



Consolidated Interim Financial Statements.

as at 30 June 2010.

Growing together.

 **Graubündner
Kantonalbank**

Key figures.

(Half-yearly figures are not audited.)

Income statement	1st half 2010	1st half 2009	+/- in %
	in CHF million	in CHF million	
Gross income	192.9	198.0	-2.6
Operating expense	88.7	87.1	+1.8
Operating profit / operational cash flow	104.2	111.0	-6.1
Profit before allocations to reserves excluding deductions for minority interests	96.0	102.0	-5.9
Group net profit	70.5	66.6	+6.0
Balance sheet	30.6.2010	31.12.2009	+/- in %
	in CHF million	in CHF million	
Due from customers	2,859	2,926	-2.3
Mortgage loans	10,595	10,422	+1.7
Deposits from the public	11,562	11,330	+2.0
Bonds and loans from central mortgage institutions	2,522	2,211	+14.1
Equity excluding minority interests (before appropriation of profits)	1,841	1,839	+0.1
Balance sheet total	17,009	16,125	+5.5
Customer assets	25,507	24,872	+2.6
Fiduciary transactions (including pension fund mortgages)	371	513	-27.7
Headcount			
Full-time equivalents (adjusted for part- time positions, apprenticeships at 50%)	856.8	869.1	-1.4

Consolidated balance sheet.

Assets	30.6.2010	31.12.2009	+/- in %
	in CHF 1,000	in CHF 1,000	
Liquid assets	326,597	111,108	+193.9
Claims from money market securities	346,543	20,554	>+999.9
Due from banks	811,579	654,314	+24.0
Due from customers	2,858,558	2,925,685	-2.3
Mortgage loans	10,594,665	10,421,988	+1.7
Securities and precious metals trading assets	10,761	2,627	+309.6
Financial assets	1,536,470	1,514,522	+1.4
Non-consolidated participations	16,883	16,937	-0.3
Tangible assets	134,272	136,537	-1.7
Goodwill	19,206	26,401	-27.3
Accrued income and prepaid expenses	63,452	57,646	+10.1
Other assets	290,042	237,002	+22.4
Balance sheet total	17,009,028	16,125,320	+5.5

Liabilities	30.6.2010	31.12.2009	+/- in %
	in CHF 1,000	in CHF 1,000	
Due to banks	352,189	107,488	+ 227.7
Due to customers on savings and deposit accounts	7,032,014	6,984,862	+ 0.7
Other balances due to customers	4,337,815	4,127,726	+ 5.1
Medium-term notes	192,224	217,273	- 11.5
Bonds and loans from central mortgage institutions	2,522,345	2,211,150	+ 14.1
Accrued expenses and deferred income	94,729	81,215	+ 16.6
Other liabilities	369,425	285,845	+ 29.2
Value adjustments and provisions	241,296	246,153	- 2.0
Reserves for general banking risks	1,185,569	1,158,569	+ 2.3
Endowment capital	175,000	175,000	0
Participation capital	75,000	75,000	0
Own equity	- 4,468	- 1,284	+ 247.9
Capital reserve	46,892	46,736	+ 0.3
Retained earnings	293,710	243,735	+ 20.5
Minority interests in equity	24,759	21,956	+ 12.8
Consolidated net profit for the year		143,898	
Consolidated net profit for the half-year	70,529		
<i>of which minority interests</i>	1,532	2,346	- 34.7
Balance sheet total	17,009,028	16,125,320	+ 5.5

Consolidated income statement.

	1st half 2010 in CHF 1,000	1st half 2009 in CHF 1,000	+/- in %
Net interest income	125,241	127,795	-2.0
Net fee and commission income	56,752	51,428	+10.4
Net trading income	8,696	13,415	-35.2
Other ordinary income	2,168	5,399	-59.8
Gross income	192,857	198,037	-2.6
Personnel expenses	60,213	57,844	+4.1
General administrative expenses	28,445	29,227	-2.7
Total operating expense	88,658	87,071	+1.8
Operating profit / operational cash flow	104,199	110,966	-6.1
Depreciation and write-offs on fixed assets and participations	6,404	6,085	+5.2
Goodwill amortisation	3,841	7,535	-49.0
Value adjustments, provisions and losses	0	0	0
Group profit before extraordinary items and taxes	93,954	97,346	-3.5
Extraordinary income, including taxes	-23,425	-30,784	-23.9
<i>of which allocation to reserves for general banking risks</i>	<i>27,000</i>	<i>35,000</i>	<i>-22.9</i>
Group net profit for the half-year	70,529	66,562	+6.0
<i>of which minority interests</i>	<i>1,532</i>	<i>-448</i>	<i>+442.0</i>

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 in 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 better than the Swiss market in the first half of 2010. While the Swiss Performance Index was down 3.9%, including accrued dividends, the GKB participation certificate gained 5.7% over the same period. This performance was also significantly better than the overall trend for the Swiss banking sector (SPI banks: -10.8%). In terms of the price-earnings ratio, the current valuation is in the mid-range for participation certificates of peer cantonal banks.

General information on the security

Ticker symbol: GRKP
 Reuters: GRKP.S
 Securities number: 134 020
 ISIN: CH0001340204
 Listing: SIX Swiss Exchange

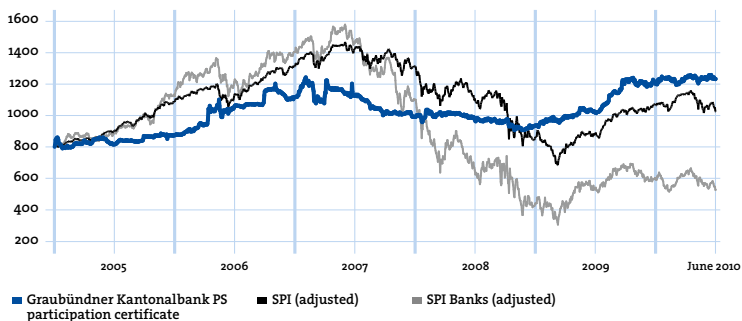
Share statistics

Group profit 2009 per certificate before creation of free reserves (without minority interests): CHF 79.09
 2010 first half-year Group net profit per participation certificate before allocations to reserves (without minority interests): CHF 38.40
 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 (average for July 09 – June 10): 2'116
 Certificate price as at 30.06.2010: CHF 1'230.00
 Tax value per certificate as at 31.12.2009: CHF 1'197.00
 Net asset value per certificate as at 30.06.2010: CHF 736.28
 Market capitalization as at 30.06.2010: CHF 922'500'000
 Return on equity as at 30.06.2010: 10.7%
 Dividend yield ¹⁾: 2.85%
 Price-earnings ratio results (ZKB estimate for 2010): 15.6x

Key dates

Annual figures for 2010: 4. February 2011
 Participation capital holders' meeting 2011: 16. April 2011

GKB participation certificate



¹⁾ Dividend for the 2009 financial year as a percentage of the price as of 30.06.2010



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