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Ratings

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Graubuendner Kantonalbank

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

Secondary Contact:
Heiko Verhaag, CFA, Frankfurt (49) 69-33-999-215; heiko.verhaag@spglobal.com

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Graubuendner Kantonalbank

SACP	a+

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

+

Support	+2
ALAC Support	0
GRE Support	+2
Group Support	0
Sovereign Support	0

+

Additional Factors	0

Issuer Credit Rating
AA/Stable/A-1+

Major Rating Factors

Strengths:	Weaknesses:
• Very strong capitalization, supported by stable earnings. • A strong retail franchise in the home market of Graubuenden. • Strong ties with the canton of Graubuenden, due to the canton's majority ownership of the bank and a statutory guarantee.	• Growth potential and diversity limited by regional focus and developments. • Concentration risk on regional residential real estate lending, and exposure to the volatile tourism sector in Graubuenden. • Low-interest-rate cycle challenge high earnings capacity.

Outlook: Stable

S&P Global Ratings' outlook on Switzerland-based Graubuendner Kantonalbank (GKB) is stable. It reflects our view that, over the next two years, GKB will continue to benefit from its status as a government-related entity (GRE), in our view, with strong ties to its majority owner, the Swiss Canton of Graubuenden (not rated). We consider that there is unchanged an extremely high likelihood that the canton would provide timely and sufficient extraordinary support to GKB in the event of financial distress. Moreover, the stable outlook on GKB reflects our view that the bank's robust superior loss absorption capacity from its high capital and earnings buffer sufficiently offset potential domestic financial risks, even if the economic cycle were to worsen unexpectedly over our two-year forecast horizon.

The likelihood of a downgrade is very low as long as the bank's stand-alone credit profile (SACP) is at or above our threshold of 'bb+'. In the event of a small deterioration in the SACP, the potential of extraordinary support from the canton cushions the ratings on GKB. Furthermore, a negative rating action may occur if there is a change in GKB's role for or link with the Canton of Graubuenden, or changes in the statutory guarantee, that lead to a weaker assessment of GKB's GRE status. Nevertheless, we currently consider this scenario unlikely. If it were to occur, however, we would expect GKB's existing obligations to be grandfathered.

We are unlikely to raise the ratings in the next 12-24 months. That said, all else remaining equal, we could raise the ratings on GKB if, in our view, the canton's creditworthiness has improved, leading us to think the canton's ability to support GKB during times of financial stress had strengthened.

Rationale

We base our 'a+' SACP on GKB on our 'a-' anchor, the starting point of our ratings assessment for domestically oriented banks in Switzerland. The anchor reflects Switzerland's highly diversified and competitive economy, very high household income levels, and banks' prudent loan underwriting standards.

We continue to consider GKB's business position neutral for its ratings, compared with that of domestically focused Swiss banks. We project that GKB's extraordinary business stability from its dominant regional franchise is very well managed and robust for the foreseeable future, which partly offsets our structural concerns of its highly concentrated business model by region and product. Moreover, we view positively that GKB's reorganized private banking activities should benefit from a more efficient growth strategy fueled by domestic clients and more stable earnings.

We forecast that GKB will gradually improve further its key rating strength--very strong capital and earnings in a domestic and global context. This is primarily supported by our projection that GKB's risk-adjusted capital (RAC) ratio will gradually increase to 27.0%-27.5% in the next 12-24 months, from 26.8% at year-end 2017. Also positive, we expect that GKB's risk position will remain robust and neutral in our ratings assessments, because the bank has efficiently focused mainly on low-risk collateralized residential mortgage lending and lending to small and midsize enterprises (SMEs), alongside the bank's proven prudential underwriting standards. This is partly offset by structural concerns that GKB is dependent on future fluctuations in the local economy, and, similar to its domestic peers, that GKB is exposed to the risks related to the cumulative rise in Swiss house prices and domestic lending over past several years (we recognize that house price and lending growth have cooled since 2014). We view positively, however, that the majority of the GKB's mortgage loan book relates to borrowers in residential rather than tourist areas, and that the tourism sector represents less than 5% of the overall mortgage portfolio by property type.

In line with most peers, GKB's combined funding and liquidity position will remain neutral in our assessment of the its stand-alone creditworthiness. We believe GKB's funding will continue to benefit from a large and reliable customer deposit base, which is relatively average compared with that of many domestic peers as represented, for example, by a stable funding ratio of 111% as of mid-2018. GKB's liquidity will remain a strength, in our view, compared with many banks globally, underpinned by our assessment of GKB's ratio of broad liquid assets to short-term funding of 1.7x at mid-year 2018, and our view that the bank should withstand market stress without access to capital market funding for more than 12 months. GKB's liquid assets comfortably cover its short-term wholesale funding needs, minimizing the risk of a gap in GKB's liquidity profile.

In addition, we strongly believe that GKB will remain a GRE with an extremely high likelihood of receiving timely and sufficient extraordinary support from Graubuenden if ever needed. We base this opinion on GKB's very important role for, and integral link with, the local government, the Canton of Graubuenden.

As a result, we apply a two-notch uplift to GKB's SACP, leading to the long-term rating of 'AA'. In our view, the Swiss bank resolution regime, which came into effect on Jan. 1, 2016, does not impede cantons' ability to provide extraordinary support to banks that we consider to be GREs, like GKB.

Anchor: 'a-' for commercial banks operating only in Switzerland

We use our Banking Industry Country Risk Assessment economic risk and industry risk scores to determine a bank's anchor, 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 remain, owing to the cumulative rise in Swiss house prices and domestic lending over 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 strong 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, particularly 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 stability and a relatively 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 can still generate returns on core banking products that are adequate to meet their cost of capital. Moreover, in our view, the Swiss regulator's initiatives are more stringent than those in other European banking industries.

Table 1

Graubuendner Kantonalbank Key Figures

		--Year-ended Dec. 31--			
(Mil. CHF)	**2018***	**2017**	**2016**	**2015**	**2014**
Adjusted assets	26,027.9	25,607.3	23,907.4	23,284.0	20,591.0
Customer loans (gross)	19,468.9	19,202.4	18,231.3	17,706.5	16,365.2
Adjusted common equity	2,548.3	2,543.2	2,337.6	2,300.6	2,204.0
Operating revenues	193.8	373.2	356.8	370.5	382.4
Noninterest expenses	88.5	177.0	201.1	186.8	186.8
Core earnings	104.0	193.5	155.1	176.2	185.4

*Data as of June 30. CHF--Swiss Franc.

Business position: A strong regional franchise complemented by private banking activities

We continue to consider GKB's business position neutral for its ratings compared with that of domestically focused Swiss banks. We project that GKB's extraordinary business stability from its dominant regional franchise will continue to be very well managed and robust for the foreseeable future, which on balance offsets our structural concerns of its highly concentrated business model by region and product. Moreover, we view positively that GKB's reorganized private banking activities should benefit from a more efficient growth strategy fueled by domestic clients and more stable earnings.

GKB is a midsize cantonal bank, with total assets of Swiss franc (CHF) 26.0 billion as of June 30, 2018. As a sustained leading commercial bank in its home canton, GKB manages continued high and stable market shares in retail and corporate banking (52% market share of business customers and 45% of private customers). The customer base has proven to be sound, and we expect it will continue to provide GKB with a sustainable source of stable revenues for the next two years. Operating revenues in mid-2018 comprise net interest income at about 65%, fee income at 25%, and 5% market-sensitive income. We expect the share in fee income to improve to about 30% benefitting from the acquisition of Albin Kistler AG. Consequently, we expect the bank's future stability to be superior to that of larger domestic and international peers in countries with similar industry risk as Switzerland.

For structural reasons, like most other Swiss cantonal banks, GKB operates almost solely in its home region, Graubuenden, with a focus on residential mortgage lending and lending to SMEs, and we expect that the bank will continue to maintain its very successful business model largely unchanged in going forward. In addition, GKB engages selectively in corporate syndicated lending across Switzerland as a partner to larger cantonal or commercial banks, mainly to highly rated large Swiss corporate entities. We consider this targeted expansion as a beneficial add-on, but that is will unlikely have a material impact on our assessment of GKB's stand-alone strength considering the bank's limited additional diversification in terms of risk and earnings.

GKB's lending activities are complemented by its private banking operations, which focus mainly on domestic clients and some cross-border business with German and Italian clients owing to their geographic proximity, with total assets under management estimated at CHF19 billion. As part of its growth strategy, GKB reorganized these activities among its subsidiaries Privatbank Bellerive AG (55% share) and Albin Kistler AG (to 51% increase in July 2018 after initial 25% share acquisition in July 2016). We believe that this niche activity will benefit from a more efficient growth strategy, fueled by sound clients franchise and solid earnings. We also think that the private banking operations will provide some risk and earnings diversification.

In our view, the bank's management continues to demonstrate a strong track record, underpinned by prudent underwriting standards and conservative risk management. We expect this to provide ongoing stability to GKB's sound financial position.

Table 2

Graubuendner Kantonalbank Business Position

		--Year-ended Dec. 31--			
(%)	**2018***	**2017**	**2016**	**2015**	**2014**
Total revenues from business line (mil. CHF)	196.7	380.2	380.1	387.7	383.5
Return on average common equity (%)	7.7	7.2	6.9	7.1	7.1

*Data as of June 30. CHF--Swiss franc.

Capital and earnings: One of the highest RAC ratios worldwide, supported by strong earnings capacity

In our view, GKB's key rating strength is its very strong capital and earnings in a domestic and global context, and we forecast that the bank will gradually improve this position. We project that GKB's RAC ratio will inch toward 27.0%-27.5% in the next 12-24 months, from 26.8% at year-end 2017. We continue to expect that the bank's capitalization will remain at the upper end of our very strong range and superior to that of other cantonal banks, and most other banks we rate globally.

In our view, GKB's earnings are predictable and stable; and we do not expect any changes to the bank's dividend policy of distributing 50%-60% of earnings to the home canton and other shareholders. The low interest rates continue to weigh on GKB's net interest margin and operating revenues, and we estimate that operating income after loss provisions of around CHF180 million in 2018-2020—steadier than the previous four years. Accordingly, we expect earnings to remain supportive of GKB's outstanding capital position relative to the risk it takes. We estimate GKB's three-year average earnings buffer at roughly 150 basis points (bps), which also indicates superior capacity for its earnings to cover normalized losses.

We view GKB's capital as very high quality because it includes only core Tier 1 capital in the form of share capital, a capital surplus, and reserves. We anticipate that GKB's majority owner, Graubuenden, which holds approximately 85% of GKB's capital with 100% of the voting rights, will remain supportive of the current capital levels. We also believe that GKB will not experience pressure from major dividend distributions that could weaken its RAC ratio.

Table 3

Graubuendner Kantonalbank Capital And Earnings

		--Year-ended Dec. 31--			
(%)	**2018***	**2017**	**2016**	**2015**	**2014**
Tier 1 capital ratio	18.5	18.7	18.5	18.7	18.9
S&P RAC ratio before diversification	N/A	26.8	26.5	24.5	24.0
S&P RAC ratio after diversification	N/A	20.3	20.7	21.7	22.5
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0

Table 3

Graubuendner Kantonalbank Capital And Earnings (cont.)

		--Year-ended Dec. 31--			
(%)	**2018***	**2017**	**2016**	**2015**	**2014**
Net interest income/operating revenues	65.4	65.7	67.2	62.3	62.1
Fee income/operating revenues	25.5	25.1	25.2	28.6	29.6
Market-sensitive income/operating revenues	5.0	5.3	5.1	6.7	6.4
Noninterest expenses/operating revenues	45.7	47.4	56.4	50.4	48.8
Preprovision operating income/average assets	0.8	0.8	0.7	0.8	1.0
Core earnings/average managed assets	0.8	0.8	0.7	0.8	0.9

*Data as of June 30. RAC--Risk-adjusted capital. N/A--Not applicable.

Table 4

Graubuendner Kantonalbank 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	4,809,489	468,307	10	147,441	3
Of which regional governments and local authorities	526,073	434,682	83	18,939	4
Institutions and CCPs	1,415,468	371,856	26	105,005	7
Corporate	6,440,834	3,422,790	53	4,166,367	65
Retail	12,278,512	6,620,227	54	2,985,139	24
Of which mortgage	11,957,001	6,396,863	53	2,772,829	23
Securitization§	0	0	0	0	0
Other assets†	880,483	946,701	108	794,550	90
Total credit risk	25,824,787	11,829,882	46	8,198,502	32
Credit valuation adjustment					
Total credit valuation adjustment	--	224,921	--	0	--
Market risk					
Equity in the banking book	95,719	221,612	232	532,660	556
Trading book market risk	--	15,262	--	22,893	--
Total market risk	--	236,874	--	555,552	--
Operational risk					
Total operational risk	--	682,723	--	720,985	--
(CHF 000s)		**Basel III RWA**		**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification	--	12,974,400	--	9,475,039	100
Total Diversification/Concentration Adjustments	--	--	--	3,034,072	32
RWA after diversification	--	12,974,400	--	12,509,111	132

Table 4

Graubuendner Kantonalbank Risk-Adjusted Capital Framework Data (cont.)					
(CHF 000s)		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global RAC ratio (%)
Capital ratio					
Capital ratio before adjustments	--	2,424,852	18.7	2,543,184	26.8
Capital ratio after adjustments‡	--	2,424,852	18.7	2,543,184	20.3

*Exposure at default. §Securitizationexposure includes the securitization 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, 2017, S&P Global Ratings.

Risk position: Exceptional loan loss experience despite regional concentration in Graubuenden

We expect GKB's risk position to remain adequate and neutral in our ratings assessments, on the back of the bank's focus mainly on low-risk collateralized residential mortgage lending and lending to SMEs supported by the bank's proven prudential underwriting standards. This is partly offset by GKB's regional concentration in a canton that relies considerably on the cyclical tourism sector as a key risk to its lending activities, even though since 2016 tourist seasons were relatively good and no material losses are expected. Still, this dependency exposes the bank to fluctuations in the local economy. In our view, however, based on GKB's sustained prudent management of risks and consistent very low risk appetite we expect the bank to demonstrate an ongoing favorable resilience to potential periods of economic stress through the cycle. We cautiously forecast risk costs to average customer loans to hoover at very favorable 5bps levels between 2018 and 2020, up from basically no risk cost between 2016 and mid-year 2018, and average 5bps in the past four years before 2016.

Residential real estate loans, mainly from the home region, represented about gradually improved 68% of GKB's loan book at Dec. 31, 2017. Our concerns on regional concentration risks remain balanced by GKB's high granularity and adequate collateralization in its loan portfolio, which is represented by, for example, our 60% average loan-to-value ratio estimate for mortgage loans. Moreover, we observe that the gradually shrunk share of nonresidential mortgage loans, at about 13% of GKB's portfolio, is a bit higher than at its cantonal bank peers. Although we consider that this elevates GKB's risk profile compared with its peers, we believe that the financing benefits from relatively more granular exposures to small and midsize corporate clients in the home canton, and our RAC framework, i.e. GKB's 26.8% RAC ratio, adequately captures related risks of these exposures. We estimate GKB's lending growth to stay at about 3% in the coming two years, approximately in line with previous years and the trend we have observed at some other cantonal banks.

Similar to its domestic peers, GKB is exposed to the risks related to a cumulative rise in Swiss house prices and domestic lending over the past several years (although we recognize that house price and lending growth have cooled since 2014). Similarly, we observe that real estate prices in Graubuenden have stabilized at relatively high levels, especially in the winter-tourism resort areas. We view positively, however, that the majority of the bank's mortgage loan book relates to borrowers in residential, rather than tourist areas, and that the tourism sector represents less than 5% of the overall mortgage portfolio by property type.

We expect the bank to maintain its conservative underwriting practices in mortgage lending, which further protects from potential future risk. According to our projections, GKB's prudence will help the bank maintain high-quality assets in its credit portfolio, with projected nonperforming loans to remain at about 0.2% of customer loans in the next two years, nearly in line with previous years. However, we expect such a level to be well below standard risk cost and consequently unsustainable over the full economic cycle.

To diversify its loan book geographically and by sector, GKB participates in syndicated corporate loans mainly across Switzerland. Although corporate lending increases the credit risk in GKB's loan book, mitigating factors are that borrowers are mainly large rated Swiss corporations, and GKB participates selectively and with small amounts. We don't believe that this activity, today representing less than 5% of GKB's loan book, will provide any meaningful diversification benefit or, at its current magnitude, increase GKB's credit risk to an extent that would lead us to revise down our capital or risk assessments.

Table 5

Graubuendner Kantonalbank Risk Position

		--Year-ended Dec. 31--			
(%)	**2018***	**2017**	**2016**	**2015**	**2014**
Growth in customer loans	2.8	5.3	3.0	8.2	3.3
Total diversification adjustment / S&P RWA before diversification	N/A	32.0	28.3	1.3	6.4
Total managed assets/adjusted common equity (x)	10.2	10.1	10.2	10.1	9.3
New loan loss provisions/average customer loans	0	0	0	0	0
Net charge-offs/average customer loans	N/A	0.0	0.0	0.0	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.2	0.2	0.2	0.3	0.2
Loan loss reserves/gross nonperforming assets	N/A	431.2	456.8	389.1	847.3

*Data as of June 30. RWA--Risk-weighted assets. N/A--Not applicable.

Funding and liquidity: A favorable funding profile, owing to stable retail deposits

In line with most peers, GKB's combined funding and liquidity position will remain neutral in our assessment of the bank's stand-alone creditworthiness. We believe GKB's funding will continue to benefit from a large and reliable customer deposit base (69% of its total funding base mid-year 2018), which is relatively average--at a stable funding ratio of 111% as of mid-2018--compared with many of its domestic peers. Additionally, we believe the bank's superior capital base is supportive. Moreover, we expect that GKB's deposits are much less confidence-sensitive in times of unexpected systemic market stress relative to many peers, because of the bank's public-sector ownership, the statutory guarantee from the canton of Graubuenden, and GKB's sound brand. Moreover, the shareholder and guarantee structure gives GKB access to low-cost long-term wholesale funding (11% of its total funding base) and the ability to issue covered bonds. In our view, GKB will continue to benefit from a so-called "flight to quality," with customers steering away from riskier banks during difficult economic periods toward banks with a sound reputation. Therefore, we expect GKB's stable funding ratio to remain at a comfortable 105%-110% over 2018-2020.

GKB's liquidity will remain a strength, in our view, compared with many banks globally underpinned by our assessment of GKB's one-year liquidity ratio (broad liquid assets to short-term funding) of 1.7x at mid-year 2018. In our view, the bank should withstand market stress without access to capital market funding for more than 12 months. GKB's liquid assets comfortably cover its short-term wholesale funding needs, minimizing the risk of a gap in its liquidity profile. GKB's solid customer base, superior capitalization, and GRE status will likely help it weather potential capital market stress, in our opinion.

Table 6

Graubuendner Kantonalbank Funding And Liquidity					
		--Year-ended Dec. 31--			
(%)	**2018***	**2017**	**2016**	**2015**	**2014**
Core deposits/funding base	69.4	69.1	71.9	72.9	81.4
Customer loans (net)/customer deposits	119.3	120.4	117.7	116.9	111.6
Long term funding ratio	86.8	84.4	87.0	88.3	95.8
Stable funding ratio	111.4	108.9	109.4	107.8	106.5
Short-term wholesale funding/funding base	14.7	17.3	14.5	13.1	4.7
Broad liquid assets/short-term wholesale funding (x)	1.7	1.4	1.6	1.6	3.1
Net broad liquid assets/short-term customer deposits	15.0	11.7	11.8	11.0	12.7
Short-term wholesale funding/total wholesale funding	47.9	56.1	51.7	48.3	25.4
Narrow liquid assets/3-month wholesale funding (x)	2.6	1.6	1.9	1.7	3.9

*Data as of June 30.

External support: Two notches of uplift for likely support from Graubuenden

We strongly believe that GKB will remain a GRE, and see an extremely high likelihood that GKB would receive timely and sufficient extraordinary support from Graubuenden if ever needed. We base our assessment on our view of the bank's:

- Integral link with the canton. We expect Graubuenden to provide considerable and timely credit support in all circumstances to GKB, due to the canton's majority 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 GKB's activities on the local economy.

Because of these factors, we incorporate a two-notch uplift into the long-term rating on GKB. 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.

GKB benefits from Graubuenden's statutory guarantee, which ultimately covers all of its liabilities, excluding those of its subsidiaries Privatbank Bellerive and Albin Kistler, subordinated liabilities, and nonvoting participation certificates (Partizipationskapital). We note, however, that the guarantee does not ensure timely repayment, as per our definitions, but we believe that the canton has strong incentives to help GKB meet its obligations on time, due to the bank's importance to the regional economy.

Additional rating factors: None

No additional factors affect the 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
- 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: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

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 October 30, 2018)	
Graubuendner Kantonalbank	
Issuer Credit Rating	AA/Stable/A-1+
Issuer Credit Ratings History	
01-Dec-2014	AA/Stable/A-1+
03-Jul-2012	AA+/Negative/A-1+
17-Dec-2010	AA+/Stable/A-1+
Sovereign Rating	
Switzerland	AAA/Stable/A-1+

Ratings Detail (As Of October 30, 2018) (cont.)

*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.