



**Basler
Kantonalbank**

Half-yearly Report 2021 – Abridged Version



Contents

02 In brief – Key figures for the Group BKB

03 Business development over the first half of 2021

05 Group BKB – Half-yearly financial statements

- 06 Group BKB – At a glance
- 07 Group BKB – Balance sheet as at 30.6.2021
- 08 Group BKB – Income statement for the first half of 2021
- 09 Group BKB – Statement of changes in equity

10 Parent Company BKB – Half-yearly financial statements

- 11 Parent Company BKB – At a glance
- 12 Parent Company BKB – Balance sheet as at 30.6.2021
- 13 Parent Company BKB – Income statement for the first half of 2021
- 14 Parent Company BKB – Statement of changes in equity

In brief – Key figures for the Group BKB

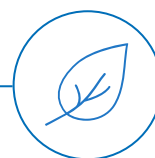
+6.1%



Group net profit

Strategic transformation and customer focus bear fruit: Very pleasing half-yearly results (CHF 54.0 million) for Group BKB (first half of 2020: CHF 50.9 million).

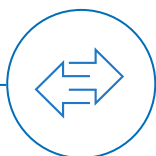
+39.3%



Volume of sustainable investment solutions

In the investment business, the sustainability approach has further established itself as the standard. Thanks to the attractive performance over the first half of the year 2021, a further CHF 425.7 million has flowed into sustainable investments throughout the Group.

+5.1%



Commission and services business

Pleasant increase from CHF 62.7 million (first half of 2020) to CHF 65.9 million.

+2.0%



Volume of mortgages

Despite rigorous risk management, it was possible to achieve slight growth to CHF 30.0 billion.

17.0%



Total capital ratio

The capital ratio remains clearly above the minimum requirement (12.0%).

6.5%



Leverage ratio

Group BKB has an above-average capital base.

Business development over the first half of 2021

Very pleasing half-yearly results for Group BKB

Group BKB looks back on a successful first half of 2021. The Group continued to make a contribution to mitigating the economic consequences of the Covid pandemic and simultaneously benefited from the economic recovery. In addition, the Group was able to drive forward its strategic transformation and to achieve growth and boost efficiency in all of its earnings pillars, while maintaining a high level of stability. Increasing income and decreasing costs have significantly improved the Group's profitability.

In the first half of 2021, the business performance stood at CHF 106.8 million, up 69% on the first six months of the previous year, which had been negatively impacted by the Covid pandemic (CHF 63.2 million), and also clearly higher than in the first six months of 2019 (CHF 74.7 million). With these developments, Group BKB underscores the fact that its customer-oriented growth strategy is taking effect and the efficiency of its service delivery is being increased. With a clear focus on sustainability, the Group is, furthermore, future-proofing its business model.

Commitment to mitigating the economic, social and cultural consequences of the pandemic

Group BKB is providing close support for its clients throughout the Covid crisis. In the first half of 2021, the Group once again contributed to mitigating the economic impact of the pandemic in the form of bridging loans and giving new impetus to cultural and social life with solidarity campaigns. In addition, parent company BKB is supporting Basel's gastronomy sector with more than CHF 750,000 distributed in the form of 7,665 gift cards. And with the announced "Kultur, fertig, los!" campaign, BKB is helping out 20 Basel-based cultural institutions with a total of CHF 100,000. Basil Heeb, Chair of BKB's Management Board, is confident overall: "As shown by the survey we took among the region's SMEs in May, consumption and business are recovering more quickly than we even dared hope a year ago. This means that the financial situation has already stabilised once more for many businesses. Nevertheless, some start-ups and SMEs are still reliant on bridging loans, as the long lean period has left deep scars, especially for small business and young companies."

Successful development of the Group in terms of growth, profitability and stability

In line with the strategy, the Group saw targeted growth with existing clients, as well as in new business areas. Total assets increased by 2.2% to CHF 55.7 billion over the first half of the year. The expansion of the securities financing business contributed to this development, with growth of around CHF 3.2 billion on the assets side. At the same time, the stability of the trading business was reinforced, which is reflected in a correspondingly smaller volume (down CHF 2.0 billion to CHF 0.8 billion). In the mortgage business, we were able to increase the volume by 2.0% or CHF 0.6 billion to CHF 30.0 billion.

Broad-based earnings growth

Group BKB has grown across all of its earnings pillars: Gross interest income increased by 3.5% to CHF 183.0 million. Due to the economic recovery, it was not necessary (in contrast to the previous year) to recognise any value adjustments for loans, so that net interest income rose 9.0% to CHF 183.8 million. The commission and services business saw an earnings rise of 5.1% to CHF 65.9 million. The investment business made a particularly strong contribution to this development. Buoyed by the large inflow into investment solutions and asset management mandates, custody account volume increased by CHF 2.2 billion or 11.1% to CHF 22.4 billion over the first six months. At CHF 43.2 million, the trading profit made an above-average contribution to the Group's revenues. At CHF 297.4 million in the first six months, the operating income was not only up 16.9% on the previous-year value of CHF 254.4 million, which was dampened by the pandemic, but at its highest level since 2017.

Synergies and increased efficiency bring about higher profitability

Consistent bundling of expertise within the Group has continued to take effect. In conjunction with a high level of cost discipline and progress made with digitalisation and automation, general and administrative expenses have been lowered by 8.1% to CHF 69.2 million since the start of the year. Despite a higher level of compensation for the State guarantee to the parent company, operating expenses are down 1.1% on the previous year at CHF 5.1 million. This increase in efficiency is reflected in a fall in the cost-income ratio to 59.4% (previous year: 67.8%) and an increase in the business performance to CHF 106.8 million.

No change in the high level of security and stability

Thanks to the successful first half of the year, it was possible to allocate a total of CHF 50.3 million to the reserves for general bank risks for the two banks as at 30.6.2021. This means that the total capital ratio stands at 18.8% for the parent company BKB and at 17.7% for Bank Cler and is, thus, significantly higher than the regulatory minimum requirement of 12.0%. This underlines the Group's high level of stability and security. Net profit for the half-year stands at CHF 54.0 million, up 6.1% over the previous year (CHF 50.9 million).

Sustainable investments break the CHF 1.5 billion mark

In the investment business, the sustainability approach has further established itself as the standard. Thanks to the attractive performance, among other factors, a further CHF 426 million has flowed into sustainable investments over the first half of 2021. This corresponds to growth of 39.3%, making a total more than CHF 1.5 billion. BKB is taking numerous measures to boost its credibility as a Group geared towards sustainability. For example, parent company BKB is one of the first banks in Switzerland to join the "Partnership for Carbon Accounting Financials" (PCAF). With this step, the bank commits to improving the transparency of its climate risks and to disclosing the CO₂ emissions of its credit transactions in accordance with a standardised approach. In addition, the parent company will already achieve the operating net zero objective before the end of this year thanks to a forest climate protection project in the region. For this reason, BKB has received an award for its commitment in the field of sustainability from an independent body. According to the balance sheet and the Financial Times, the parent company BKB is, in the meantime, one of the most exemplary banks in Switzerland with regard to operating sustainability.

Outlook: Consistent continuation of transformation

The market environment remains challenging and the economic and financial consequences of the Covid crisis are still virtually impossible to assess. For the coming months, Basler Kantonalbank and Bank Cler have one central aim: no matter how things develop, they will remain right at their clients' side and closely support them by providing liquidity, creating the best possible financial security or pointing out attractive investment options. Alongside this, the Group will continue its strategy already in place of focusing on earnings growth and increasing efficiency, not only with the necessary consistency, but also with an eye to the risks involved.

The year 2021 sees the end of the current strategy period, in which the Group has successfully undergone its own transformation that is today providing it with a robust business model and stable earnings pillars. Great progress has been made with the work on Strategy 2022+. Information on the Group's new strategy period will be provided in the third quarter of 2021.

Group BKB – Half-yearly financial statements

Group BKB – At a glance

Balance sheet		30.6.2021 ¹	31.12.2020
Total assets	in 1000 CHF	55 652 376	54 435 465
– Change	in %	2,2	21,5
Customer loans	in 1000 CHF	33 783 464	32 600 172
– of which mortgages	in 1000 CHF	30 034 354	29 447 918
Customer deposits	in 1000 CHF	29 485 787	29 851 470
Customer funds ²	in 1000 CHF	29 495 910	29 863 904
Reported own funds (incl. Group net profit)	in 1000 CHF	3 968 580	3 965 678
Reported own funds (incl. Group net profit)	in 1000 CHF	3 914 593	3 857 375

Income statement		1st half 2021 ¹	1st half 2020 ¹
Net income from interest activities	in 1000 CHF	183 796	168 591
Income from commission and service activities	in 1000 CHF	65 870	62 688
Income from trading activities and exercising the fair-value option	in 1000 CHF	43 244	21 607
Other ordinary income	in 1000 CHF	4 463	1 556
Gross Income ³	in 1000 CHF	296 568	262 579
– Change	in %	12,9	-5,7
Operating income	in 1000 CHF	297 373	254 442
– Change	in %	16,9	-8,1
Operating expenses	in 1000 CHF	176 058	177 932
– Change	in %	-1,1	-4,1
Amortisation, depreciation, write-downs and provisions	in 1000 CHF	14 552	13 338
Business performance	in 1000 CHF	106 763	63 172
– Change	in %	69,0	-15,4
Group net profit	in 1000 CHF	53 987	50 892
– Change	in %	6,1	-6,5

Balance sheet ratios		30.6.2021 ¹	31.12.2020
Customer loans as % of total assets	in %	60,7	59,9
Mortgage loans as % of customer loans	in %	88,9	90,3
Customer deposits as % of total assets	in %	53,0	54,8
Degree of funding I (customer funds/customer loans) ²	in %	87,3	91,6
Degree of funding II (general public funds/customer loans) ⁴	in %	122,1	124,9
Equity ratio	in %	7,1	7,3
Hard core capital ratio (CET1 ratio)	in %	16,1	16,5
Core capital ratio (T1 ratio)	in %	16,6	17,0
Total capital ratio	in %	17,0	17,0
Capital adequacy target ⁵	in %	12,0	12,0
Leverage ratio	in %	6,5	8,2
Average liquidity coverage ratio (LCR) – Q2/Q4	in %	174,9	230,4

Income statement ratios		1st half 2021 ¹	1st half 2020 ¹
Cost-to-income ratio (operating expenses/gross income) ³	in %	59,4	67,8
Net interest income as % of operating income	in %	61,8	66,3
Income from commission and service activities as % of operating income	in %	22,2	24,6
Net trading income as % of operating income	in %	14,5	8,5
Other ordinary income as % of operating income	in %	1,5	0,6
Personnel expenses as % of operating expenses	in %	57,8	55,2
Non-personnel expenses as % of operating expenses ⁶	in %	42,2	44,8

Employees		30.6.2021	31.12.2020
Number of employees		1 469	1 498
Number of apprentices and trainees		76	75
Full-time equivalents (FTEs) ⁷		1 302	1 320

¹ Unaudited.

² Customer funds (customer deposits, medium-term notes).

³ Gross income (operating income without any changes in write-downs relating to the risk of default and losses from interest activities).

⁴ General public funds (customer deposits, medium-term notes, bonds and mortgage-backed bonds).

⁵ The capital adequacy target is made up of the minimum own funds of 8% and a capital adequacy buffer of 4% for category 3 banks in accordance with Annex 8 CAO, plus the countercyclical capital buffer (deactivated by the Federal Council on 27 March 2020 due to the corona crisis).

⁶ The compensation for the state guarantee is allocated to non-personnel expenses for the calculation of this key figure.

⁷ Apprentices and trainees are weighted at 50%.

Group BKB – Balance sheet

Assets	30.6.2021 ¹ in 1000 CHF	31.12.2020 in 1000 CHF	Change absolute	Change in %
Liquid funds	9 288 851	11 755 322	-2 466 471	-21,0
Receivables from banks	3 979 130	2 522 177	1 456 953	57,8
Receivables from securities financing transactions	5 495 482	2 329 318	3 166 164	-
Receivables from customers	3 749 110	3 152 254	596 856	18,9
Mortgages	30 034 354	29 447 918	586 436	2,0
Trading activities	782 499	2 749 711	-1 967 212	-71,5
Positive replacement values of derivative financial instruments	359 157	513 176	-154 019	-30,0
Financial assets	1 551 358	1 573 963	-22 605	-1,4
Prepaid expenses	86 244	92 292	-6 048	-6,6
Non-consolidated investments	58 934	58 893	41	0,1
Property, plant and equipment	186 247	194 894	-8 647	-4,4
Other assets	81 010	45 547	35 463	77,9
Total assets	55 652 376	54 435 465	1 216 911	2,2
Total subordinated receivables	6 341	6 737	-396	-5,9
- of which with conversion obligation and/or debt waiver	-	-	-	-
Equity and liabilities				
Liabilities to banks	8 021 906	7 090 918	930 988	13,1
Liabilities from securities financing transactions	1 609 595	1 682 174	-72 579	-4,3
Liabilities from customer deposits	29 485 787	29 851 470	-365 683	-1,2
Liabilities from trading activities	1 589	151	1 438	-
Negative replacement values of derivative financial instruments	99 057	215 253	-116 196	-54,0
Liabilities from other financial instruments measured at fair value	323 260	256 600	66 660	26,0
Medium-term notes	10 123	12 434	-2 311	-18,6
Bonds and mortgage-backed bonds	11 746 601	10 839 962	906 639	8,4
Deferred income	165 105	162 931	2 174	1,3
Other liabilities	181 074	335 464	-154 390	-46,0
Provisions	39 699	22 430	17 269	77,0
Reserves for general banking risks	2 714 033	2 681 110	32 923	1,2
Share capital	354 150	354 150	-	-
Capital reserve	132 197	132 051	146	0,1
Retained earnings	794 840	770 691	24 149	3,1
Treasury shares (short position)	-80 627	-80 627	-	-
Group net profit	53 987	108 303	-	-
Total equity and liabilities	55 652 376	54 435 465	1 216 911	2,2
Total subordinated liabilities	192 149	189 938	2 211	1,2
- of which with conversion obligation and/or debt waiver	192 149	189 938	2 211	1,2
Off-balance sheet transactions				
Contingent liabilities	222 659	252 849	-30 190	-11,9
Irrevocable commitments	3 093 367	3 403 170	-309 803	-9,1
Liabilities for calls on shares and other equity	91 416	91 416	-	-

¹ Unaudited.

Group BKB – Income statement

	1st half 2021 ¹ in 1000 CHF	1st half 2020 ¹ in 1000 CHF	Change absolute	Change in %
Income from interest activities				
Interest and discount income	238 747	220 294	18 453	8,4
Interest and dividend income from financial assets	2 367	2 453	-86	-3,5
Interest expenses	-58 123	-46 019	-12 104	26,3
Gross income from interest activities	182 991	176 728	6 263	3,5
Changes in write-downs relating to the risk of default and losses from interest activities	805	-8 137	8 942	-
Net income from interest activities	183 796	168 591	15 205	9,0
Income from commission and service activities				
Commission income from securities and investment activities	55 331	50 764	4 567	9,0
Commission income from lending activities	5 384	4 018	1 366	34,0
Commission income from other service activities	13 999	15 658	-1 659	-10,6
Commission expenses	-8 844	-7 752	-1 092	14,1
Income from commission and service activities	65 870	62 688	3 182	5,1
Income from trading activities and exercising the fair-value option	43 244	21 607	21 637	-
Other ordinary income				
Income from the disposal of financial assets	13	45	-32	-71,1
Income from investments	1 917	2 219	-302	-13,6
– of which from investments accounted for using the equity method	185	150	35	23,3
– of which from other non-consolidated investments	1 732	2 069	-337	-16,3
Real estate income	858	708	150	21,2
Other ordinary income	1 608	468	1 140	-
Other ordinary expenses	67	-1 884	1 951	-
Other ordinary income	4 463	1 556	2 907	-
Operating income	297 373	254 442	42 931	16,9
Operating expenses				
Payroll costs	-101 777	-98 253	-3 524	3,6
General and administrative expenses	-69 181	-75 279	6 098	-8,1
Compensation for the state guarantee	-5 100	-4 400	-700	15,9
Operating expenses	-176 058	-177 932	1 874	-1,1
Write-downs on investments and depreciation of property, plant and equipment, and amortisation of intangible assets	-14 340	-14 576	236	-1,6
Changes to provisions and other value adjustments, and losses	-212	1 238	-1 450	-
Business performance	106 763	63 172	43 591	69,0
Extraordinary income	368	890	-522	-58,7
Extraordinary expenses	-	-	-	-
Change in reserves for general banking risks	-50 250	-7 175	-43 075	-
Taxes ²	-2 894	-5 995	3 101	-51,7
Group net profit	53 987	50 892	3 095	6,1

¹ Unaudited.

² Takes into account the tax effect of the formation of value adjustments and provisions for inherent default risks as at 30 June 2021. Subject to the effective tax treatment according to the new information sheet of the SSK (Swiss Tax Conference), which is expected to be published in the second half of 2021.

Group BKB – Statement of changes in equity

	Share capital	Capital reserve	Retained earnings	Reserves for general banking risks	Treasury shares (short position)	Minority interests	Group net profit	Total equity
	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF
Equity at the beginning of the reporting period (31.12.2020)	354 150	132 051	770 691	2 681 110	-80 627	-	108 303	3 965 678
Appropriation of profit 2020								
- Allocation to retained earnings	-	-	24 149	-	-	-	-24 149	-
- Dividend	-	146	-	-	-	-	-15 954	-15 808
- Distribution to canton	-	-	-	-	-	-	-68 200	-68 200
Allocations to the reserves for general banking risks	-	-	-	50 250	-	-	-	50 250
Withdrawals from the reserves for general banking risks	-	-	-	-17 327	-	-	-	-17 327
Group net profit	-	-	-	-	-	-	53 987	53 987
Equity at the end of the reporting period (30.6.2021)¹	354 150	132 197	794 840	2 714 033	-80 627	-	53 987	3 968 580

¹ Unaudited.

Parent Company BKB – Half-yearly financial statements

Parent Company BKB – At a glance

Balance sheet		30.6.2021¹	31.12.2020²
Total assets	in 1000 CHF	36 340 422	35 790 197
– Change	in %	1,5	31,1
Customer loans	in 1000 CHF	17 659 992	16 449 106
– of which mortgages	in 1000 CHF	14 047 288	13 454 723
Customer deposits	in 1000 CHF	15 954 688	16 776 764
Customer funds ³	in 1000 CHF	15 956 522	16 779 143
Reported own funds (including Net profit)	in 1000 CHF	3 410 408	3 407 807
Reported own funds (excluding Net profit)	in 1000 CHF	3 361 398	3 309 246

Income statement		1. half 2021¹	1. half 2020¹
Net income from interest activities	in 1000 CHF	94 950	79 385
Income from commission and service activities	in 1000 CHF	39 406	36 362
Income from trading activities and exercising the fair-value option	in 1000 CHF	38 657	17 165
Other ordinary income	in 1000 CHF	42 151	39 327
Gross Income ⁴	in 1000 CHF	214 536	179 362
– Change	in %	19,6	-5,2
Operating income	in 1000 CHF	215 164	172 239
– Change	in %	24,9	-9,1
Operating expenses	in 1000 CHF	117 617	116 707
– Change	in %	0,8	2,2
Amortisation, depreciation, write-downs and provisions	in 1000 CHF	-10 895	-10 216
Business performance	in 1000 CHF	86 652	45 316
– Change	in %	91,2	-31,5
Net profit	in 1000 CHF	49 010	46 149
– Change	in %	6,2	-4,1

Balance sheet ratios		30.6.2021¹	31.12.2020²
Customer loans as % of total assets	in %	48,6	46,0
Mortgage loans as % of customer loans	in %	79,5	81,8
Customer deposits as % of total assets	in %	43,9	46,9
Degree of funding I (customer funds/customer loans) ³	in %	90,4	102,0
Degree of funding II (general public funds/customer loans) ⁵	in %	132,4	142,1
Equity ratio	in %	9,4	9,5
Hard core capital ratio (CET1 ratio)	in %	18,1	18,6
Core capital ratio (T1 ratio)	in %	18,5	19,0
Total capital ratio	in %	18,8	19,0
Capital adequacy target ⁶	in %	12,0	12,0
Leverage ratio	in %	8,0	10,2
Average liquidity coverage ratio (LCR) – Q2/Q4	in %	178,0	229,3

Income statement ratios		1. half 2021¹	1. half 2020¹
Cost-to-income ratio (operating expenses/gross income) ⁴	in %	54,8	65,1
Net interest income as % of operating income	in %	44,1	46,1
Income from commission and service activities as % of operating income	in %	18,3	21,1
Net trading income as % of operating income	in %	18,0	10,0
Other ordinary income as % of operating income	in %	19,6	22,8
Personnel expenses as % of operating expenses	in %	61,8	58,8
Non-personnel expenses as % of operating expenses ⁷	in %	38,2	41,2

Employees		30.6.2021	31.12.2020
Number of employees		1 044	1 063
Number of apprentices and trainees		44	41
Full-time equivalents (FTEs) ⁸		924	937

¹ Unaudited.

² Balance before appropriation of net profit.

³ Customer funds (customer deposits, medium-term notes).

⁴ Gross income (operating income without any changes in write-downs relating to the risk of default and losses from interest activities).

⁵ General public funds (customer deposits, medium-term notes, bonds and mortgage-backed bonds).

⁶ The capital adequacy target is made up of the minimum own funds of 8% and a capital adequacy buffer of 4% for category 3 banks in accordance with Annex 8 CAO, plus the countercyclical capital buffer (deactivated by the Federal Council on 27 March 2020 due to the corona crisis).

⁷ The compensation for the state guarantee is allocated to non-personnel expenses for the calculation of this key figure.

⁸ Apprentices and trainees are weighted at 50%.

Parent Company BKB – Balance sheet

Assets	30.6.2021 ¹ in 1000 CHF	31.12.2020 ² in 1000 CHF	Change absolute	Change in %
Liquid funds	5 723 029	8 580 168	-2 857 139	-33,3
Receivables from banks	3 982 959	2 795 840	1 187 119	42,5
Receivables from securities financing transactions	5 495 482	2 329 318	3 166 164	-
Receivables from customers	3 612 704	2 994 383	618 321	20,6
Mortgages	14 047 288	13 454 723	592 565	4,4
Trading activities	782 308	2 750 267	-1 967 959	-71,6
Positive replacement values of derivative financial instruments	360 540	513 141	-152 601	-29,7
Financial assets	1 361 659	1 383 378	-21 719	-1,6
Prepaid expenses	60 795	71 340	-10 545	-14,8
Investments	741 636	740 762	874	0,1
Property, plant and equipment	89 643	94 773	-5 130	-5,4
Other assets	82 379	82 104	275	0,3
Total assets	36 340 422	35 790 197	550 225	1,5
Total subordinated receivables	8 547	8 934	-387	-4,3
- of which with conversion obligation and/or debt waiver	-	-	-	-
Equity and liabilities				
Liabilities to banks	7 209 618	6 435 756	773 862	12,0
Liabilities from securities financing transactions	1 609 595	1 682 174	-72 579	-4,3
Liabilities from customer deposits	15 954 688	16 776 764	-822 076	-4,9
Liabilities from trading activities	1 589	11	1 578	-
Negative replacement values of derivative financial instruments	101 675	215 054	-113 379	-52,7
Liabilities from other financial instruments measured at fair value	323 260	256 600	66 660	26,0
Medium-term notes	1 834	2 379	-545	-22,9
Bonds and mortgage-backed bonds	7 418 686	6 587 208	831 478	12,6
Deferred income	106 804	90 169	16 635	18,4
Other liabilities	169 576	319 878	-150 302	-47,0
Provisions	32 689	16 397	16 292	99,4
Reserves for general banking risks	2 531 695	2 494 096	37 599	1,5
Share capital	354 150	354 150	-	-
Statutory capital reserve	147 750	147 750	-	-
- of which reserves from capital contributions	90 152	90 152	-	-
- of which other reserves	57 598	57 598	-	-
Statutory retained earnings	321 258	319 712	1 546	0,5
Voluntary retained earnings	84 800	71 800	13 000	18,1
Treasury shares (short position)	-80 627	-80 627	-	-
- against reserves from capital contributions	-67 839	-67 839	-	-
- other	-12 788	-12 788	-	-
Profit carried forward	2 372	2 365	7	0,3
Net profit	49 010	98 561	-	-
Total equity and liabilities	36 340 422	35 790 197	550 225	1,5
Total subordinated liabilities	100 536	100 536	-	-
- of which with conversion obligation and/or debt waiver	100 536	100 536	-	-
Off-balance sheet transactions				
Contingent liabilities	190 060	218 312	-28 252	-12,9
Irrevocable commitments	2 788 340	3 060 347	-272 007	-8,9
Liabilities for calls on shares and other equity	67 379	67 379	-	-

¹ Unaudited.

² Balance before appropriation of net profit.

Parent Company BKB – Income statement

Income from interest activities	1. half 2021 ¹ in 1000 CHF	1. half 2020 ¹ in 1000 CHF	Change absolute	Change in %
Interest and discount income	133 741	110 523	23 218	21,0
Interest and dividend income from financial assets	2 095	2 166	-71	-3,3
Interest expenses	-41 514	-26 181	-15 333	58,6
Gross income from interest activities	94 322	86 508	7 814	9,0
Changes in write-downs relating to the risk of default and losses from interest activities	628	-7 123	7 751	-
Net income from interest activities	94 950	79 385	15 565	19,6
Income from commission and service activities				
Commission income from securities and investment activities	33 376	28 944	4 432	15,3
Commission income from lending activities	4 398	3 000	1 398	46,6
Commission income from other service activities	8 132	8 881	-749	-8,4
Commission expenses	-6 500	-4 463	-2 037	45,6
Income from commission and service activities	39 406	36 362	3 044	8,4
Income from trading activities and exercising the fair-value option	38 657	17 165	21 492	-
Other ordinary income				
Income from the disposal of financial assets	5	-1	6	-
Income from investments	16 428	16 663	-235	-1,4
Real estate income	648	647	1	0,2
Other ordinary income	25 070	23 799	1 271	5,3
Other ordinary expenses	-	-1 781	1 781	-100,0
Other ordinary income	42 151	39 327	2 824	7,2
Operating income	215 164	172 239	42 925	24,9
Operating expenses				
Payroll costs	-72 631	-68 663	-3 968	5,8
General and administrative expenses	-39 886	-43 644	3 758	-8,6
Compensation for the state guarantee / guarantor	-5 100	-4 400	-700	15,9
Operating expenses	-117 617	-116 707	-910	0,8
Write-downs on investments and depreciation of property, plant and equipment, and amortisation of intangible assets	-10 711	-10 553	-158	1,5
Changes to provisions and other value adjustments, and losses	-184	337	-521	-
Business performance	86 652	45 316	41 336	91,2
Extraordinary income	-	861	-861	-100,0
Extraordinary expenses	-	-	-	-
Change in reserves for general banking risks	-37 600	-	-37 600	-
Taxes	-42	-28	-14	50,0
Net profit	49 010	46 149	2 861	6,2

¹ Unaudited.

Parent Company BKB – Statement of changes in equity

	Share capital	Statutory capital reserve	Statutory retained earnings	Reserves for general banking risks	Voluntary retained earnings and profit or loss carried forward	Treasury shares (short position)	Net profit	Total equity
	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF
Equity at the beginning of the reporting period (31.12.2020)	354 150	147 750	319 712	2 494 096	74 165	-80 627	98 561	3 407 807
Appropriation of profit 2020								
- Allocation to statutory retained earnings	-	-	1 400	-	-	-	-1 400	-
- Allocation to voluntary retained earnings	-	-	-	-	13 000	-	-13 000	-
- Dividend	-	-	146	-	-	-	-15 954	-15 808
- Distribution to canton	-	-	-	-	-	-	-68 200	-68 200
- Net change in profit carried forward	-	-	-	-	7	-	-7	-
Allocations to the reserves for general banking risks	-	-	-	37 599	-	-	-	37 599
Net profit	-	-	-	-	-	-	49 010	49 010
Equity at the end of the reporting period (30.6.2021)¹	354 150	147 750	321 258	2 531 695	87 172	-80 627	49 010	3 410 408

¹ Unaudited.

Basler Kantonalbank
PO Box
4002 Basel

Phone +41 61 266 33 33
investorrelations@bkb.ch
www.bkb.ch

This publication in English is a summary of the German Half-yearly Report. In the event of inconsistencies between the English document and the German Half-yearly Report, the German Half-yearly Report shall prevail.