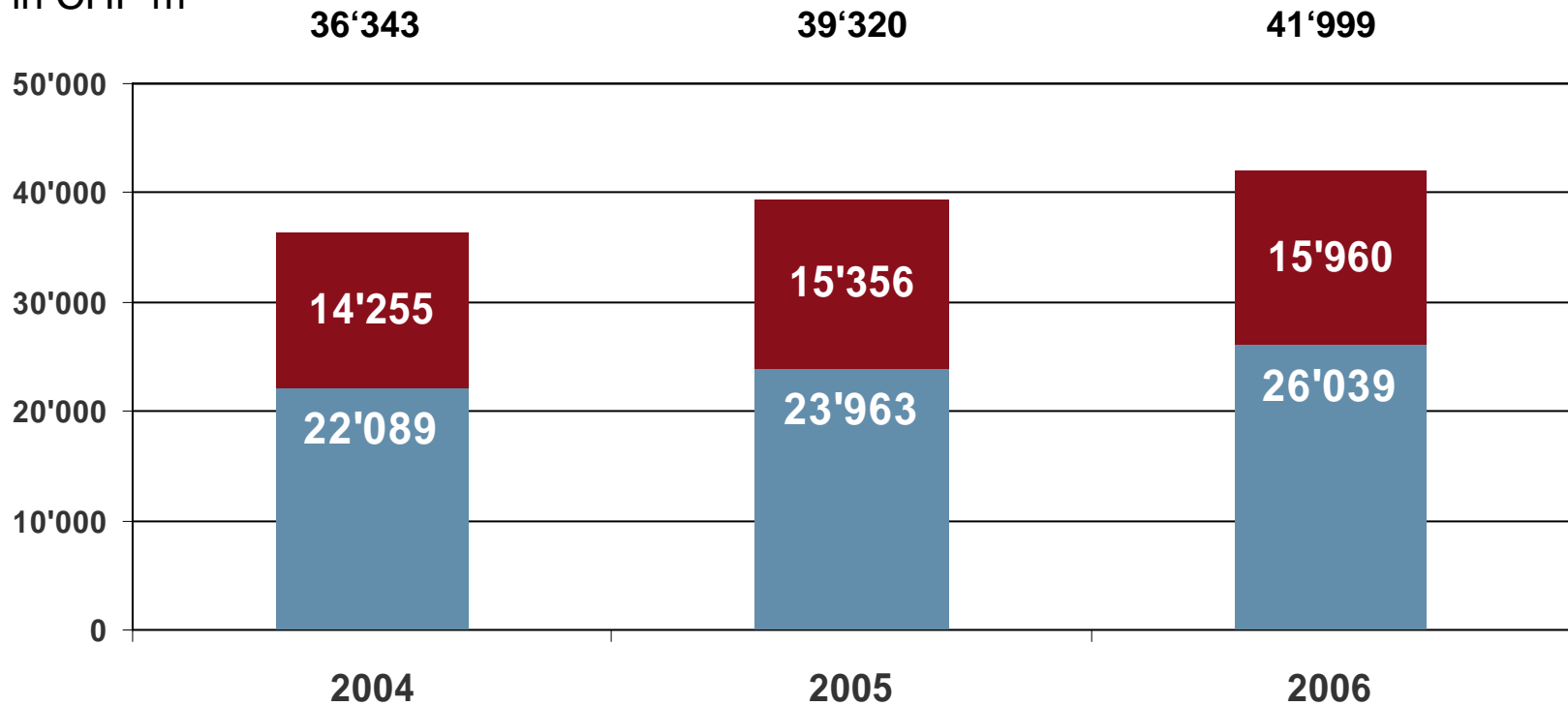
<i>CHF 1000</i>	2005	2006	+/- in %
Net interest income	205'954	212'922	3.4%
Net fee and commission income	134'271	135'761	1.1%
Profits/losses from dealing	54'372	58'955	8.4%
Other ordinary income	48'503	49'879	2.8%
<i>Operation income</i>	443'101	457'518	3.3%
Personnel expense	-93'009	-100'880	8.5%
General administrative expense	-53'295	-56'105	5.3%
<i>Total operating expense</i>	-146'304	-156'985	7.3%
Gross operating profit	296'797	300'533	1.3%

Income statement for 2006 Basler Kantonalbank parent company as at 31.12.2006

<i>CHF 1000</i>	2005	2006	+/- in %
Gross operating profit	296'797	300'533	1.3%
Depreciations, write-offs on fixed assets	-14'509	-20'070	38.3%
Value adjustments, provisions, losses	-30'327	-15'855	-47.7%
<i>Operating results (pre-tax)</i>	251'961	264'607	5.0%
Guarantor settlement	-31'216	-33'930	8.7%
<i>Interim results</i>	220'746	230'677	4.5%
Extraordinary income	157	37'187	--
Alloc. to reserves for general Bank risks	-150'500	-195'050	29.6%
- thereof no more necessary provisions	0	-36'838	--
Taxes	-413	-363	-12.1%
Net profit	69'990	72'451	3.5%

Expansion in BKB Group client assets

in CHF m

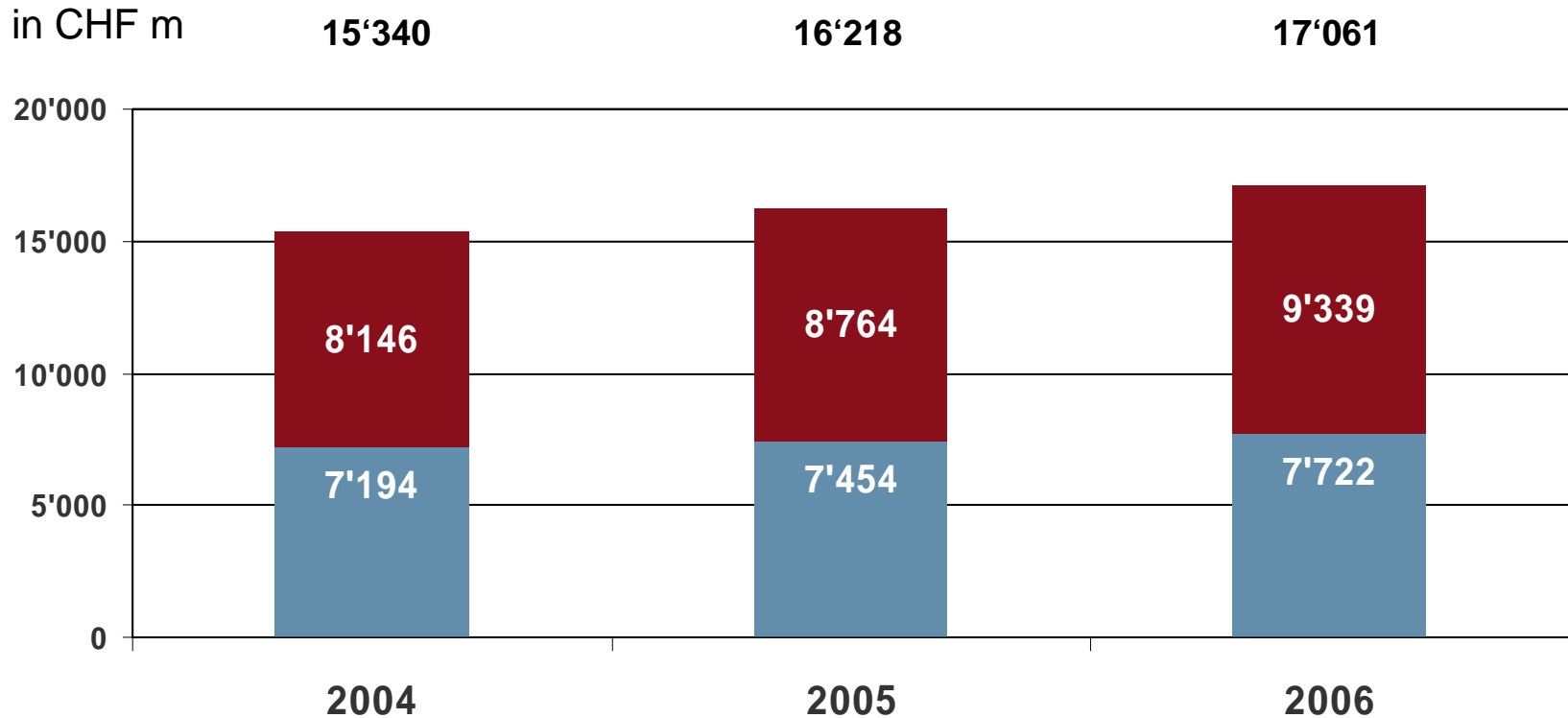


■ Basler Kantonalbank

■ Bank Coop

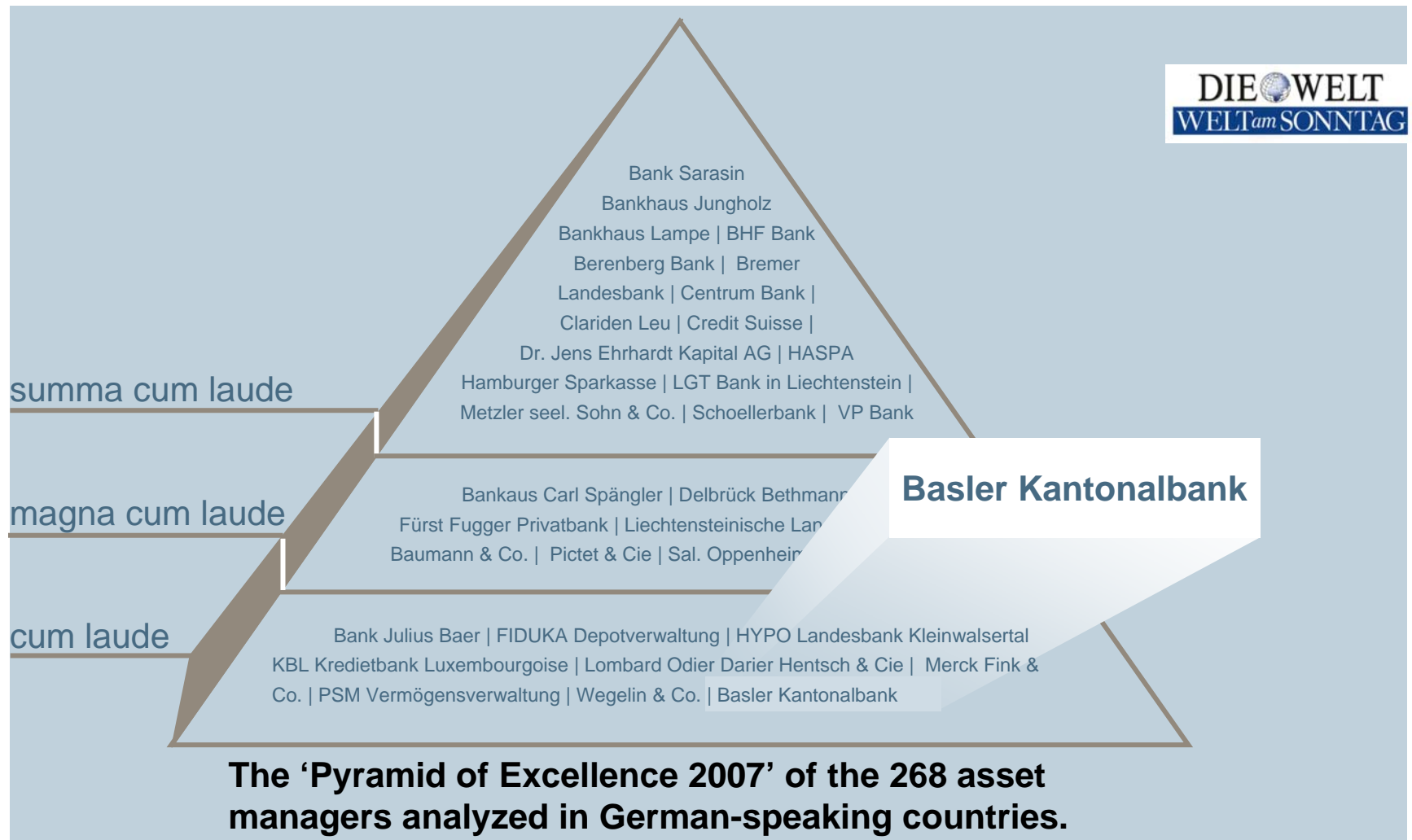
*equivalent to client assets (RRV-EBK)

Expansion in BKB Group mortgages



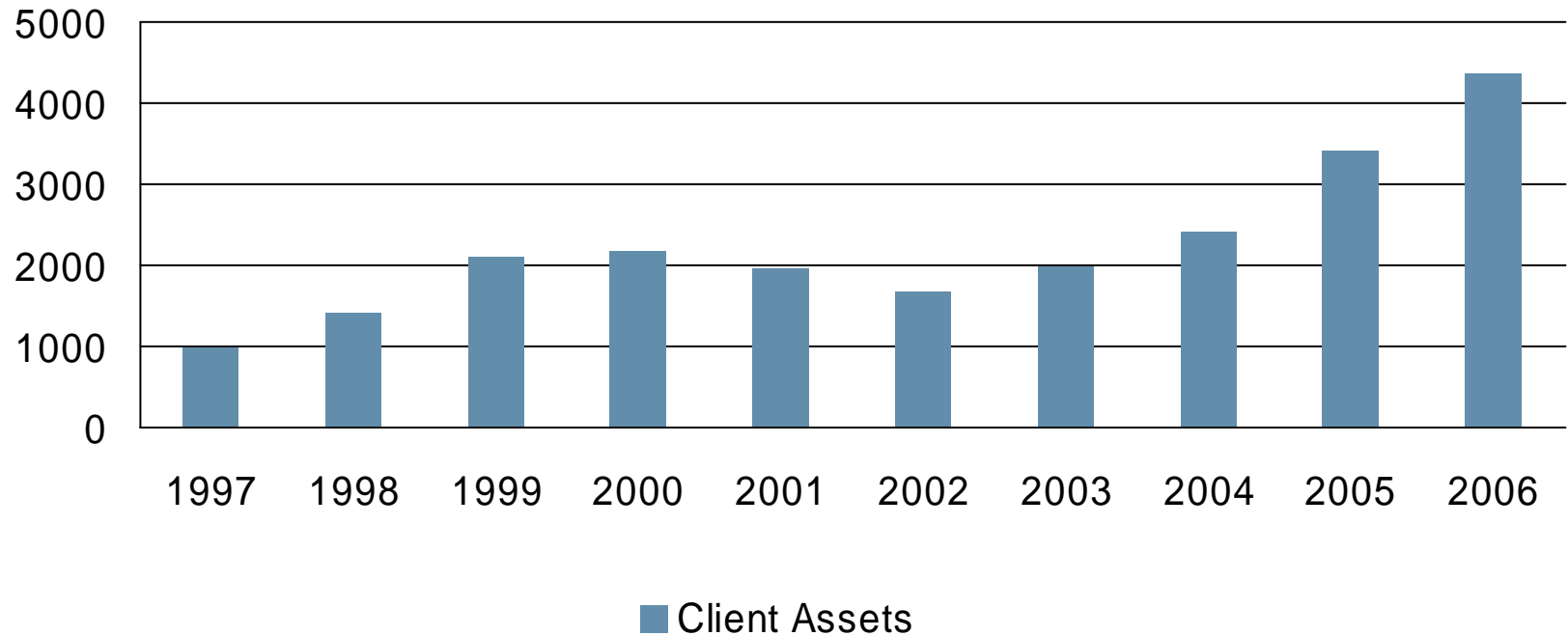
- Basler Kantonalbank
- Bank Coop

Elite asset manager

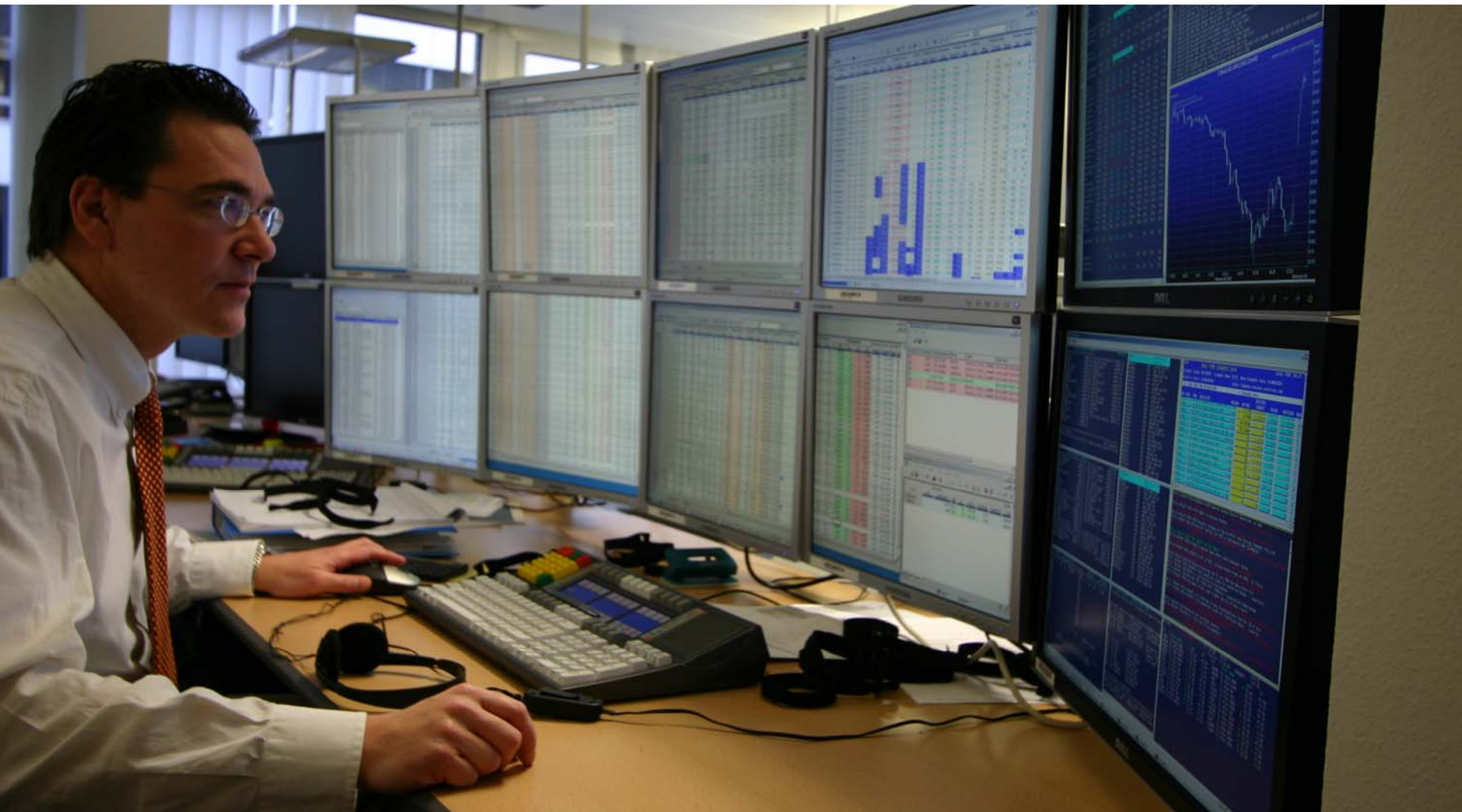


Basler Kantonalbank Private Banking Zurich

Expansion in Client Assets 1997-2006 in CHF m



Basler Kantonalbank - Derivates Zurich



BKB Group: Vision / Aims and Lines of Attack

1. Vision / Aims for 2010

By the end of 2010 the BKB Group will be among the

- **largest** (ranked 6th – 8th in terms of total assets),
- **most profitable** (ranked 7th in terms of gross operating profit) and
- **most efficient** (cost-income ratio < 45%)

banking groups in Switzerland.

Positioning of Basler Kantonalbank

- A rather atypical cantonal bank with strong income diversification (geographical constraints)
- Need to stand out from other cantonal banks and banks with regard to:
 - Top-quality professional banking
 - Countrywide activities and presence
 - Dynamism, efficiency

In sum

Sharpen our profile

Positioning of Bank Coop

- National retail bank (towns, conurbations)
- Prosperity with integrity
- Sustainability / equivalence
- Excellent client orientation + service quality
- Coop / Supercard

In sum

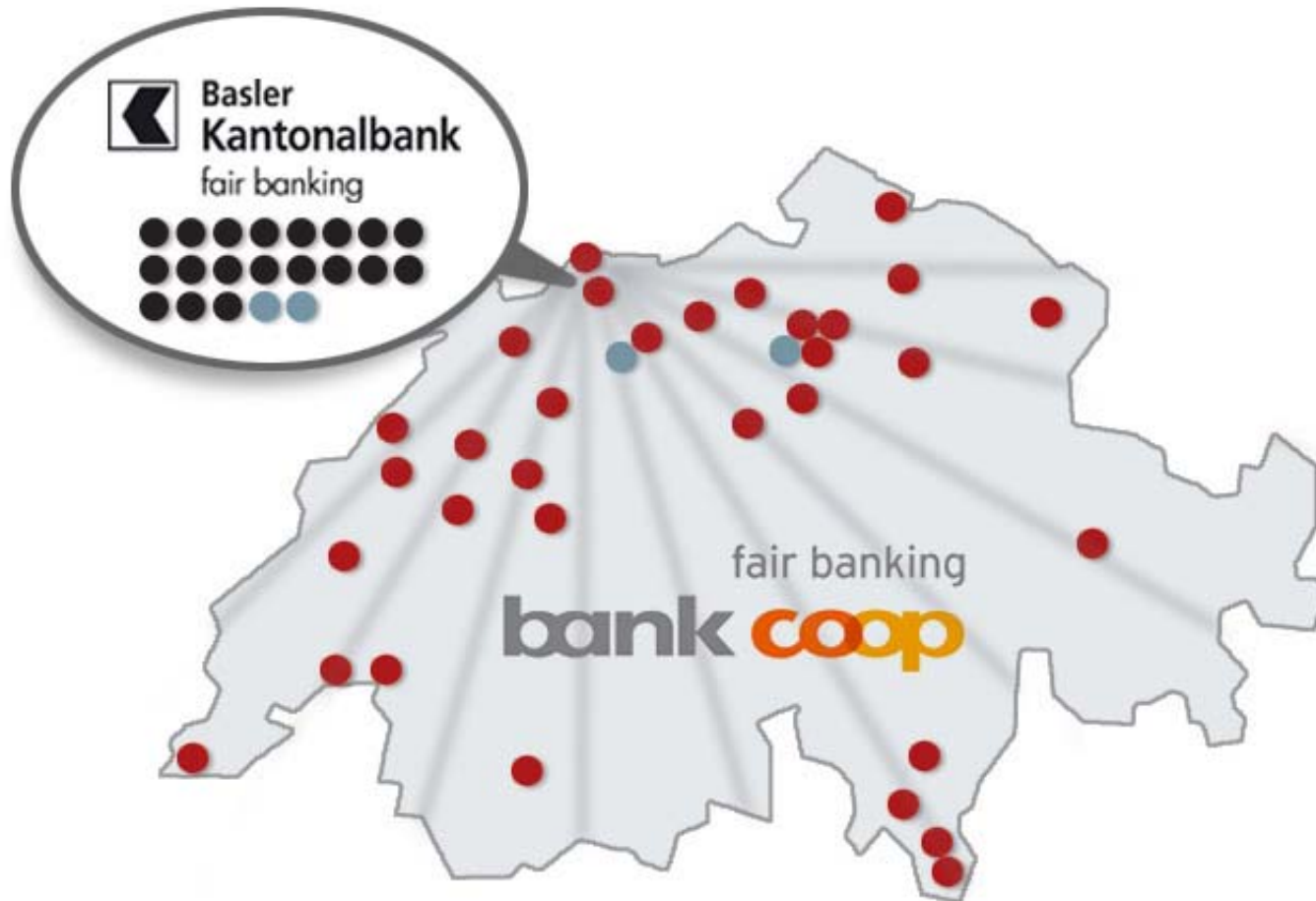
Enhance / strengthen our positioning

BKB Group: Vision / Aims and Lines of Attack

2. Lines of Attack

Both banks are positioned in such a way that **instead of competing** with one another, they **help each other** develop and grow in the Swiss market (with the exception of Basel City).

Basler Kantonalbank Group locations



Risk situation as at 31.12.2006

Value at risk in the trading portfolio for the various risk categories for groups and individual institutions










Holding period 1 year, 95% confidence interval, in CHF

	Group	Parent company	Bank Coop
VaR trading book	16,496,545	16,192,792	2,810,698
- VaR currencies	3,422,414	3,335,394	775,469
- VaR interest rates	10,362,290	10,447,904	351,553
- VaR equities	14,156,739	11,221,430	2,595,678

Interest-rate sensitivity of the balance-sheet structure portfolio in CHF per basis point increase

	Group 31.12.2006	Group 31.12.2005
Fixed-interest positions	-2,215,220	-2,180,490
Variable positions and sight deposits	1,226,770	1,266,970
Investment of share capital and reserves	1,037,516	975,648
Total sensitivity	49,066	62,128

Growth strategy

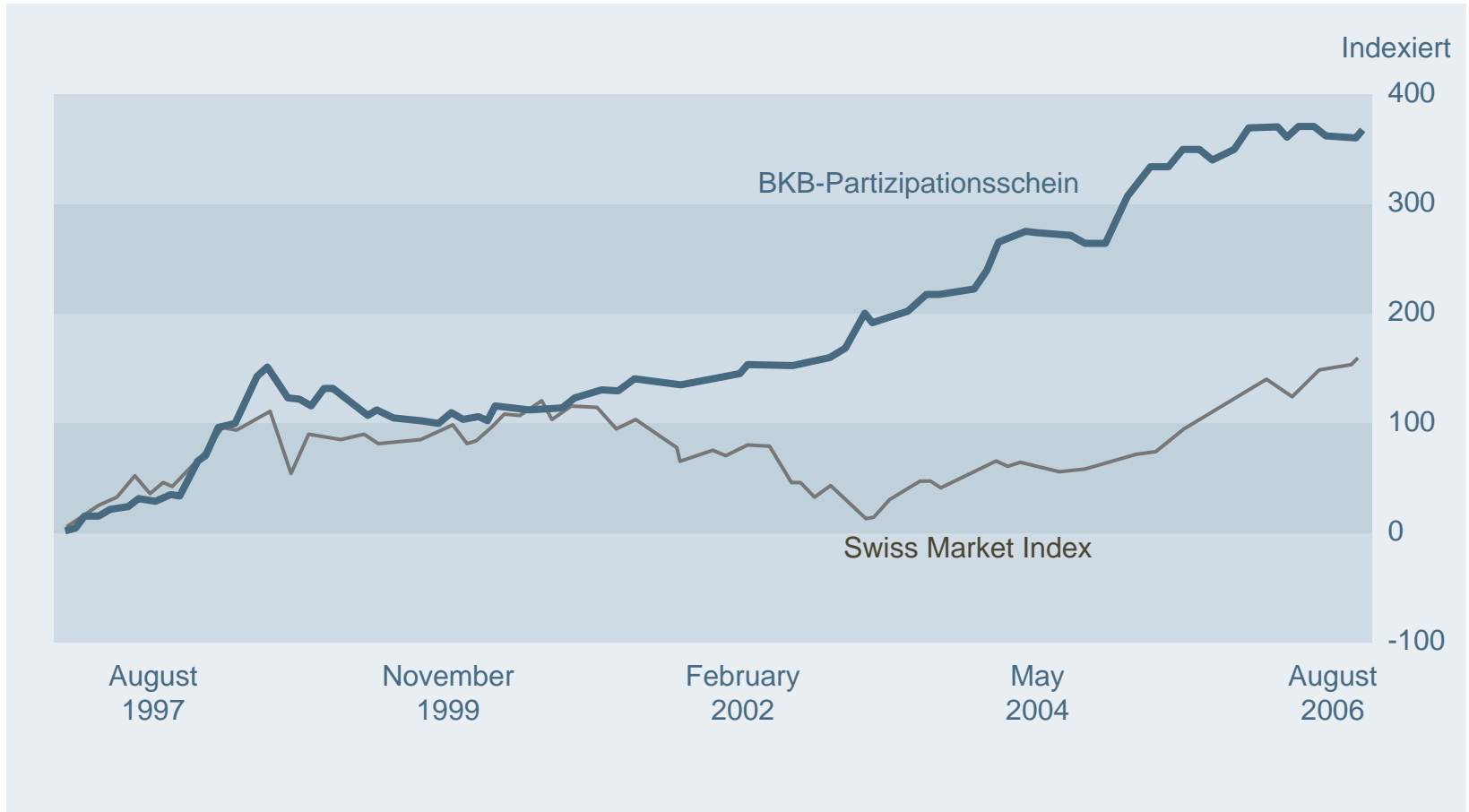
		Number of clients	Income
 Basler Kantonalbank fair banking			
Private Clients, SMEs	NWCH		
Private Banking	CH, D		
Firms, Institutionals, Banks	CH		
fair banking 			
Private Clients, SMEs	CH		

PS BKB Key Figures

		2006
Gross operating profit ¹⁾	CHF	10,05
Operating income ¹⁾	CHF	8,85
earnings per share ¹⁾	CHF	2,42
Book value ¹⁾	CHF	67,73
Dividend returns	in %	2,13
Pay-out ratio	in %	18,81
Price-earnings ratio		12,35
Price-book ratio		1,63

¹⁾ the endowment capital is included

PS price performance (1996-2006)



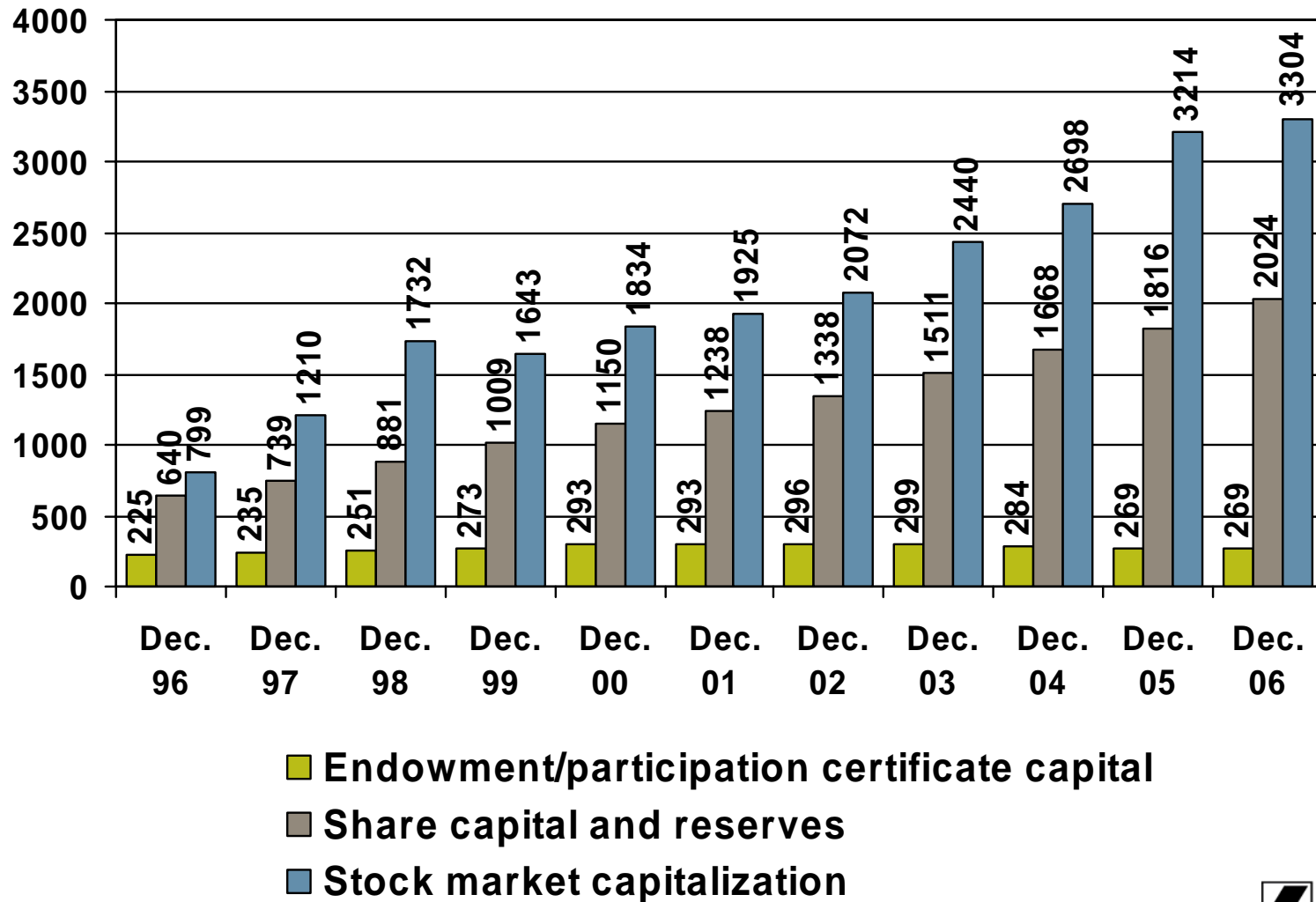
Source: Bloomberg

Ranking of Swiss companies by stock-market capitalization as at 31.12.2006 (in CHF bn)

01. Novartis 195,67	26. Geberit 7,89
02. Roche 194,19	27. BKW 7,40
03. Nestlé 175,62	28. Lindt & Sprüngli 6,76
04. UBS 154,83	29. Logitech 6,68
05. Credit Suisse 102,10	30. Baloise 6,60
06. Zurich FS 47,55	31. EFG 6,34
07. ABB 46,80	32. Phonak 6,33
08. Swiss Re 39,80	33. Actelion 5,82
09. Holcim 28,45	34. Ciba SC 5,65
10. Swisscom 25,92	35. Lonza 5,37
11. Syngenta 23,91	36. Sulzer 4,88
12. Serono 16,79	37. Motor Columbus 4,87
13. Synthes 16,77	38. Banque Cantonale Vaudoise 4,86
14. Swatch 15,95	39. Petroplus 4,69
15. Adecco 15,30	40. Straumann 4,64
16. Julius Bär 14,80	41. Sika 4,22
17. Pargesa 11,22	42. Clariant 4,13
18. SGS 10,68 43.	43. Panalpina 3,95
19. Kühne + Nagel 10,63	44. Ems-Chemie 3,57
20. Swiss Life 10,34	45. Partners Group 3,52
21. Nobel Biocare 9,69	46. Vontobel 3,47
22. Atel 9,29	47. EG Laufenburg 3,45
23. Schindler 9,26	48. Helvetia 3,40
24. Givaudan 8,36	49. Basler Kantonalbank 3,25
25. OC Oerlikon 8,12	50. PSP 3,20

Source: Stocks 1/2007

Basler Kantonalbank: Capital/Stock-Market Capitalization Performance (in CHF m)

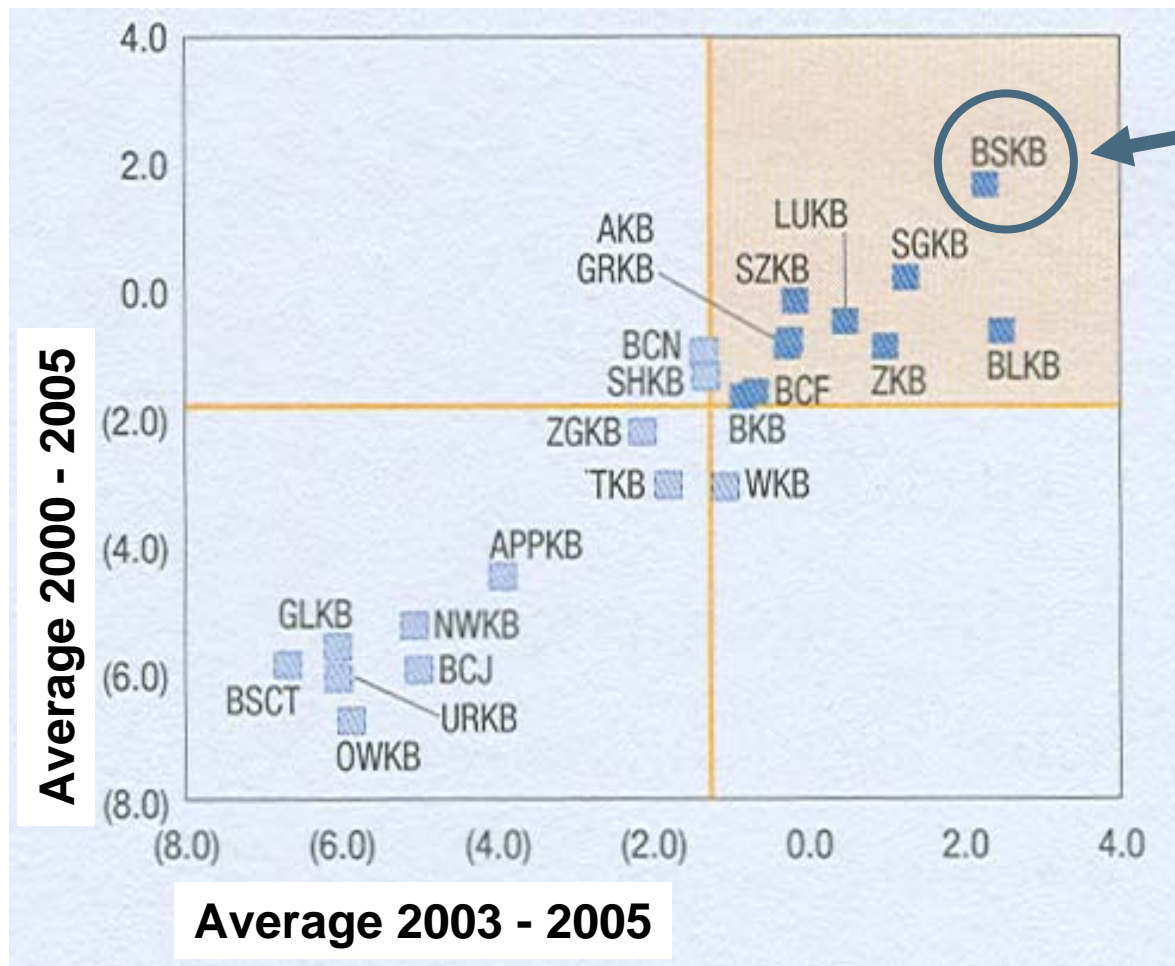


Standard & Poor`s Rating 2006

AA+

Top Value Performer (IFBC Study 2006)

(Return on Equity – Cost of Equity-Spread) in %



Basler
Kantonalbank

BCV (-14.8%; 3.2%) BCG (-12.8%; 5.6%)

Disclaimer

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- While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.
- These factors include, but are not limited to, (1) general market, macro-economic, governmental and regulatory trends, (2) movements in local and international securities markets, currency exchange rates and interest rates, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or creditworthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) federal and local legislative developments, (7) management changes and changes to our Business Group structure.
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