



Consolidated Accounts for the Financial Year.

Ending 31 December 2013.

Growing together.



**Graubündner
Kantonalbank**

Overview.

Income statement	2013	2012	+/- in %
	in CHF million	in CHF million	
Gross income	386.6	391.9	-1.4
Operating expense	172.2	174.4	-1.3
Operating profit/operational cash flow	214.4	217.5	-1.4
Profit before allocations to reserves excluding deductions for minority interests	187.5	182.5	+2.7
Group profit	161.3	158.7	+1.6

Balance sheet	31.12.2013	31.12.2012	+/- in %
	in CHF million	in CHF million	
Due from customers	2,899	2,901	-0.1
Mortgage loans	12,942	12,395	+4.4
Deposits from the public	14,151	13,800	+2.5
Bonds and loans from central mortgage institutions	2,514	2,268	+10.9
Equity excluding minority interests (before appropriation of profits)	2,182	2,097	+4.0
Balance sheet total	20,001	19,364	+3.3

Selected key figures	2013	2012	+/- in %
	Net new money	362	
Cost/Income-Ratio II	47.4 %	47.7 %	-0.6
Return on equity	9.0 %	9.1 %	-1.3
Return on required equity 1)	13.3 %	13.2 %	+1.0

	31.12.2013	31.12.2012	+/- in %
	Client assets	29,510	
Full-time equivalents (adjusted for part-time positions, apprenticeships at 50%)	826.8	847.1	-2.4
Staff headcount 2)	938	966	-28
Parent company locations 2)	66	68	-2
Group locations 2)	68	70	-2

1) Both figures were calculated on the basis of Tier 1 capital at 12.7%, which comes into effect on 30 June 2014.

2) Absolute change

Group Balance Sheet.

Assets	31.12.2013	31.12.2012	+/- in %
	in CHF 1,000	in CHF 1,000	
Liquid assets	1,400,358	1,252,269	+11.8
Claims from money market securities	-	1	-100.0
Due from banks	705,550	595,336	+18.5
Due from customers	2,898,527	2,900,938	-0.1
Mortgage loans	12,941,922	12,395,285	+4.4
Securities and precious metals trading assets	19,818	5,784	+242.6
Financial assets	1,539,082	1,655,430	-7.0
Non-consolidated participations	18,815	18,815	-
Tangible assets	119,253	122,390	-2.6
Goodwill	-	-	-
Accrued income and prepaid expenses	41,373	47,029	-12.0
Other assets	316,036	370,346	-14.7
Balance sheet total	20,000,734	19,363,623	+3.3
Liabilities	31.12.2013	31.12.2012	+/- in %
	in CHF 1,000	in CHF 1,000	
Due to banks	500,182	530,263	-5.7
Due to customers on savings and deposit accounts	8,520,393	8,193,448	+4.0
Other balances due to customers	5,576,095	5,534,616	+0.7
Medium-term notes	54,208	71,739	-24.4
Bonds and loans from central mortgage institutions	2,513,885	2,267,600	+10.9
Accrued expenses and deferred income	69,917	71,442	-2.1
Other liabilities	299,690	317,095	-5.5
Value adjustments and provisions	250,415	244,115	+2.6
Reserves for general banking risks	1,287,268	1,256,075	+2.5
Endowment capital	175,000	175,000	-
Participation capital	75,000	75,000	-
Own equity	-6,540	-3,238	+102.0
Capital reserve	46,915	47,026	-0.2
Retained earnings	447,883	394,202	+13.6
Minority interests in equity	29,117	30,510	-4.6
Group profit	161,306	158,730	+1.6
<i>of which minority interests</i>	<i>5,019</i>	<i>5,437</i>	<i>-7.7</i>
Balance sheet total	20,000,734	19,363,623	+3.3

Consolidated Income Statement.

	2013	2012	+/- in %
	in CHF 1,000	in CHF 1,000	
Net interest income	243,629	253,154	-3.8
Net fee and commission income	113,107	109,391	+3.4
Net trading income	18,806	19,687	-4.5
Other ordinary income	11,045	9,656	+14.4
Gross income	386,587	391,888	-1.4
Personnel expense	116,853	118,931	-1.7
General administrative expense	55,324	55,487	-0.3
Total operating expense	172,177	174,418	-1.3
Operating profit/operational cash flow	214,410	217,470	-1.4
Depreciation and write-offs on fixed assets and participations	11,092	12,476	-11.1
Goodwill amortisation	-	7,683	-100.0
Value adjustments, provisions and losses	9,169	8,354	+9.8
Group profit before extraordinary items and taxes	194,149	188,957	+2.7
Extraordinary income, including taxes	-32,843	-30,227	+8.7
<i>of which allocation to reserves for general banking risks</i>	<i>31,193</i>	<i>29,170</i>	<i>+6.9</i>
Group profit	161,306	158,730	+1.6
<i>of which minority interests</i>	<i>5,019</i>	<i>5,437</i>	<i>-7.7</i>

Profit Appropriation of the Parent Company.

	31.12.2013 in CHF 1,000	31.12.2012 in CHF 1,000	+/- CHF 1,000
Annual profit	154,637	152,093	2,544
Dividend on nominal capital of 38% (previous year 38%)	95,000	95,000	–
Compensation for government guarantee	2,637	2,593	44
Funds for projects with cultural, charitable, sporting or economic purposes in the Canton of Graubünden	2,000	2,000	–
Allocation to free reserves	55,000	46,451	8,549
Allocation to the general legal reserve 1)	–	6,049	–6,049

1) There was no allocation to the general legal reserves, as 50% of the nominal capital has been achieved.

Graubündner Kantonalbank Participation Certificate Sec. No. 134 020

Listed on SIX Swiss Exchange Price: CHF 1,236.00⁴

Graubündner Kantonalbank (GKB) is a mid-sized cantonal bank. In addition to private and corporate client business focused on the Canton of Graubünden, GKB has a long-standing tradition in private banking. Offering a comprehensive range of services, attractive employment options, progressive training opportunities and balanced value management, meeting the needs of its clients, employees, investors and the public is of paramount importance to GKB.

The bank holds strategic stakes in Privatbank Bellerive AG, Zurich, and Private Client Bank AG, Zurich.

Capital structure.

Endowment and participation cap.: CHF 250 Mio.
750,000 PC at CHF 100 nom.
CHF 175,000,000 endow. cap.

Shareholders.

Canton of Graubünden: 85.3% of capital (per 31.12.13)
Board/Management: 0.1% of PC (per 31.12.13)

Board/Management.

Supervisory Board Chairman: Hans Hatz (since 1998)
CEO: Alois Vinzens (since 2003)
No. of SB/EB members 2013: 7/4

Rating Standard & Poor's.

Short term: A-1+
Long term: AA+
Outlook: negative

Key dates.

Ex-dividend date: 7 March 2014
Participation capital holder's meeting: 12 April 2014
Half-year figures 2014: 25 July 2014

Key figures per Participation Certificate (PC).

per PC (adjusted in CHF)	2011	2012	2013(S)	2014(S)	2015(S)	per PC (in CHF)	2010	2011	2012	2013
Equity capital ¹	803	840	865 ²	888 ²	928 ²	Price High	1'255	1'245	1'205	1'236
Adjusted net profit ¹	73.5	73.0	73.8 ²	71.4 ²	73.0 ²	Price Low	1'192	1'142	1'146	1'126
Dividend	38.0	38.0 ³	40.0 ²	40.0 ²	40.0 ²	P/E High	17.1	16.9	16.5	16.7 ²
Payout ratio ¹	49.7%	50.0%	54.2% ²	56.0% ²	54.8% ²	P/E Low	16.2	15.5	15.7	15.3 ²

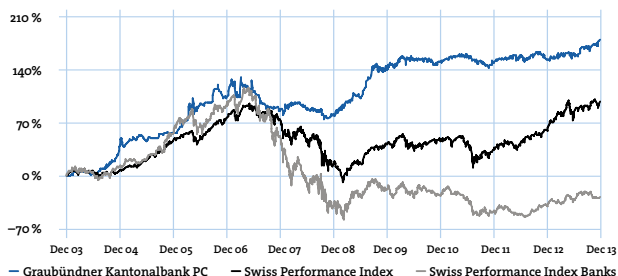
¹ not including goodwill/immateral

² estimate ZKB Research

³ Ex-dividend as at 8.3.2013

⁴ price and performance development as at 30.12.2013

10 year performance (including dividend distributions).



In addition to the GKB Participation Certificate, the following convertible bonds allow investors to participate in GKB's performance:

Convertible bond	Maturity	Sec.No.	Convertible until	Conversion price	Price ⁴
2% Graubündner Kantonalbank	08.05.2014	2 514 817	24.04.2014	CHF 1,200	101.00%



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