



Consolidated Accounts for the Financial Year.

Ending 31 December 2014.

Growing together.



**Graubündner
Kantonalbank**

Overview.

Income statement	2014	2013	+/- in %
	in CHF million	in CHF million	
Gross income	381.8	386.6	-1.2
Operating expense	174.5	172.2	+1.4
Operating profit/operational cash flow	207.3	214.4	-3.3
Profit before allocations to reserves excluding deductions for minority interests	181.6	187.5	-3.2
Group profit	163.8	161.3	+1.6

Balance sheet	31.12.2014	31.12.2013	+/- in %
	in CHF million	in CHF million	
Due from customers	2,583	2,899	-10.9
Mortgage loans	13,782	12,942	+6.5
Deposits from the public	14,485	14,151	+2.4
Bonds and loans from central mortgage institutions	2,641	2,514	+5.1
Equity excluding minority interests (before appropriation of profits)	2,267	2,182	+3.9
Balance sheet total	20,591	20,001	+3.0

Selected key figures	2014	2013	+/- in %
	Net new money	-183	
Cost/Income-Ratio II	48.8%	47.4%	+2.9
Return on equity	8.3%	9.0%	-7.1
Return on required equity 1)	12.7%	13.3%	-4.9

	31.12.2014	31.12.2013	+/- in %
	Client assets	30,157	
Full-time equivalents (adjusted for part- time positions, apprenticeships at 50%)	804.9	820.8	-1.9
Staff headcount 2)	918	932	-14
Parent company locations 2)	65	66	-1
Group locations 2)	67	68	-1

1) Both figures were calculated on the basis of Tier 1 capital at 12.7%.

2) Absolute change

Group Balance Sheet.

Assets	31.12.2014	31.12.2013	+/- in %
	in CHF 1,000	in CHF 1,000	
Liquid assets	1,411,157	1,400,358	+ 0.8
Claims from money market securities	96	–	+100.0
Due from banks	682,463	705,550	–3.3
Due from customers	2,582,824	2,898,527	–10.9
Mortgage loans	13,782,402	12,941,922	+ 6.5
Securities and precious metals trading assets ¹⁾	283	321	–11.8
Financial assets ¹⁾	1,477,985	1,558,579	–5.2
Non-consolidated participations	19,750	18,815	+ 5.0
Tangible assets	121,079	119,253	+1.5
Goodwill	–	–	–
Accrued income and prepaid expenses	34,764	41,373	–16.0
Other assets	478,246	316,036	+ 51.3
Balance sheet total	20,591,049	20,000,734	+ 3.0
Liabilities	31.12.2014	31.12.2013	+/- in %
	in CHF 1,000	in CHF 1,000	
Due to banks	619,984	500,182	+ 24.0
Due to customers on savings and deposit accounts	8,736,388	8,520,393	+ 2.5
Other balances due to customers	5,703,550	5,576,095	+ 2.3
Medium-term notes	44,604	54,208	–17.7
Bonds and loans from central mortgage institutions	2,641,230	2,513,885	+ 5.1
Accrued expenses and deferred income	71,234	69,917	+1.9
Other liabilities	226,938	299,690	–24.3
Value adjustments and provisions	243,443	250,415	–2.8
Reserves for general banking risks	1,309,958	1,287,268	+1.8
Endowment capital	175,000	175,000	–
Participation capital	75,000	75,000	–
Own equity	–4,066	–6,540	–37.8
Capital reserve	47,785	46,915	+1.9
Retained earnings	504,532	447,883	+12.6
Minority interests in equity	31,662	29,117	+ 8.7
Group profit	163,807	161,306	+1.6
<i>of which minority interests</i>	<i>4,926</i>	<i>5,019</i>	<i>–1.9</i>
Balance sheet total	20,591,049	20,000,734	+ 3.0

1) The restatements of the prior year's figures are the result of the reclassification of physical precious metals as collateral for client liabilities from trading portfolios to financial assets.

Consolidated Income Statement.

	2014 in CHF 1,000	2013 in CHF 1,000	+/- in %
Net interest income	237,408	243,629	-2.6
Net fee and commission income	113,206	113,107	+0.1
Net trading income	19,724	18,806	+4.9
Other ordinary income	11,455	11,045	+3.7
Gross income	381,793	386,587	-1.2
Personnel expense	119,621	116,853	+2.4
General administrative expense	54,902	55,324	-0.8
Total operating expense	174,523	172,177	+1.4
Operating profit/operational cash flow	207,270	214,410	-3.3
Depreciation and write-offs on fixed assets and participations	11,633	11,092	+4.9
Goodwill amortisation	-	-	-
Value adjustments, provisions and losses	6,637	9,169	-27.6
Group profit before extraordinary items and taxes	189,000	194,149	-2.7
Extraordinary income, including taxes	-25,193	-32,843	-23.3
<i>of which allocation to reserves for general banking risks</i>	22,690	31,193	-27.3
Group profit	163,807	161,306	+1.6
<i>of which minority interests</i>	4,926	5,019	-1.9

Profit Appropriation of the Parent Company.

	31.12.2014 in CHF 1,000	31.12.2013 in CHF 1,000	+/- CHF 1,000
Annual profit	157,181	154,637	2,544
Dividend on nominal capital of 38 % (previous year 38 %)	95,000	95,000	–
Compensation for government guarantee	2,681	2,637	44
Funds for projects with cultural, charitable, sporting or economic purposes in the Canton of Graubünden	2,000	2,000	–
Allocation to free reserves	57,500	55,000	2,500
Allocation to the general legal reserve 1)	–	–	–

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 1,400.00³

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: 84.4% of capital (per 31.12.14)
Board/Management: 0.1% of PC (per 31.12.14)

Board/Management.

Chairman of the Bank: Peter Fanconi (since 2014)
Chief Executive Officer: Alois Vinzens (since 2003)
No. of SB/EB members 2014: 7/4

Rating Standard & Poor's.

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

Key dates.

Ex-dividend date: 6 March 2015
Participation capital holder's meeting: 28 March 2015
Half-year figures 2015: 31 July 2015

Key figures per Participation Certificate (PC).

per PC (adjusted in CHF)	2012	2013	2014(S)	2015(S)	2016(S)	per PC (in CHF)	2011	2012	2013	2014
Equity capital ¹	840	874	901 ²	937 ²	985 ²	Price High	1'245	1'205	1'236	1'418
Adjusted net profit ¹	73.0	75.0	73.6 ²	76.2 ²	79.8 ²	Price Low	1'142	1'146	1'126	1'170
Dividend	38.0	38.0	38.0 ²	40.0 ²	40.0 ²	P/E High	16.9	16.5	16.5	19.3
Payout ratio	62.0%	60.8%	58.9% ²	57.6% ²	54.8% ²	P/E Low	15.5	15.7	15.0	15.9

¹ not including goodwill/immateral

² estimate ZKB Research

³ price and performance development as at 30.12.2014

10 year performance (including dividend distributions).

