

Investor Presentation 2008

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 31.12.2006

Total assets		
Rank	Bank	(in CHF m)
1	UBS	2'396'511
2	Credit Suisse	1'255'956
3	Raiffeisenbanken	113'998
4	Zürcher Kantonalbank	92'632
5	Banque Cantonale Vaudoise (BCV)	36'537
6	Julius Bär	35'993
7	Migrosbank	28'889
8	Basler Kantonalbank	25'668
9	Berner Kantonalbank	21'077
10	St. Galler Kantonalbank	19'780
11	Luzerner Kantonalbank	18'902
12	Neue Aargauer Bank	17'611
13	Union Bancaire Privée (UBP)	17'511

Net income		
Rank	Bank	(in CHF m)
1	UBS	12'257
2	Credit Suisse	11'330
3	Zürcher Kantonalbank	937
4	Bank Julius Bär & Co. AG	672
5	Raiffeisen-Gruppe	655
6	Banque Cantonale Vaudoise (BCV)	534
7	Union Bancaire Privée UBP	413
8	Basler Kantonalbank	285
9	Vontobel Holding AG	256
10	St. Galler Kantonalbank	229
11	Banque Privée E. Rothschild SA	193
12	Neue Aargauer Bank	155
13	Luzerner Kantonalbank	141

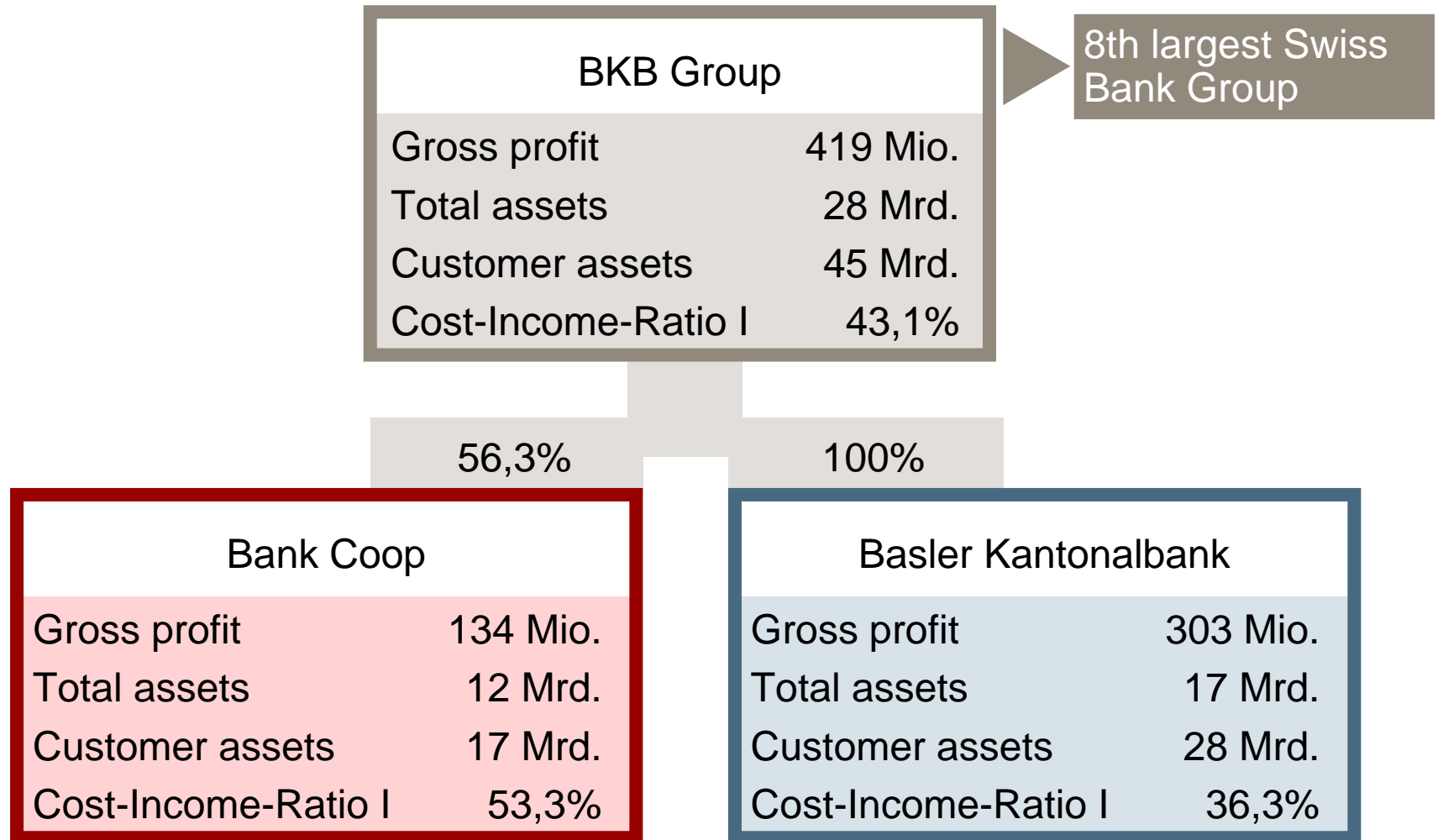
Share capital and reserves		
Rank	Bank	(in CHF m)
1	UBS	55'775
2	Credit Suisse	43'586
3	Bank Julius Bär & Co. AG	6'864
4	Raiffeisen-Gruppe	6'686
5	Banque Cantonale Vaudoise	3'419
6	Zürcher Kantonalbank	3'364
7	Basler Kantonalbank	2'498
8	Migros Bank	2'154
9	Union Bancaire Privée UBP	1'838
10	Berner Kantonalbank	1'621
11	Valiant Holding	1'578
12	St. Galler Kantonalbank	1'538
13	Luzerner Kantonalbank	1'536

Client assets		
Rank	Bank	(in CHF m)
1	UBS	3'189'000
2	Credit Suisse	1'485'000
3	Bank Julius Bär & Co. AG	360'700
4	Zürcher Kantonalbank	114'852
5	Union Bancaire Privée UBP	112'600
6	Raiffeisen-Gruppe	88'025
7	Banque Privée. E. de Rothschild SA	83'071
8	Banque Cantonale Vaudoise	80'775
9	Vontobel Holding AG	71'200
10	Clariden Bank	56'261
11	Basler Kantonalbank	42'407
12	St. Galler Kantonalbank	38'839

Source: Handelszeitung Top 2007

The table accounts for Swiss banking groups only; foreign banks operating in Switzerland are not included

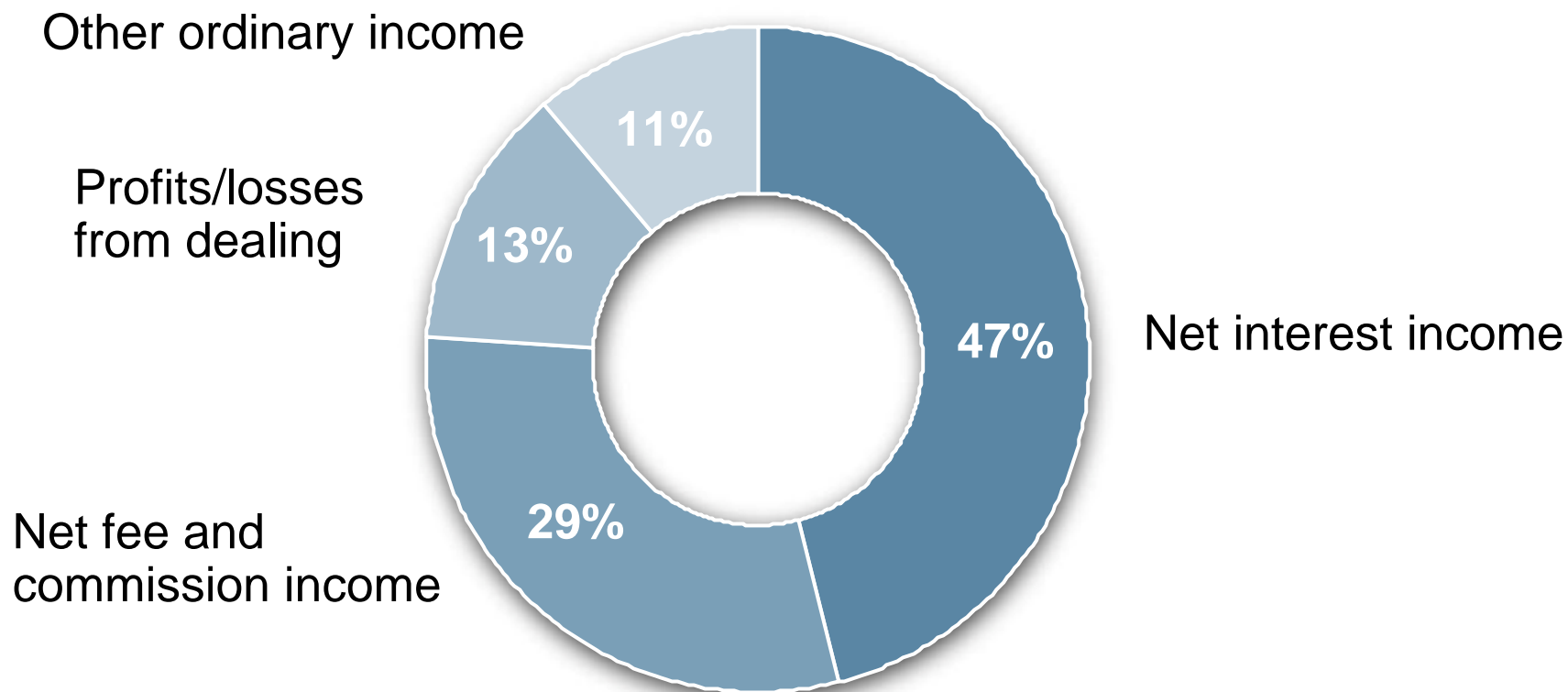
Key Figures for BKB Group as at 31.12.2007



BKB parent company

Analysis of the gross operating profit

Operating income 476 Mio.



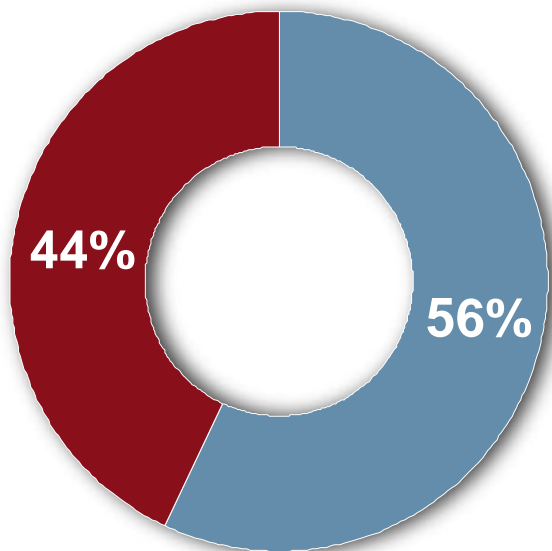
Segment information as at 31.12.2007

(in CHF m)

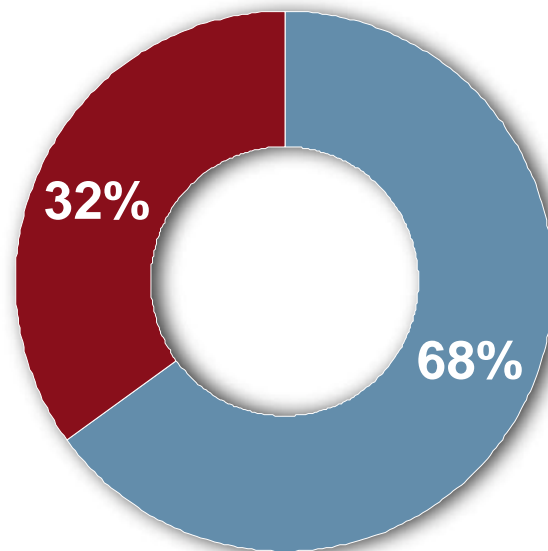
	Retail Banking	Private Banking	Commercial Banking	Trading Department	Corporate Center	Total
Net interest income	196,7	62,5	91,7	4,8	57,7	413,4
Net fee and commission income	57,7	126,3	5,4	12,2	13,3	214,9
Profits/losses from dealing	12,6	11,1	3,1	49,7	-1,4	75,1
Other ordinary income	0,3	0,1	0,1	–	31,8	32,3
Operating income	267,3	200,0	100,3	66,7	101,4	735,7
Personnel expense	-39,7	-23,8	-9,6	-13,5	-112,1	-198,7
General administrative expense	-11,5	-7,0	-1,5	-7,1	-91,2	-118,3
Internal cost allocation	-56,1	-23,7	-9,0	-2,6	91,4	–
Operating expense	-107,3	-54,5	-20,1	-23,2	-111,9	-317,0
Gross operating profit	160,0	145,5	80,2	43,5	-10,5	418,7
Depreciation, write-offs on fixed assets	–	–	–	–	-31,7	-31,7
Value adjustments, provisions and losses	-12,2	-0,2	-21,7	0,0	-0,3	-34,4
Operating results (pre-tax)	147,8	145,3	58,5	43,5	-42,5	352,6
Guarantor settlement						-44,6
Interim results						307,9
Extraordinary income						2,3
Extraordinary expenses						-0,5
Taxes						-29,4
Net profit						280,3

The balance sheet and income structure of the BKB Group, 2007

Distribution of total assets



Distribution of gross operating profit



■ Basler Kantonalbank
■ Bank Coop

Earnings power comparison with other banks

as at 31.12.2007

	Total assets	Gross op. profit	TA/GOP
	in CHF bn	in CHF m	coefficient m/bn
BKB (parent company)	16.7	303.4	18.2
GKB (Group)	14.3	218.6	15.3
BKB (Group)	27.9	418.7	15
SGKB (Group)	20.2	289.7	14.3
Schwyzer KB	10.5	146.2	13.9
BLKB	15.7	205.9	13.1
ZGKB	9.4	121.9	13
Valiant Holding	17.9	221	12.4
LUKB (Group)	19.6	241	12.3
Thurgauer KB	15	184	12.3
Bank Coop	12.4	133.8	10.8
AKB (Group)	17.1	181.8	10.6
Migros	29.1	296.9	10.2
ZKB (Group)	103.2	956	9.3
Raiffeisen Group	123.1	965	7.8

Balance sheet of the Basler Kantonalbank parent company as at 31.12.2007

<i>CHF 1000</i>	31.12.2006	31.12.2007	+/- in %
ASSETS			
Due from banks	2'047'485	1'956'929	-4.4%
Due from customers	1'600'116	2'057'613	28.6%
Mortgages	7'721'558	7'711'833	-0.1%
Trading inventories in securities and precious metals	1'383'211	1'553'880	12.3%
Financial investments	850'771	830'049	-2.4%
LIABILITIES			
Due to banks	1'205'800	1'404'603	16.5%
Due to customers on savings and investment accounts	4'446'337	4'170'202	-6.2%
Other amounts due to customers	3'598'422	4'510'861	25.4%
Issues of medium-term notes	243'717	345'150	41.6%
Debentures and mortgage bond loans	2'775'000	2'764'000	-0.4%
Total assets	15'259'937	16'664'209	9.2%

Income statement for 2007 Basler Kantonalbank parent company as at 31.12.2007

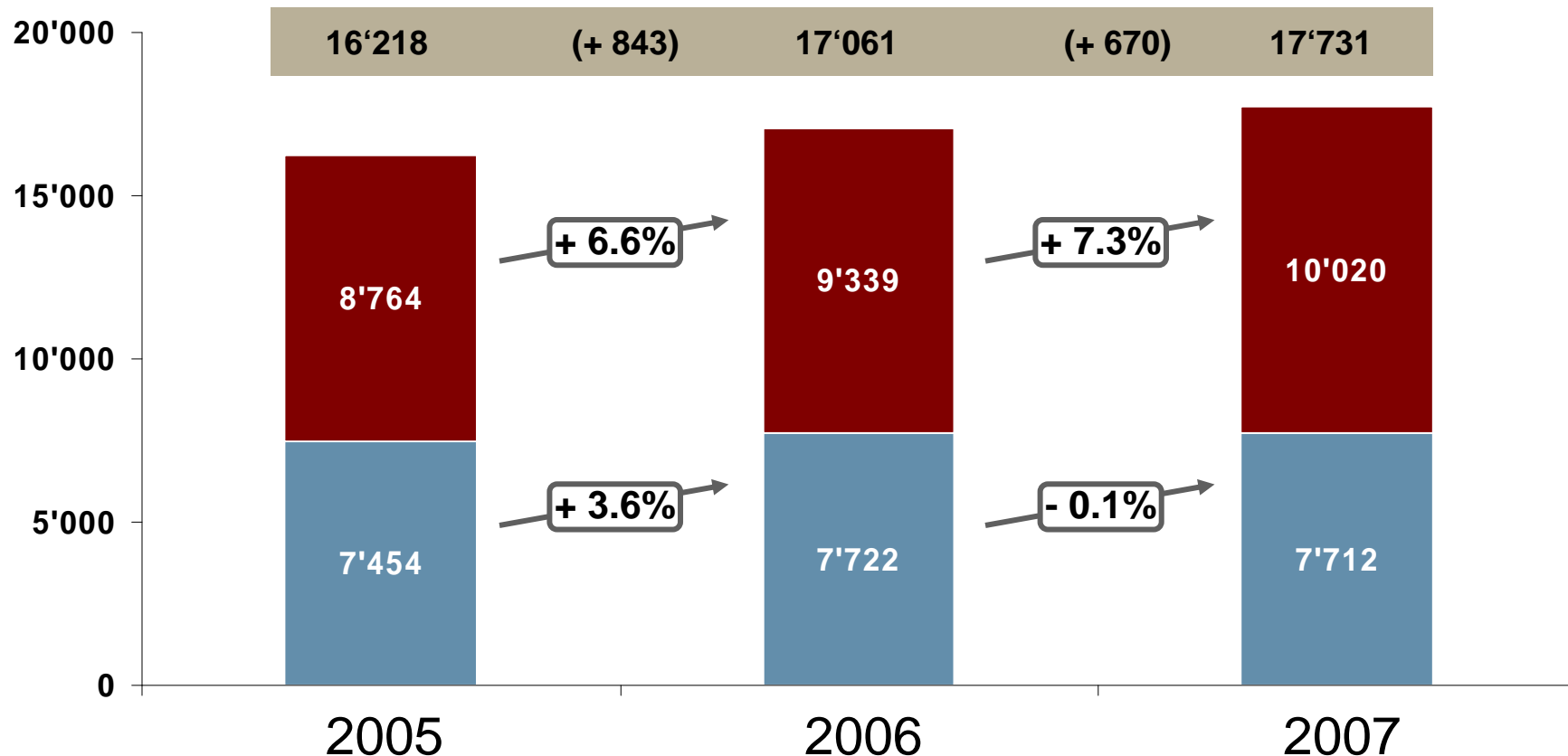
CHF 1000	2006	2007	+/- in %
Net interest income	212'922	225'256	5.8%
Net fee and commission income	135'761	136'537	0.6%
Profits/losses from dealing	58'955	60'980	3.4%
Other ordinary income	49'879	53'259	6.8%
Operation income	457'518	476'031	4.0%
Personnel expense	-100'880	-107'082	6.1%
General administrative expense	-56'105	-65'555	16.8%
Total operating expense	-156'985	-172'637	10.0%
GROSS OPERATING PROFIT	300'533	303'394	1.0%

Income statement for 2007 Basler Kantonalbank parent company as at 31.12.2007

CHF 1000	2006	2007	+/- %
GROSS OPERATING PROFIT	300'533	303'394	1.0%
Depreciations, write-offs on fixed assets	-20'070	-25'660	27.9%
Value adjustments, provisions, losses	-15'855	-12'281	-22.5%
Operating results	264'607	265'453	0.3%
Guarantor settlement	-33'930	-44'645	31.6%
Interim results	230'677	220'807	-4.3%
Extraordinary income	37'187	835	---
Extraordinary expense	0	-488	---
Provisions IT	0	-30'000	---
Alloc. to reserves for general bank risks	-195'050	-102'500	-47.4%
Taxes	-363	-3'148	---
NET PROFIT	72'451	85'507	18.0%

BKB Group Expansion in mortgages

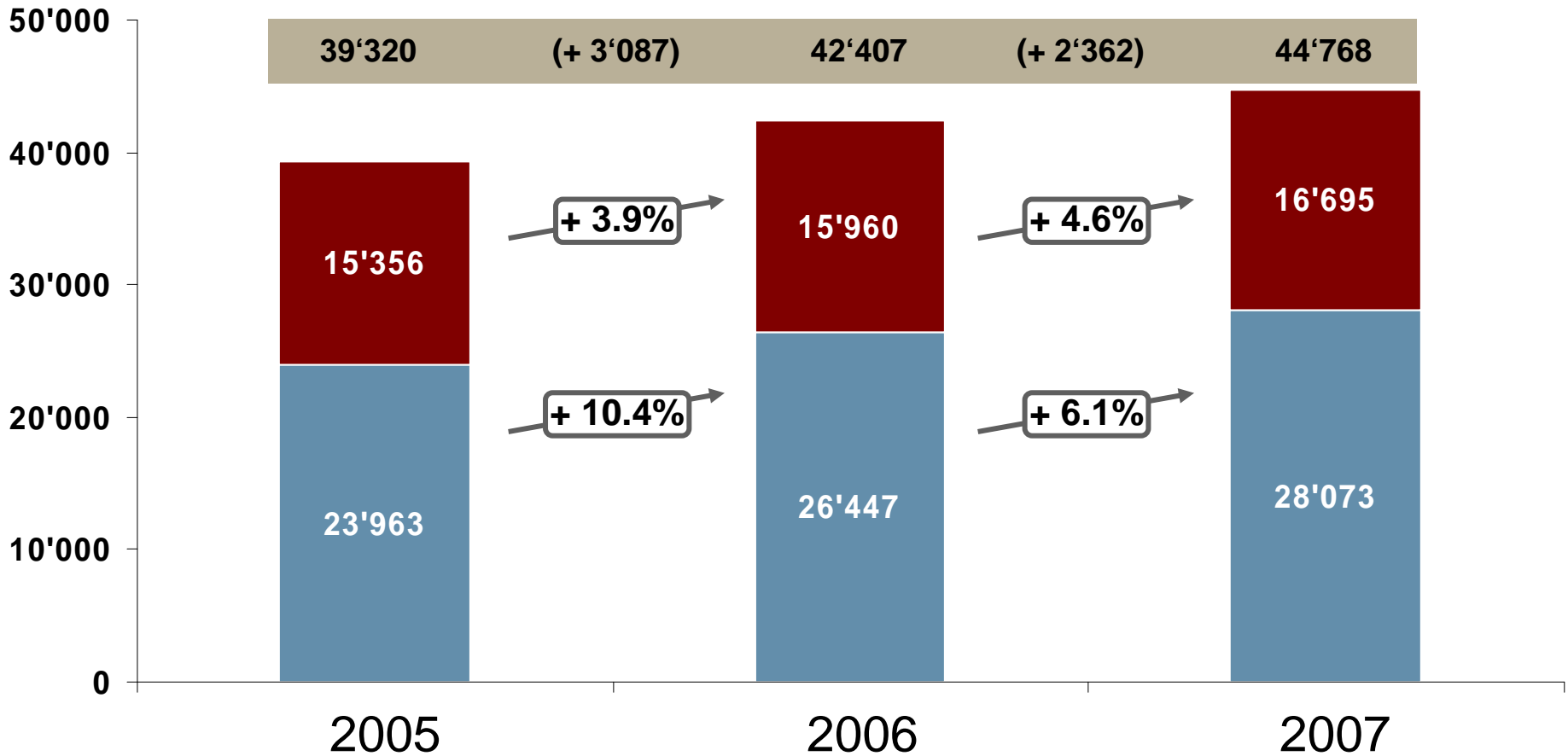
in CHF m



■ Basler Kantonalbank
■ Bank Coop

BKB Group Assets under Management*

in CHF m

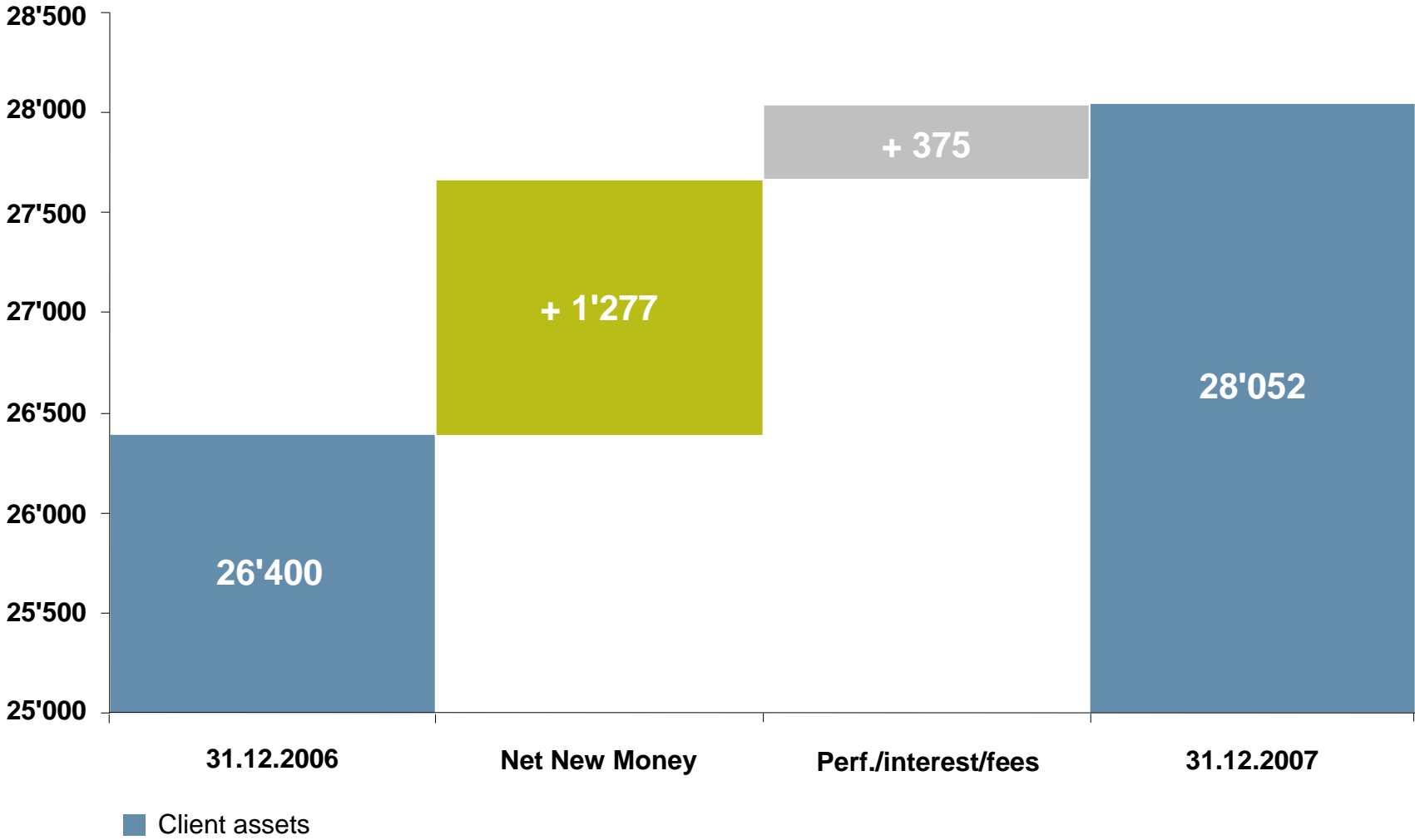


■ Basler Kantonalbank
■ Bank Coop

*equivalent to client assets (RRV-EBK)

Net New Money (excl. double count)

(in CHF m)



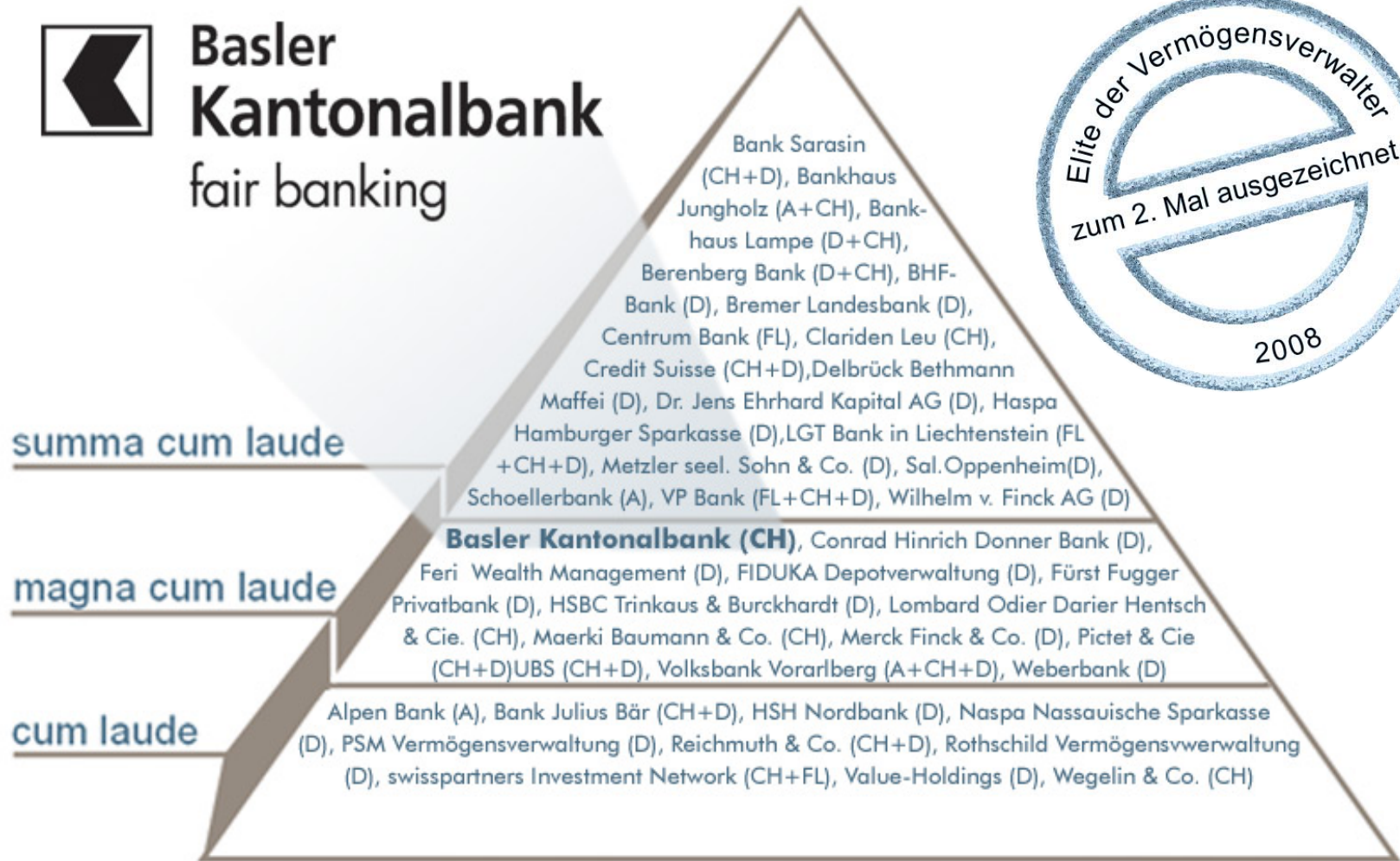
Private Banking-Center Brunngässlein



„magna cum laude“ for Private Banking



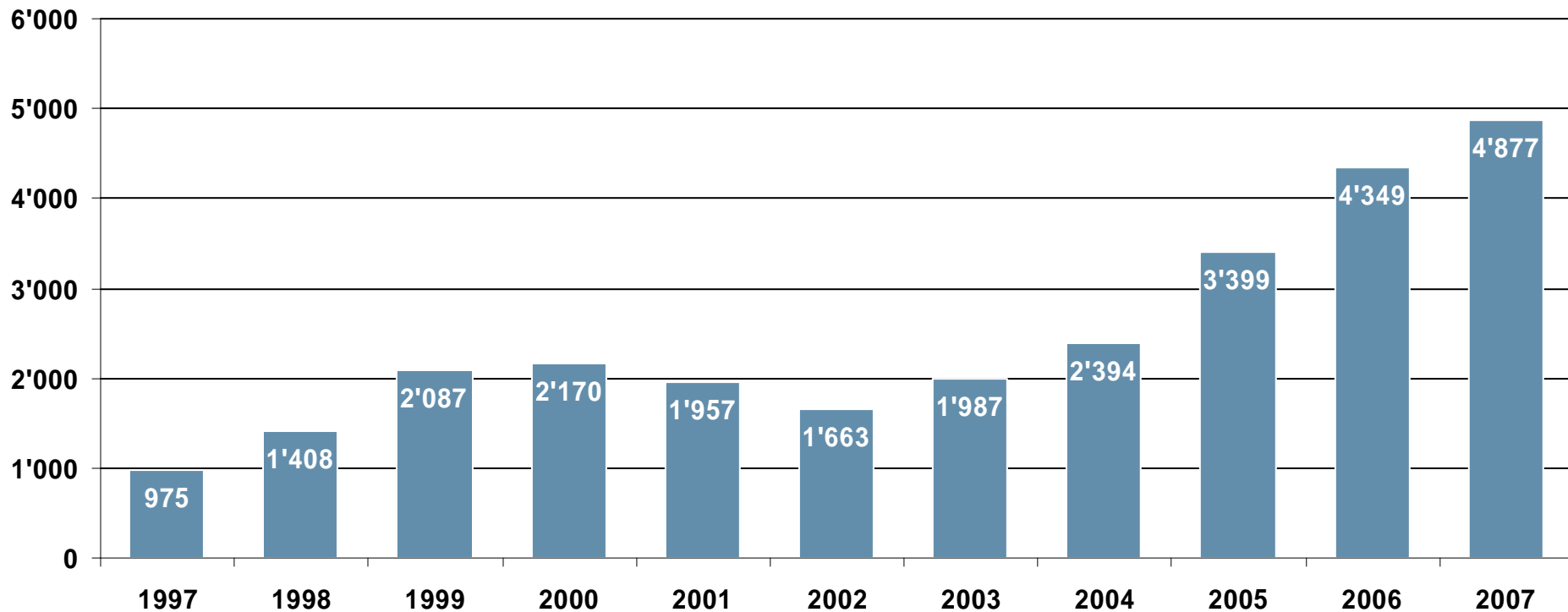
**Basler
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fair banking



The 'Pyramid of Excellence 2008' of the 344 asset managers analyzed in German-speaking countries.

Basler Kantonalbank Private Banking Zurich

Expansion in Client Assets 1997-2007 in CHF m



Basler Kantonalbank - Derivates Zurich



Results – Derivatives Team

Issuing activity

54 Structured Products
200 Warrants

Most successful products

BKB-metrobasel Basket
BKB-Alternative Energy Basket
BKB-Vorsorge Plus

2007 significantly over budget

New: Issuing struct. products with interest component

BKB Group: Vision / Aims and Lines of Attack

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

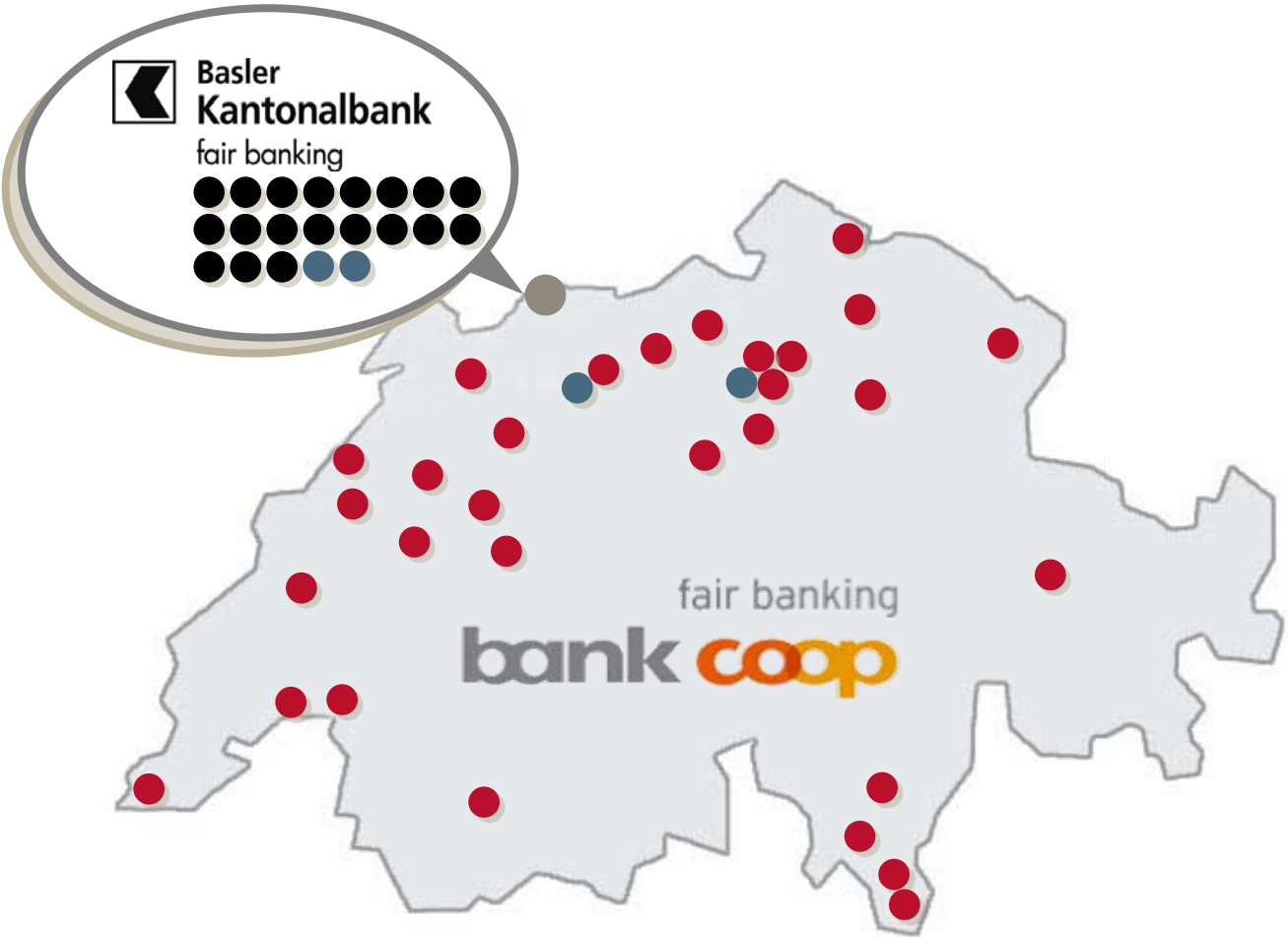
Enhance / strengthen our positioning

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).

BKB Group locations



Risik situation as at 31.12.2007

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












Holding period 1 year, 99% confidence interval, in CHF

	Group	Parent company	Bank Coop
VaR trading book	29'937'203	27'433'577	13'105'941
- VaR currencies	5'015'306	3'022'975	1'839'724
- VaR interest rates	18'518'982	18'587'214	4'516
- VaR equities	29'518'696	16'449'033	12'630'202

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

	Group 31.12.2007	Group 31.12.2006
Fixed-interest positions	-1'897'530	-2'246'860
Variable positions and sight deposits	+861'619	+1'266'770
Investment of share capital and reserves	+1'082'023	+1'037'516
Total sensitivity	+46'112	+17'426

Growth strategy

Segment	Market Territory	Clients	Income
 Basler Kantonalbank fair banking			
Private Clients, SMEs	NWCH		
Private Banking	CH, D		
Firms, Institutionals, Banks	CH		
 fair banking bank coop			
Private Clients, SMEs	CH	 	 

Migration of BKB Group to Avaloq

- Shared IT Platform “Avaloq” in the BKB Group
- Increased efficiency for both banks
- Enables offering of complex investment solutions
- Further potential synergism in the processing area

Basler Kantonalbank:	Migration in October 2009
Bank Coop:	Migration at the end of 2010

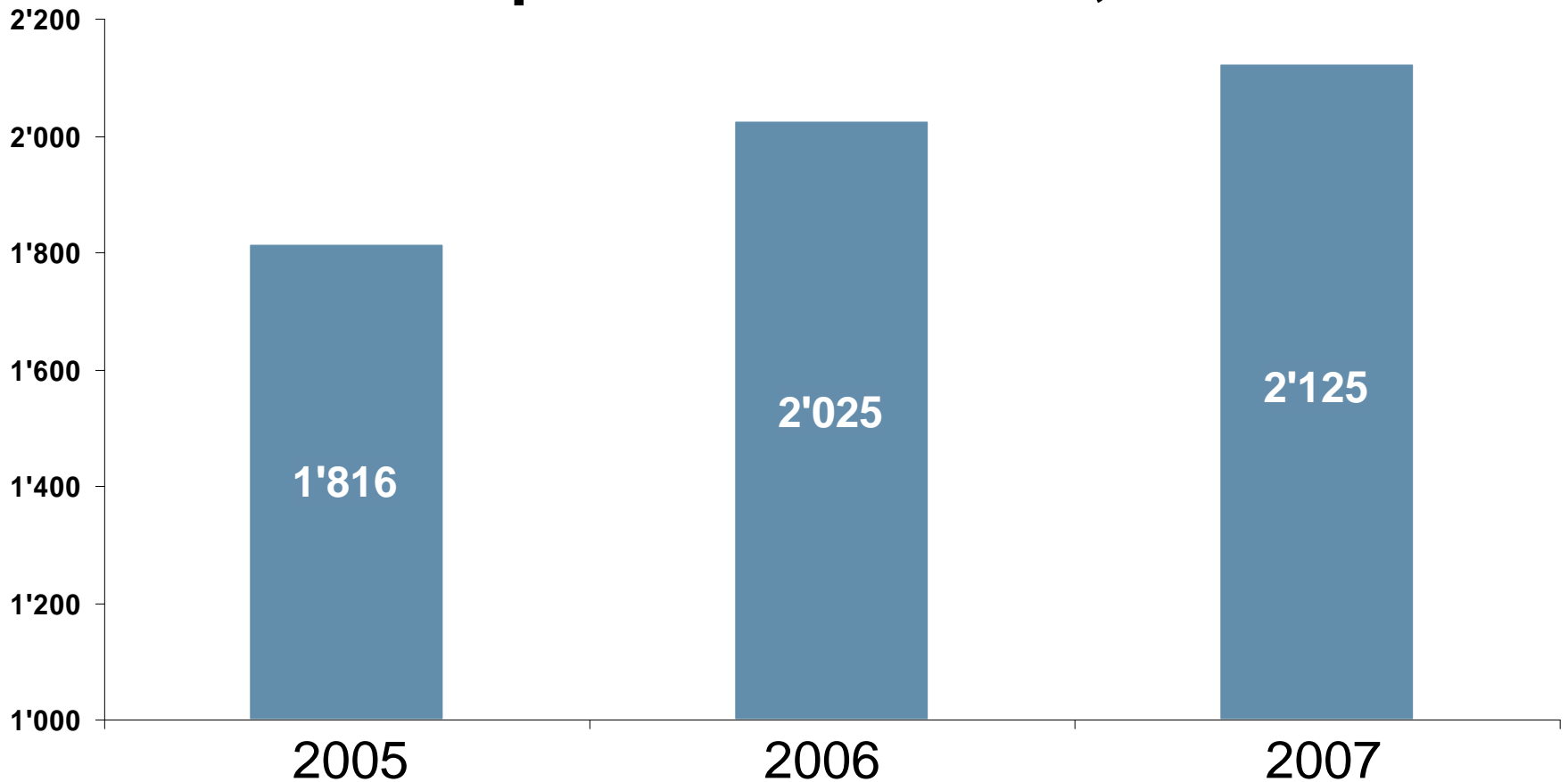
BKB-PS Key Figures

	2006	2007
Market capitalization in CHF m	3'304	3'436
Key Figures per BKB-PS		
Gross operating profit	10.05	10.15
Operating income	8.85	8.88
Earnings per share	2.42	2.86
Book value	67.73	71.07
Dividend returns	2.1%	2.6%
Pay-out-ratio	18.8%	20.7%
Price-earnings-ratio	12.35	18.2
Price-book-ratio	1.63	1.62

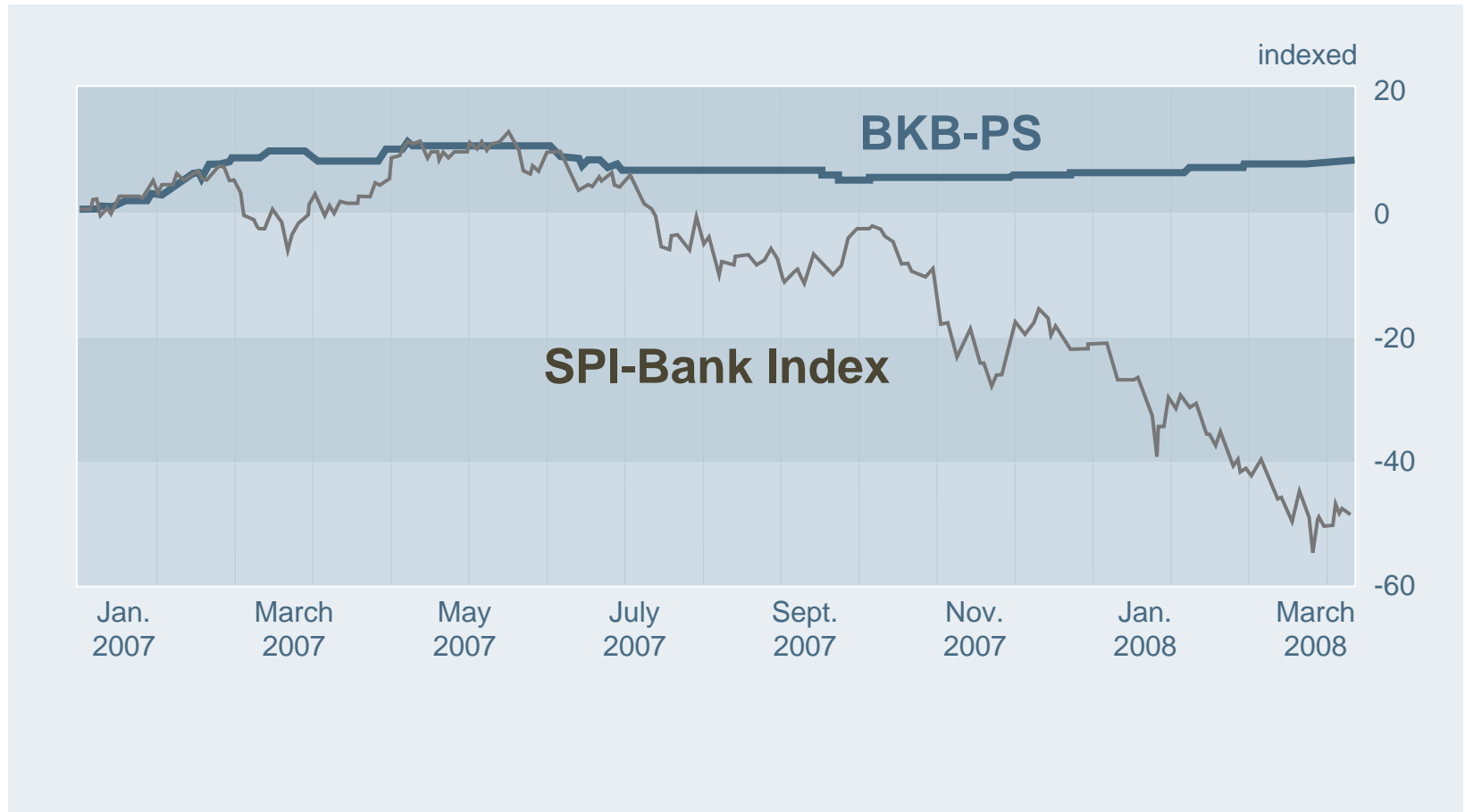
BKB parent company Equity (after appropriation)

in CHF m

Core capital ratio 2007: 18,45%

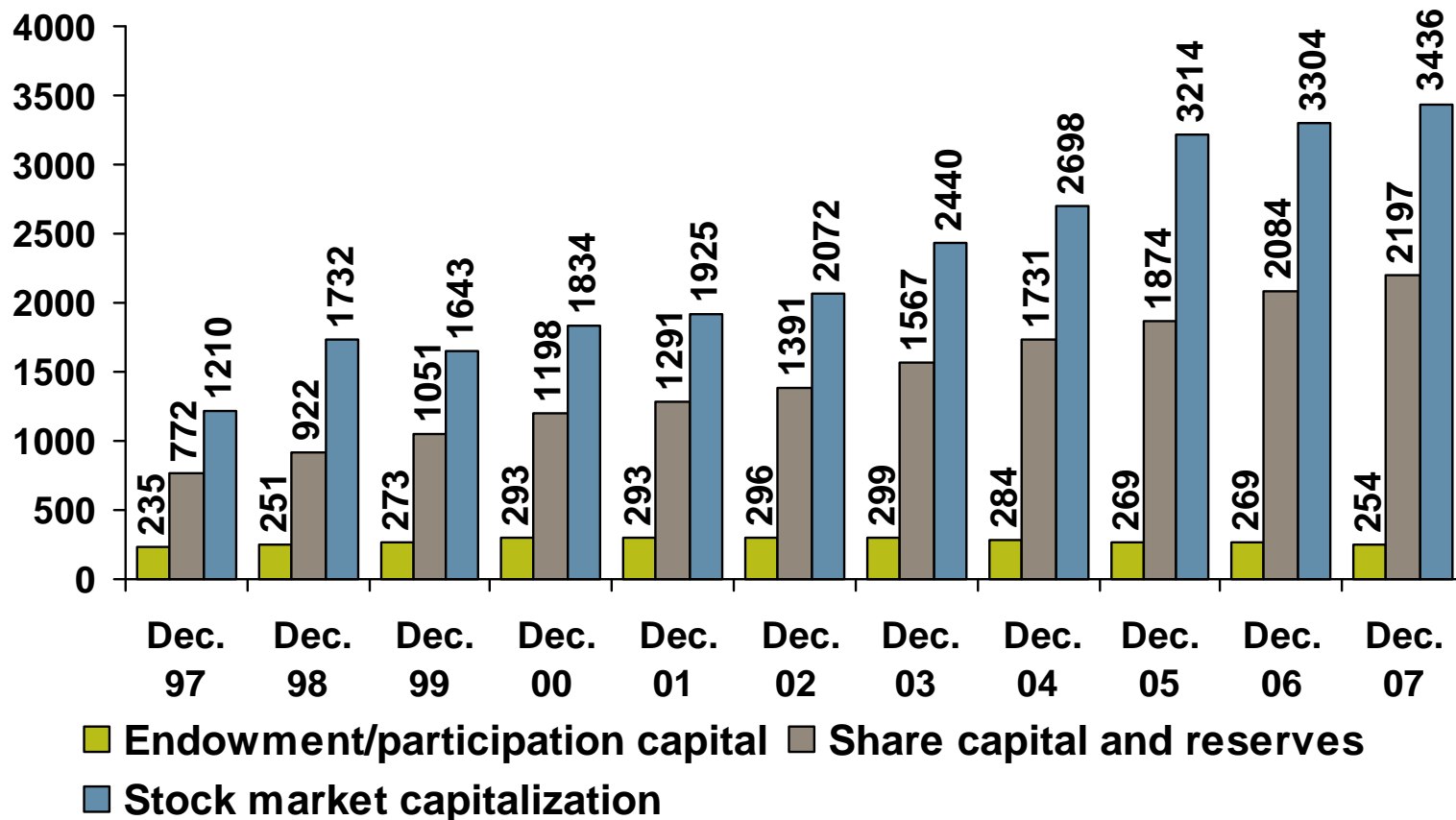


Performance of BKB Participation Certificate (PS)



Source: Bloomberg

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



Standard & Poor`s Rating 2008

AA+

Disclaimer

Caution regarding forward-looking statements

- This communication contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives, such as the expansion in private banking, and other statements relating to our future business development and economic performance.
- 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.
- Basler Kantonalbank is not under any obligations to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

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