



Consolidated Accounts for the Financial Year.

ending 31 December 2009.

Growing together.

 **Graubündner
Kantonalbank**

Key figures.

Income statement	2009	2008	+/- in %
	in CHF million	in CHF million	
Gross income	402.2	362.1	+11.1
Operating expense	177.5	165.0	+7.6
Operating profit / operational cash flow	224.7	197.1	+14.0
Profit before allocations to reserves excluding deductions for minority interests	197.7	183.3	+7.9
Group net profit	143.9	123.1	+16.9
Balance sheet			
	31.12.2009	31.12.2008	+/- in %
	in CHF million	in CHF million	
Due from customers	2,926	2,984	-2.0
Mortgage loans	10,422	9,836	+6.0
Deposits from the public	11,330	10,739	+5.5
Bonds and loans from central mortgage institutions	2,211	2,224	-0.6
Equity excluding minority interests (before appropriation of profits)	1,839	1,721	+6.9
Balance sheet total	16,125	15,552	+3.7
Customer assets	24,872	23,378	+6.4
Fiduciary transactions (including pension fund mortgages)	513	697	-26.4
Headcount			
Full-time equivalents (adjusted for part- time positions, apprenticeships at 50%)	869.1	850.1	+2.2

Group Balance Sheet.

Assets	31.12.2009	31.12.2008	+/- in %
	in 1,000 CHF	in 1,000 CHF	
Liquid assets	111,108	153,835	-27.8
Claims from money market securities	20,554	10	>+999.9
Due from banks	654,314	1,174,479	-44.3
Due from customers	2,925,685	2,984,044	-2.0
Mortgage loans	10,421,988	9,835,843	+6.0
Securities and precious metals trading assets	2,627	416	+531.5
Financial assets	1,514,522	964,687	+57.0
Non-consolidated participations	16,937	15,826	+7.0
Tangible assets	136,537	135,768	+0.6
Goodwill	26,401	30,730	-14.1
Accruals and deferrals	57,646	54,898	+5.0
Other assets	237,002	201,380	+17.7
Balance sheet total	16,125,320	15,551,917	+3.7
Liabilities	31.12.2009	31.12.2008	+/- in %
	in 1,000 CHF	in 1,000 CHF	
Due to banks	107,488	220,957	-51.4
Due to customers on savings and deposit accounts	6,984,862	5,498,999	+27.0
Other balances due to customers	4,127,726	4,955,369	-16.7
Medium-term notes	217,273	284,692	-23.7
Bonds and loans from central mortgage institutions	2,211,150	2,223,645	-0.6
Accruals and deferrals	81,215	86,476	-6.1
Other liabilities	285,845	272,097	+5.1
Value adjustments and provisions	246,153	261,048	-5.7
Reserves for general banking risks	1,158,569	1,102,390	+5.1
Endowment capital	175,000	200,000	-12.5
Participation capital	75,000	50,000	+50.0
Own equity	-1,284	-5,114	-74.9
Capital reserve	46,736	46,042	+1.5
Profit reserve	243,735	203,068	+20.0
Minority interests in equity	21,956	29,150	-24.7
Group profit	143,898	123,098	+16.9
<i>of which minority interests</i>	<i>2,346</i>	<i>-1,611</i>	<i>+245.6</i>
Balance sheet total	16,125,320	15,551,917	+3.7

Consolidated Income Statement.

	2009 in 1,000 CHF	2008 in 1,000 CHF	+/- in %
Net interest income	252,073	252,823	-0.3
Net fee and commission income	108,787	94,085	+15.6
Net trading income	23,643	22,470	+5.2
Other ordinary income	17,719	-7,287	+343.2
Gross earnings	402,222	362,091	+11.1
Personnel expenses	117,849	109,316	+7.8
General administrative expenses	59,670	55,676	+7.2
Total operating expenses	177,519	164,992	+7.6
Gross profit	224,703	197,099	+14.0
Depreciation and write-offs on fixed assets and participations	15,853	17,132	-7.5
Goodwill amortisation	16,277	7,682	+111.9
Value adjustments, provisions and losses	91	1,693	-94.6
Group profit before extraordinary items and taxes (operating profit)	192,482	170,592	+12.8
Extraordinary income, including taxes	48,584	47,494	+2.3
<i>of which allocated to reserves for general banking risks</i>	56,179	58,594	-4.1
Group profit	143,898	123,098	+16.9
<i>of which attributable to minority interests</i>	2,346	-1,611	+245.6

Profit Appropriation of the Parent Company.

	31.12.2009 in 1,000 CHF	31.12.2008 in 1,000 CHF	+/- in 1,000 CHF
Annual profit	141,675	124,042	+17,633
Dividend on nominal capital of 35% (previous year 32%)	87,500	80,000	+7,500
Compensation for government guarantee	2,365	2,232	+133
Funds for projects with cultural, charitable, sporting or economic purposes in the Canton of Graubünden	1,810	1,810	0
Allocation to free reserves	42,000	32,800	+9,200
Allocation to the general legal reserve	8,000	7,200	+800

Adding Value through Active Value Management.

A comprehensive value management approach is the basis for all strategic and operating measures of Graubündner Kantonalbank. The objective of this approach is to optimize the bank's performance in terms of return, growth and productivity in order to create added value for clients, employees, investors and the public. GKB is focused on sustainability in terms of the economy, the environment and the social sphere.

Graubündner Kantonalbank promotes sustainable development through its products and services, the direction it gives to financial flows and the way it interacts with stakeholders and natural resources. This sustainable approach makes an important contribution to the long-term success of the Bank. In all six of the Bank's strategic areas this focus on economic, environmental and social needs is evident:

Marketing

By consistently putting our customers' expectations and needs first (best service), we seek to maintain our market share of both private and corporate business, i.e. to grow with the market. In managing the wealth of our Private Banking customers and the assets of institutions, we aim to achieve a growth rate of ten per cent per annum.

Participations

As part of our acquisition strategy, we aim to use strategic holdings within Switzerland to secure group-wide growth and to achieve a larger contribution to our results from Private Banking. To do this, we utilize the know-how and networks of Graubündner Kantonalbank and our subsidiaries, Private Bank Bellerive AG and Private Client Bank. This cooperation produces synergies.

Brand leadership

The Graubündner Kantonalbank brand stands for "growing together" and reflects our values: competence, partnership, fairness, responsibility, flexibility and farsightedness. For years we have been investing systematically in the brand understanding and awareness of our staff. They represent these values both internally and to the outside world.

Risk management

We see securing our bank's viability as an absolute priority. Risk management is about making use of equity while taking account of potential losses, which are limited by economic criteria. Our active acceptance of risks is guided by our strategic priorities and our competence.

Process management

Strategic partnerships and cooperation increase the value of our business and thus make it even more attractive to investors. Recent years have seen the creation of the conditions that make this possible, with a structure geared to clients' needs. Lean Six Sigma and systematic quality management have allowed us to make our processes more professional in the interests of greater efficiency – and to reinforce our claim to provide best-quality service.

Change management

We regard openness to change based on a practiced corporate culture as an essential factor for success. It is vital that all employees are ready to constantly set themselves new challenges. GKB wants to ensure optimal conditions for employees to develop their careers by putting appropriate measures into place. These include a personnel recruitment and development policy in line with our strategy, company communications which promote the understanding of our corporate strategy, and a concept of leadership that promotes the development of our employees.

Information for Investors

The Graubündner Kantonalbank Participation Certificate.

Graubündner Kantonalbank, founded in 1870, offers everything that makes up a modern universal bank – for private individuals, businesses and the public sector. Our comprehensive range of services, attractive jobs, progressive training opportunities and balanced value management enable us to meet the needs of clients, employees, investors, owners and the public. GKB holds strategic stakes in Privatbank Bellevue, Zurich (50% directly, 62.7% indirectly) and in Private Client Bank in Zurich (50%). The equity capital of Graubündner Kantonalbank comprises endowment capital, participation capital, and reserves.

The GKB participation certificate performed much better than the Swiss market in 2009. While the Swiss Performance Index was up 23.2%, including accrued dividends, the GKB participation certificate gained 32.3% over the same period. This performance only slightly lagged the overall trend for the Swiss banking sector (SPI banks: +33.7%). In terms of the price-earnings ratio, the current valuation is in the upper range for participation certificates of peer cantonal banks. Its above-average valuation means the participation certificate offers a below-average dividend yield.

General information on the security

Ticker symbol: GRKP
 Reuters: GRKP.S
 Securities number: 134 020

ISIN: CH0001340204
 Listing: SIX Swiss Exchange

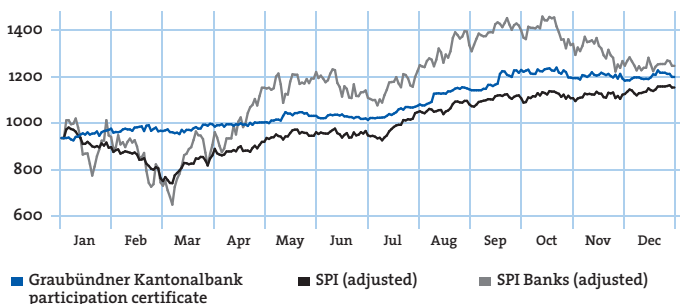
Share statistics

Group profit 2009 per participation certificate before creation of free reserves (excluding minority interests) CHF 79.09
 Dividend for 2009 financial year per certificate: CHF 35.00
 Participation capital: CHF 75,000,000
 Certificates issued: 750,000
 Number of certificates held by the bank (monthly average Dec 08–Dec 09): 2,883
 Certificate price as at 30.12.2009: CHF 1,197.00
 Tax value per certificate as at 31.12.2009: CHF 1,197.00
 Net asset value per certificate as at 31.12.2009: CHF 735.72
 Market capitalization as at 31.12.2009: CHF 897,750,000
 Return on equity as at 31.12.2009: 11.36%
 Dividend yield as at 31.12.09 ¹⁾: 2.92%
 PER ratio (group profit 2009): 15.1x

Key dates

Ex-dividend date: 26 February 2010
 Participation capital holders' meeting 2010: 27 March 2010
 Half-year figures 2010: 30 July 2010
 Analysts' conference 2010: 30 July 2010

GKB participation certificate



¹⁾ Dividends for the 2009 financial year as a percentage of the price at year end.



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