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# Basler Kantonalbank

**Primary Credit Analyst:**
Harm Semder, Frankfurt (49) 69-33-999-158; harm.semder@spglobal.com

**Secondary Contact:**
Michal Selbka, Frankfurt +49 (0) 69-33999-300; michal.selbka@spglobal.com

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# Basler Kantonalbank

| SACP | a |
|---|---|

| | | |
|---|---|---|
| Anchor | a- | |
| Business Position | Adequate | 0 |
| Capital and Earnings | Very Strong | +2 |
| Risk Position | Moderate | -1 |
| Funding | Average | 0 |
| Liquidity | Strong | |

\+

| Support | +3 |
|---|---|

| | |
|---|---|
| ALAC Support | 0 |
| GRE Support | +3 |
| Group Support | 0 |
| Sovereign Support | 0 |

\+

| Additional Factors | 0 |
|---|---|

| Issuer Credit Rating |
|---|
| AA/Positive/A-1+ |

## Major Rating Factors

| Strengths: | Weaknesses: |
|---|---|
| • Strong financial profile and sound asset quality.<br>• Very strong customer franchise in home region.<br>• Extremely high likelihood of support from the Canton of Basel-City, facilitated by full ownership and a statutory guarantee. | • Reputational risk relating to risk of prosecution by U.S. tax authorities.<br>• Limited growth prospects in the saturated Basel-City banking market.<br>• Comparably low profitability of majority-owned subsidiary, Bank Cler. |

**Outlook: Positive**

The positive outlook on Basler Kantonalbank (BKB) mirrors the outlook on the Canton of Basel-City and reflects our view that the bank will continue to benefit over the coming two years from being a government-related entity (GRE). We consider that there is an extremely high likelihood that the Canton of Basel-City would provide timely and sufficient extraordinary support to BKB in the event of financial distress for the foreseeable future. Moreover, we believe BKB's capital and earnings position would sufficiently buffer the bank's overall performance from fines stemming from possible legal prosecution by the U.S. tax authorities due to acceptance of undeclared funds from U.S. clients.

Given BKB's GRE status, we would take a positive rating action on the bank if we were to upgrade the Canton of Basel-City.

We would consider revising the outlook to stable following a similar rating action on the canton. In our view, potential extraordinary support from the canton would even cushion a material deterioration of BKB's stand-alone creditworthiness, although we currently see this as a remote scenario. A negative rating action may occur if there is a change in BKB's role for or link with the Canton of Basel-City, or if there are changes in the statutory guarantee that may lead to a weaker assessment of BKB's status as a GRE. However, we currently consider this scenario very unlikely and would expect BKB's existing obligations to be grandfathered.

## Rationale

Our ratings on BKB reflect its unchanged anchor of 'a-', the starting point of our ratings assessment for banks in Switzerland, which is based on the country's highly diversified and competitive economy, very high household income levels, and banks' prudent loan underwriting standards.

It also reflects that we continue to consider BKB's business profile to be adequate, based on the bank's strong, sustainable, and regionally focused market position in the wealthy Basel region as the eighth-largest bank in Switzerland, and its countrywide diversification from residential mortgage lending and lending to small and midsize companies through its 75.8%-owned subsidiary Bank Cler.

Moreover, we consider BKB's capital and earnings position very strong. This reflects that its capital position is among the very strongest globally as demonstrated by our projection that its risk-adjusted capital (RAC) ratio will gradually increase to about 17.0% over the next 24 months thanks to ongoing retention of earnings, from 16.8% at year-end 2016.

While we view BKB's loan portfolio as having generally sound asset quality, we assess its risk position as moderate due to its above-average exposure to commercial real estate lending and its higher engagement in trading activities. We recognize that BKB made tangible material progress in improving its risk management systems, but note that these have not been tested through a full business cycle.

We continue to assess BKB's funding as average and its liquidity as strong because of its solid base of customer deposits, which we consider as very stable even amid more challenging economic conditions than at present due to the cantonal guarantee, which we expect will remain in place.

We continue to consider BKB to be a GRE with an extremely high likelihood of receiving extraordinary government support in times of stress. We base this view on BKB's very important role for and integral link with the Canton of Basel-City. This enables a three-notch uplift to our assessment of BKB's stand-alone credit profile (SACP), which we assess at 'a'. In our view, the Swiss bank resolution regime that came into effect on Jan. 1, 2016, does not impede cantonal owners' ability to provide extraordinary support to banks that we regard as GREs, including BKB.

### Anchor:'a-' for a commercial bank operating in Switzerland

Our criteria use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine a bank's SACP, the starting point in assigning an issuer credit rating. Our anchor for a bank operating mainly in Switzerland is 'a-'. We view the trends for both economic and industry risk as stable.

Our economic risk score of '2' for Switzerland is supported by the country's highly diversified and competitive economy, very high household income levels, and banks' prudent loan underwriting standards. However, it also reflects that risks have increased, owing to the cumulative rise in Swiss house prices and domestic lending over the past several years. Although these imbalances are still low in a global context, they have also led the regulator to enact macroprudential measures to rein in robust growth in mortgage indebtedness. We recognize that house-price and lending growth have cooled since the beginning of 2014. However, in our view, house prices and household indebtedness remain historically high, in particular when considering the low rate of home ownership in Switzerland. The very high mortgage debt level is mitigated by the large amount of financial assets, including pensions, held by households in Switzerland.

Our industry risk score of '2' primarily reflects the banking sector's stability and a high share of deposit funding. Banks' net interest margins continue to decline gradually, given the pressure on deposit margins from the negative yield environment. This is partly offset, however, by higher margins on lending products, fee income from investment advisory-related activities, and cost management. As a result, banks are still able to generate returns on core banking products that are adequate to meet their cost of capital. Moreover, in our view, the Swiss regulator's regulatory initiatives are more stringent than those in other European banking industries.

**Table 1**

| Basler Kantonalbank Key Figures | | | | | |
|---|---|---|---|---|---|
| | | --Year-ended Dec. 31-- | | | |
| **(Mil. CHF)** | **2017*** | **2016** | **2015** | **2014** | **2013** |
| Adjusted assets | 40,332.5 | 38,512.3 | 38,513.6 | 38,062.2 | 39,192.5 |
| Customer loans (gross) | 28,176.2 | 27,791.2 | 27,187.0 | 27,089.9 | 27,037.0 |
| Adjusted common equity | 3,681.4 | 3,605.5 | 3,556.1 | 3,398.5 | 3,102.6 |
| Operating revenues | 305.6 | 564.7 | 575.5 | 577.6 | 620.9 |
| Noninterest expenses | 191.8 | 351.6 | 350.0 | 334.2 | 359.6 |
| Core earnings | 106.9 | 204.1 | 180.6 | 204.0 | 221.1 |

*Data as of June 30. CHF--CHF-Swiss Franc. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

### Business position: One of the top 10 banks in Switzerland in terms of total assets

We continue to consider BKB's business profile to be adequate on the basis of the bank's strong and sustainable, but also regionally focused market position. BKB is the eighth-largest bank in Switzerland with total assets of Swiss franc

(CHF) 40.3 billion (€36.8 billion) as of June 30, 2017, consolidating its subsidiary Bank Cler (not rated; formerly Bank Coop), which had total assets of CHF17.1 billion at the same date. While BKB focuses on its retail and corporate lending business in the wealthy Basel region, its 75.8%-owned subsidiary Bank Cler (increased until mid-year 2017 from 61.3% in 2016) engages mainly in countrywide residential mortgage lending and lending to small and midsize companies. We do not expect BKB to materially alter its geographic and business diversity. However, we expect it will continue its strategic refocus of its core competencies and products in the next two years because of heightened legal and reputational risk since year-end 2012. Rather than pursuing its historic expansionary strategy, we expect BKB will pursue its stringent growth and digitalization strategy. Ancillary private banking and trading business lines provide diversity, but we expect these will continue to contribute a modest proportion of up to one-third of operating revenues. Trading revenues--which we expect will continue to represent between 10%-15% of operating revenues in the next two years--are mainly client-initiated foreign exchange and precious metals trading operations. The bank has shut down its certificate business. We expect noninterest income to remain about stable at about 40% of operating revenues in the next two years.

In addition, we anticipate that Bank Cler will experience higher loan growth than the wider group over the medium term due its stringent growth strategy and since the parent's lending growth potential is constrained by the saturated banking market in Basel-City. We expect Bank Cler's profitability (representing about one-third of the group's half-year 2017 operating revenues) will narrow to the wider group in the medium term. We also anticipate that Bank Coop's status as a second bank for large sections of its clientele will continue to weigh on our assessment of BKB's business stability.

**Table 2**

| Basler Kantonalbank Business Position | | | | | |
|---|---|---|---|---|---|
| | | --Year-ended Dec. 31-- | | | |
| **(%)** | **2017*** | **2016** | **2015** | **2014** | **2013** |
| Total revenues from business line (currency in millions) | 350.2 | 601.8 | 642.6 | 593.7 | 636.4 |
| Commercial & retail banking/total revenues from business line | 85.4 | 84.5 | 82.9 | 78.7 | 79.0 |
| Asset management/total revenues from business line | 14.6 | 15.5 | 17.1 | 21.3 | 21.0 |
| Return on equity | 5.5 | 3.7 | 3.5 | 3.2 | 3.4 |

*Data as of June 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

## Capital and earnings:: Very strong capitalization

The bank's risk-adjusted capital ratio was 16.8% at year-end 2016, and we expect it to gradually increase to about 17.0% over the next 24 months from ongoing retention of earnings. We also foresee the bank's risk-weighted assets increasing to a limited extent just above expected GDP growth. BKB's capital position is among the very strongest globally. Furthermore, we regard the bank's owner as supportive of BKB's very strong capital position and would expect timely additional support in times of ever need in a stress scenario.

Elevated reputational and legal risk stemming from pending legal actions by the U.S. Department of Justice against Swiss banks could weigh negatively on our assessment of BKB's capital and earnings. The size and timing of any fine that BKB might need to pay as legal compensation is uncertain. In our base case, we have factored in an amount slightly above those already reserved by BKB for legal risk, but believe that such a cost would be offset by BKB's provisions and annual earnings.

In terms of earnings capacity, we expect BKB will maintain a three-year average earnings buffer at about 0.3% in light of our anticipation of very low interest rates in Switzerland, which means that, in our view, BKB will be able to cover 0.3% of its risk-weighted assets in a credit stress with its annual earnings. We note, however, that BKB's average real credit losses in the past five years were only a fraction (8%) of our normalized loss assumptions. We also note, however, that other cantonal banks have a greater ability to absorb losses by internal capital generation.

**Table 3**

**Basler Kantonalbank Capital And Earnings**

| | | --Year-ended Dec. 31-- | | | |
|---|---|---|---|---|---|
| **(%)** | **2017*** | **2016** | **2015** | **2014** | **2013** |
| Criteria reflected in RAC ratios | N/A | 2017 RAC criteria | 2010 RAC criteria | 2010 RAC criteria | 2010 RAC criteria |
| Tier 1 capital ratio | N/A | 18.2 | 17.6 | 15.3 | 15.4 |
| S&P RAC ratio before diversification | N/A | 16.8 | 16.7 | 16.1 | 16.4 |
| S&P RAC ratio after diversification | N/A | 12.9 | 14.1 | 14.1 | 14.6 |
| Adjusted common equity/total adjusted capital | 97.4 | 97.3 | 97.3 | 100.0 | 100.0 |
| Net interest income/operating revenues | 58.7 | 63.1 | 60.1 | 60.1 | 56.5 |
| Fee income/operating revenues | 20.8 | 22.0 | 23.6 | 26.7 | 27.6 |
| Market-sensitive income/operating revenues | 19.0 | 13.4 | 13.2 | 11.1 | 13.5 |
| Noninterest expenses/operating revenues | 62.8 | 62.3 | 60.8 | 57.9 | 57.9 |
| Preprovision operating income/average assets | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 |
| Core earnings/average managed assets | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 |

*Data as of June 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

**Table 4**

**Basler Kantonalbank RACF [Risk-Adjusted Capital Framework] Data**

| **(CHF 000s)** | **Exposure*** | **Basel III RWA** | **Average Basel III RW (%)** | **S&P Global RWA** | **Average S&P Global RW (%)** |
|---|---|---|---|---|---|
| **Credit risk** | | | | | |
| Government and central banks | 1,713,517 | 605,538 | 35 | 59,272 | 3 |
| Institutions and CCPs | 3,801,800 | 600,650 | 16 | 434,020 | 11 |
| Corporate | 7,031,585 | 5,367,500 | 76 | 4,858,754 | 69 |
| Retail | 22,082,139 | 10,258,838 | 46 | 6,641,669 | 30 |
| Of which mortgage | 18,121,293 | 6,726,538 | 37 | 4,198,341 | 23 |
| Securitization§ | 0 | 0 | 0 | 0 | 0 |
| Other assets† | 5,833,825 | 52,163 | 1 | 5,780,857 | 99 |
| Total credit risk | 40,462,866 | 16,884,688 | 42 | 17,774,573 | 44 |
| **Credit valuation adjustment** | | | | | |
| Total credit valuation adjustment | -- | 0 | -- | 0 | -- |
| **Market risk** | | | | | |
| Equity in the banking book | 54,183 | 81,175 | 150 | 406,373 | 750 |
| Trading book market risk | -- | 1,528,613 | -- | 2,828,628 | -- |
| Total market risk | -- | 1,609,788 | -- | 3,235,000 | -- |

**Table 4**

**Basler Kantonalbank RACF [Risk-Adjusted Capital Framework] Data (cont.)**

| | | | | | |
|---|---|---|---|---|---|
| **Operational risk** | | | | | |
| Total operational risk | -- | 1,065,088 | -- | 1,083,013 | -- |

| (CHF 000s) | Basel III RWA | S&P Global RWA | % of S&P Global RWA |
|---|---|---|---|
| **Diversification adjustments** | | | |
| RWA before diversification | 20,715,913 | 22,092,586 | 100 |
| Total Diversification/Concentration Adjustments | -- | 6,575,861 | 30 |
| RWA after diversification | 20,715,913 | 28,668,447 | 130 |

| (CHF 000s) | Tier 1 capital | Tier 1 ratio (%) | Total adjusted capital | S&P Global RAC ratio (%) |
|---|---|---|---|---|
| **Capital ratio** | | | | |
| Capital ratio before adjustments | 3,766,376 | 18.2 | 3,705,497 | 16.8 |
| Capital ratio after adjustments‡ | 3,766,376 | 18.2 | 3,705,497 | 12.9 |

*Exposure at default. §Securitisation Exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Other assets includes Deferred Tax Assets (DTAs) not deducted from ACE. ‡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, 2016, S&P Global.

## Risk position: Sound asset quality, but reputational risk remains

While we view BKB's loan portfolio as having generally sound asset quality, we assess its risk exposure as being higher than that of rated peers in Switzerland due to its above-average exposure to commercial real estate lending and its higher engagement in trading activities. We recognize that BKB made tangible material progress in improving its risk management systems, but note that these have not been tested through a full business cycle. Therefore, we currently see its risk-management track record as slightly weaker than peers, as shown by a bank-specific fraud case involving Swiss investment boutique ASE Investment AG in 2012 and legal and reputational risk due to potential prosecution by the U.S. tax authorities.

While the financial risk arising from the ASE-related fraud case has been offset by the provision of CHF65 million to indemnify affected clients, we understand that BKB has already provisioned CHF100 million to meet potential fines from the U.S. Department of Justice relating to acceptances of transfers of undeclared funds from U.S. clients. In our base case, we assume that any such fine would be offset by these provisions and by BKB's annual earnings. Nevertheless, associated reputational risk weighs on our assessment of BKB's overall risk position. At the same time, we take strong comfort from BKB'S improvements in its risk-management capabilities and its overall risk profile. This includes changes to its trading operations, such as closing its certificates business and introducing tighter controls over its trading department.

We expect BKB's loan growth will remain slightly below the average of the Swiss banking industry due to the bank's cautious approach to mortgage lending, prudent risk management, and the saturated home market. Domestic housing price increases in recent years are likely to lead to an increased risk of correction and higher loan losses. We already largely reflect this in our Swiss BICRA assessment.

Moreover, commercial lending, which we generally view as riskier than residential real estate lending, represents about one-third of BKB's loan portfolio. In addition, we observe single-name concentration in BKB's corporate portfolio that is higher than peers' concentrations. We estimate that its top-10 corporate loans account for about 10% of its total commercial loan portfolio. Nevertheless, risk arising from BKB's corporate loan portfolio partly reflects the narrowness of Basel-City's economic structure. In addition, we understand that BKB focuses only on high-quality names, and therefore we expect tail-risk will be relatively remote. At the same time, we regard the asset quality of the bank's sizable securities portfolio, which is mainly used for liquidity purposes, as very sound.

**Table 5**

| Basler Kantonalbank Risk Position | | | | | |
|---|---|---|---|---|---|
| | | --Year-ended Dec. 31-- | | | |
| **(%)** | **2017*** | **2016** | **2015** | **2014** | **2013** |
| Growth in customer loans | 2.8 | 2.2 | 0.4 | 0.2 | 2.2 |
| Total diversification adjustment / S&P RWA before diversification | N/A | 29.8 | 18.3 | 14.0 | 11.9 |
| Total managed assets/adjusted common equity (x) | 11.0 | 10.7 | 10.8 | 11.2 | 12.6 |
| New loan loss provisions/average customer loans | 0.0 | (0.0) | 0.1 | 0.1 | 0.0 |
| Net charge-offs/average customer loans | N.M. | 0.0 | (0.0) | 0.0 | 0.0 |
| Gross nonperforming assets/customer loans + other real estate owned | N/A | 0.2 | 0.3 | 1.0 | 1.0 |
| Loan loss reserves/gross nonperforming assets | N/A | 87.1 | 51.4 | 19.3 | 189.0 |

*Data as of June 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

### Funding and liquidity: Favorable assessment supported by cantonal guarantee

We assess BKB's funding as average and its liquidity position as strong because of its strong base of customer deposits. BKB's funding is in line with Switzerland's BICRA score of '2' for systemwide funding. The bank's core customer deposits account for 67% of its funding base and for 85% of its loan portfolio as of mid-year 2017. This excludes the comparably large equity position on BKB's balance sheet. Our calculation of the bank's stable funding ratio has remained clearly above 100% throughout the past five years, and was 111% as of mid-year 2017. In addition we continue to consider the core customer deposit base as very stable due to the cantonal guarantee, which we expect will remain in place. The remainder of BKB's funding mix is made up of interbank funding and capital market funding via secured and unsecured instruments. Due to the bank's status as a GRE, we expect both funding sources will remain stable, even in more challenging economic conditions than at present.

The strong liquidity assessment reflects BKB's very favorable liquidity position, which would allow it to endure more than 12 months with no access to market funding. This is facilitated by broad liquid assets to short-term wholesale funding being significantly above 1.0x for the past five years. The ratio was 1.9x as of mid-year 2017. This supports our view that BKB's liquid assets comfortably cover its short-term wholesale funding needs.

**Table 6**

| Basler Kantonalbank Funding And Liquidity | | | | | |
|---|---|---|---|---|---|
| | | --Year-ended Dec. 31-- | | | |
| **(%)** | **2017*** | **2016** | **2015** | **2014** | **2013** |
| Core deposits/funding base | 67.1 | 69.2 | 69.0 | 71.3 | 72.0 |
| Customer loans (net)/customer deposits | 117.2 | 118.5 | 115.7 | 112.7 | 112.8 |

**Table 6**

**Basler Kantonalbank Funding And Liquidity (cont.)**

| | | --Year-ended Dec. 31-- | | | |
|---|---|---|---|---|---|
| **(%)** | **2017*** | **2016** | **2015** | **2014** | **2013** |
| Long term funding ratio | 88.7 | 89.3 | 87.6 | 87.5 | 90.2 |
| Stable funding ratio | 110.3 | 108.0 | 104.6 | 107.9 | 112.6 |
| Short-term wholesale funding/funding base | 12.5 | 12.0 | 13.8 | 13.8 | 10.7 |
| Broad liquid assets/short-term wholesale funding (x) | 1.8 | 1.7 | 1.4 | 1.6 | 2.3 |
| Net broad liquid assets/short-term customer deposits | 15.9 | 12.7 | 7.4 | 11.4 | 30.9 |
| Short-term wholesale funding/total wholesale funding | 37.7 | 38.5 | 44.0 | 48.2 | 38.2 |
| Narrow liquid assets/3-month wholesale funding (x) | 2.6 | 2.4 | 2.3 | 1.9 | 2.9 |

*Data as of June 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

### Support: Extremely high likelihood of extraordinary government support

We regard BKB as a GRE and assess the likelihood that BKB's owner, the canton of Canton of Basel-City, would provide timely and sufficient support to BKB as extremely high. We base our assessment on our view of the bank's:

- Integral link with the canton. We expect the Canton of Basel-City to provide considerable and timely credit support to BKB in all circumstances, due to the canton's full ownership of GKB and possession of 100% of the voting rights, as well as its provision of a statutory guarantee for GKB; and
- Very important role in the canton, owing to the large impact of BKB's activities on the local economy.

Because of these factors, we incorporate a three-notch uplift into the long-term rating on BKB. We do not envisage that the bank's GRE status or our view of an extremely high likelihood of extraordinary government support will change in the foreseeable future.

BKB benefits from Basel's statutory guarantee, which ultimately covers all of its liabilities as stipulated by law. We note, however, that the guarantee does not ensure timely repayment, as defined by our criteria, but we believe that the canton has strong incentives to help BKB meet its obligations on time, due to the bank's importance to the regional economy.

### Additional rating factors:

No additional factors affect this rating.

## Related Criteria

- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And

Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks, March 23, 2004

### Anchor Matrix

| Industry Risk | Economic Risk | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | **2** | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1 | a | a | a- | bbb+ | bbb+ | bbb | - | - | - | - |
| **2** | a | **a-** | a- | bbb+ | bbb | bbb | bbb- | - | - | - |
| 3 | a- | a- | bbb+ | bbb+ | bbb | bbb- | bbb- | bb+ | - | - |
| 4 | bbb+ | bbb+ | bbb+ | bbb | bbb | bbb- | bb+ | bb | bb | - |
| 5 | bbb+ | bbb | bbb | bbb | bbb- | bbb- | bb+ | bb | bb- | b+ |
| 6 | bbb | bbb | bbb- | bbb- | bbb- | bb+ | bb | bb | bb- | b+ |
| 7 | - | bbb- | bbb- | bb+ | bb+ | bb | bb | bb- | b+ | b+ |
| 8 | - | - | bb+ | bb | bb | bb | bb- | bb- | b+ | b |
| 9 | - | - | - | bb | bb- | bb- | b+ | b+ | b+ | b |
| 10 | - | - | - | - | b+ | b+ | b+ | b | b | b- |

### Ratings Detail (As Of December 11, 2017)

| | |
|---|---|
| **Basler Kantonalbank** | |
| Counterparty Credit Rating | AA/Positive/A-1+ |
| Junior Subordinated | BBB- |
| **Counterparty Credit Ratings History** | |
| 13-Nov-2017 | AA/Positive/A-1+ |
| 06-Aug-2013 | AA/Stable/A-1+ |
| 03-Jul-2012 | AA+/Negative/A-1+ |
| **Sovereign Rating** | |
| Swiss Confederation | AAA/Stable/A-1+ |
| **Related Entities** | |
| **Basel-City (Canton of)** | |
| Issuer Credit Rating | AA+/Positive/A-1+ |
| Senior Unsecured | AA+ |

*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.

**Additional Contact:**
Financial Institutions Ratings Europe; FIG_Europe@spglobal.com