

CEO Daniel Fust and Chairman Peter Fanconi

GKB posts record profit and higher dividend.

In recent years GKB has successfully positioned itself on the market as an investment bank. Together with the rise in equity markets, this led to an increase in Group profit to more than CHF 200 million. Participation certificate holders, the canton and the general public are benefiting directly from the improved Group profit through higher dividends. The volume of investment and mortgage business acquired underlines the strong market presence outside the home market too.

The successful performance in recent years is based on the systematic and focused evolution of the Bank. Bank Chairman Peter Fanconi commented: "Diversification is our model for success: we're pushing ahead with the investment and pension business as a second pillar alongside interest-earning operations and cultivating the market outside our home market by taking stakes in companies. The minority interest in investment manager Twelve Capital Holding AG and the newly formulated targets for 2022 to 2025 show we are systematically continuing along this path."

Daniel Fust, CEO of GKB, looks back on 2021 with great satisfaction: "Personally, I'm particularly pleased with how strong we are in acquiring investment and mortgage business, which says a great deal for our competitive products and skilled advisors."



Operating income: fee income gaining in importance

At \pm 12%, operating income rose exceptionally strongly. Equity markets provided a strong tailwind for commission income and income from securities investments. This extraordinary growth is based on the strategic positioning, which is also reflected in the higher share of earnings coming from outside the interest-earning operations (fee business) of 42.9% (previous year: 36.8%). By contrast, net interest income (CHF 260.3 million) only increased slightly by \pm 0.6%. The growth in the lending business and the higher exempt amount at the SNB compensated for the narrowing margin in the client business and lower income from investing our capital.

Commission and services income up by 31.1%

Commission and services income increased to CHF 168.3 million (CHF \pm 40.0 million or \pm 31.1%). In addition to the impressive acquisition performance, the building blocks of growth included the successful asset management performance, issuing competitive funds and consistently promoting the mandate business. Including the strategic stakes in Albin Kistler AG and Privatbank Bellerive AG in Zurich, the commission business increased to 36.9% of income (previous year: 31.8%).

Operating expenses: cost/income ratio II 48.1%

Operating expenses rose by +4.0% year-on-year. One reason for this is that GKB is helping to shape the future with targeted investments and specific projects. The higher headcount is proportionate to the size and profitability of the Bank. Productivity measured in terms of the cost/income ratio improved significantly. The cost/income ratio II fell to 48.1% (previous year: 52.2%), which is below the psychologically important 50% mark. This makes GKB one of the most productive banks in Switzerland.

Group profit: record CHF 202.9 million

Group profit reached a new record level of CHF 202.9 million (+12.2%). The same applies to net income excluding non-controlling interests; earnings per participation certificate were CHF 81.94 (previous year: CHF 71.21).

Loans to clients: growth of +3.1%

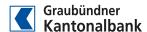
At CHF +651.3 million, growth in client loans was on a par with the pleasing previous year. The increase was again driven by gains in market share outside the home market. Some reluctance to invest is still evident in the Canton of Graubünden.

Investment business: assets under management CHF 47.5 billion

Client assets of CHF 42.4 billion (\pm 11.2% or CHF +4.3 billion) benefited from rising values and an impressive acquisition performance of CHF +1.7 billion (previous year: CHF +1.4 billion). The inflow of new money is all the more pleasing because CHF +1.2 billion has been entrusted to the Bank in the form of investments. The consistently above-average performance of the flagship products of the parent company and Albin Kistler has boosted growth in two ways. Client assets plus own funds are referred to as assets under management (AuM), which grew by a strong +14.2% to CHF 47.5 billion.

Equity base: CET 1 ratio over 20%

At the end of the year, equity including non-controlling interests rose to CHF 2.8 billion (CHF +58.7 million). At 20.3% (previous year: 20.4%), the Group's CET 1 ratio is in the middle of the strategic target range of 17.5 to 22.5%, which is well above the target of 12% prescribed by the supervisory authority. Value adjustments and provisions for inherent risks were raised to CHF 197.5 million. The strategic resistance to crisis aimed for by the Bank is reflected in the generously measured shock absorbers.



Distribution: dividend increased by 6.25% to CHF 42.50

When it comes to appropriating the profit of the parent company, investors and the general public are sharing in the increased value creation. Investors will receive a higher dividend of CHF 42.50 (CHF +2.50) per participation certificate. The Canton of Graubünden will receive CHF 92.6 million (including payment for the state guarantee), an increase of CHF 5.3 million. CHF 3.0 million will be allocated to the contributory fund for non-commercial cultural, charitable, sport, business, tourism and social projects.

Strategic development: financial guidance 2022-2025

Together with the Executive Board, the Supervisory Board has set the strategic priorities for 2022 to 2025. The Bank wants to be specifically measured in three dimensions: expansion/acquisition in the investment business, with CHF 3 billion in new money over the next four years; productivity, with a high level of investment and a cost/income ratio II of below 52.5%; and a reduction in the dependency on interest-earning operations, with fee business contributing at least 45% to operating income on a sustained basis.

Outlook for 2022: good result expected

The economic future of GKB is closely linked to inflation expectations and the tightening of central banks' monetary policy. GKB believes that inflation is rising in Switzerland in an orderly fashion with no negative consequences for the equity market. A first interest rate hike by the SNB is not expected until 2023. Assuming that equity markets perform in line with their historic average, results are likely to lag slightly behind the year just passed, with Group profit of CHF 195 million and earnings per participation certificate of approximately CHF 74.00.

Chur, 4 February 2022

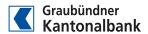


Group key figures.

Balance sheet / Off-balance-sheet

Balance sheet / Off-balance-sheet			
	in CHF million	in CHF million	
	12/31/2021	12/31/2020	+ / - in %
Client assets ¹⁾	42,402	38,129	11.2
Loans to clients	21,378	20,726	3.1
Own funds ²⁾	2,757	2,710	1.7
Headcount			
	12/31/2021	12/31/2020	+/-in%
FTEs (adjusted for part-time positions, apprenticeships at 50 %)	818	791	3.5
Income statement			
	in CHF million	in CHF million	
	2021	2020	+/-in%
Operating income	456.2	407.3	12.0
Operating expenses	204.4	196.6	4.0
Operating result	230.2	188.2	22.3
Profit before allocation to reserves without minority interests	204.2	177.5	15.1
Group profit	202.9	180.9	12.2
Voy figures			
Key figures	2021	2020	+/-in%
Net new money in CHF million ¹⁾	1,703	1,387	
Operating expense / Operating income (CIR I) ³⁾	44.8 %	48.7 %	-8.0
Operating expense incl. depreciation / operating income (CIR ${\rm II})^{3)}$	48.1 %	52.2 %	-7.9
Return on equity (ROE) ^{2) 4)}	7.7 %	6.8 %	13.6
Profit / PC (EPS) in CHF ⁴⁾	81.9	71.2	15.1
Own funds ²⁾ / PC in CHF	1,106	1,087	1.7
Leverage Ratio	7.9 %	9.5 %	-16.8
Core capital ratio (CET-1-ratio / Tier-1-ratio)	20.3 %	20.4 %	-0.5

Client funds, client deposits and fiduciary investments incl. client assets with account and custody account management at third-party banks (incl. double counting); without cash management positions
Equity before the appropriation of profits without minority interests
without value adjustments interest rates; CIR II: depreciation excl. goodwill depreciation
Basis: profit before allocation to reserves without minority interests



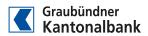
Group Balance Sheet.

Assets

	in CHF 1'000	in CHF 1'000	
	12/31/2021	12/31/2020	+/-in%
Liquid assets	8,911,776	8,180,260	8.9
Amounts due from banks	128,692	124,700	3.2
Amounts due from customers	2,664,847	2,796,278	-4.7
Mortgage loans	18,712,904	17,930,176	4.4
Trading portfolio assets	63	2	>100
Positive replacement values of derivative financial instruments	25,353	30,536	-17.0
Financial investments	2,077,702	2,113,905	-1.7
Accrued income and prepaid expenses	29,625	27,019	9.6
Non-consolidated participations	34,821	19,082	82.5
Tangible fixed assets	134,082	124,634	7.6
Intangible assets	6,729	13,458	-50.0
Other assets	62,003	59,560	4.1
Total assets	32,788,597	31,419,610	4.4
Total subordinated claims	185	10,185	-98.2

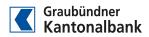
Liabilities

	in CHF 1'000	in CHF 1'000	
	12/31/2021	12/31/2020	+/-in%
	<u> </u>		
Amounts due to banks	4,098,979	4,071,843	0.7
Liabilities from securities financing transactions	1,738,000	2,000,000	-13.1
Amounts due in respect of customer deposits	19,537,218	18,106,079	7.9
Trading portfolio liabilities	59	1	>100
Negative replacement values of derivative financial instruments	40,248	29,654	35.7
Cash bonds	3,186	5,326	-40.2
Bond issues and central mortgage institution loans	4,403,285	4,315,280	2.0
Accrued expenses and deferred income	85,487	81,991	4.3
Other liabilities	24,960	29,351	-15.0
Provisions	42,962	24,535	75.1
Reserves for general banking risks	1,309,335	1,343,739	-2.6
Bank's capital	250,000	250,000	-
Capital reserves	35,201	34,816	1.1
Retained earnings reserves	989,452	920,330	7.5
Own shares	-11,382	-11,789	-3.5
Minority interests in equity	38,666	37,567	2.9
Consolidated profit	202,941	180,886	12.2
of which, minority interests in consolidated profit	18,711	8,064	>100
Total liabilities	32,788,597	31,419,610	4.4



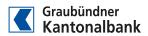
Group off-balance-sheet.

	in CHF 1,000	in CHF 1,000	
	12/31/2021	12/31/2020	+/- in %
Contingent liabilities	68,554	71,776	-4.5
Irrevocable commitments	960,604	891,292	7.8
Obligations to pay up shares and make further contributions	1,129	4,004	-71.8
fiduciary transactions	19,493	75,015	-74.0
Total off-balance-sheet transactions	1,049,780	1,042,087	0.7



Consolidated Income Statement.

	in CHF 1'000	in CHE 1/000	
	in CHF 1'000	in CHF 1'000 2020	+/-in%
			+7-111/6
Interest and discount income	222,922	228,635	-2.5
Interest and dividend income from trading portfolios	45	45	0.0
Interest and dividend income from financial investments	4,832	6,079	-20.5
Interest expense	-32,742	-20,518	59.6
Gross result from interest operations	260,541	255,277	2.1
Changes in value adjustments for default risks and losses from interest operations	-192	3,588	<-100
Net result from interest operations	260,349	258,865	0.6
		223,222	
Commission income from securities trading and investment activities	160,254	119,169	34.5
Commission income from lending activities	2,213	1,822	21.5
Commission income from other services	18,766	18,537	1.2
Commission expense	12,976	11,231	15.5
Result from commission business and services	168,257	128,297	31.1
Result from trading activities and the fair value option	17,146	16,359	4.8
Result from the disposal of financial investments	5,544	3,038	82.5
Income from participations	1,617	1,975	-18.1
Result from real estate	4,243	4,158	2.0
Other ordinary income	380	237	60.3
Other ordinary expenses	1,352	5,593	-75.8
Other result from ordinary activities	10,432	3,815	>100
Operating income	456,184	407,336	12.0
Personnel expenses	132,121	125,622	5.2
General and administrative expenses	69,148	67,910	1.8
Compensation for cantonal guarantee	3,109	3,062	1.5
Operating expenses	204,378	196,594	4.0
Value adjustments on participations and depreciation and amortisation of tangible fixed			
assets and intangible assets	21,696	20,753	4.5
of which, goodwill depreciation	6,729	6,729	
Changes to provisions and other value adjustments, and losses	58	-1,835	>100
Operating result	230,168	188,154	22.3
Extraordinary income	2,489	2,141	16.3
Extraordinary expenses	1	1	-
Changes in reserves for general banking risks	-20,000	-4,691	>100
of which, reserves for general banking risks (earmarked)	0	5,309	-100.0
Taxes	9,716	4,717	>100
Consolidated profit	202,941	180,886	12.2
of which, minority interests in consolidated profit	18,711	8,064	>100



Profit Appropriation of the Parent Company.

	in CHF 1,000	in CHF 1,000	
	12/31/2021	12/31/2020	+/- CHF 1'000
Annual profit	185,900	188,746	-2,846
Profit carried forward	0	0	0
Distributable profit	185,900	188,746	-2,846
Pursuant to the board of directors ruling, profit is to be appropriated as follows:			
Dividend on nominal capital of 42.5 % (previous year 40 %)	106,250	100,000	6,250
Funds for projects with cultural, charitable, sporting or economic purposes in the Canton			
of Graubünden	3,000	3,700	-700
Allocation to voluntary retained earnings reserves	76,650	85,046	-8,396
Allocation to statutory retained earnings reserves ¹⁾	0	0	0
New amount carried forward	0	0	0

¹⁾ No allocation to statutory retained earnings reserves, as $50\,\%$ of the nominal capital has been achieved.



Graubündner Kantonalbank Participation Certificate.

Listed on SIX Swiss Exchange. Sec. No. 134 020. Price: CHF 1,545.001

Portrait of Graubündner Kantonalbank

Graubündner Kantonalbank offers everything that makes up a modern universal bank – for private individuals, businesses and the public sector. The company is headquartered in Chur and has 46 branches in Graubünden. With around 1,000 employees, GKB is one of the largest employers in the canton. It expresses its close relationship with Graubünden in a variety of ways. In addition to its economic activities, it is committed to the canton through its sponsorship, its contributory funds and its voluntary work.

GKB holds majority stakes in Privatbank Bellerive AG in Zurich and Albin Kistler AG in Zurich. GKB participation certificates have been listed on the stock exchange since 1985.

Capital structure

Endowment and participation capital: CHF 250 million Participation capital: 750,000 PC at CHF 100 nom. CHF 175,000,000 endowment capital

Shareholders

Canton of Graubünden: 84.5% of capital (per 12/31/2021) Board/Management: 0.1% of PC (per 12/31/2021)

Board of directors/Management

Chairman of the Bank: Peter Fanconi (since 2014) Chief Executive Officer: Daniel Fust (since 2019)

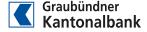
No. of BD/EB members 2021: 7/4

Rating Standard & Poor's

Long term: AA Outlook: stable

Key dates

Ex-dividend date: 4 March 2022 Half-year figures 2022: 28 July 2022



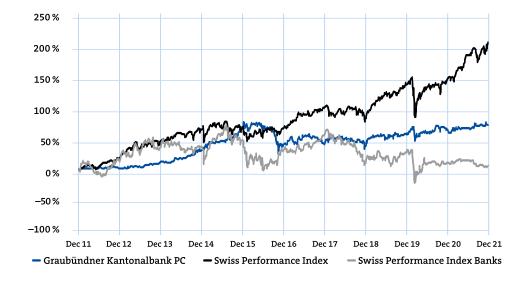
¹ price as at 12/30/2021

Key figures per Participation Certificate (PC): Figures according to ZKB Research

per PC (adjusted in CHF)		2018	2019	2020	2021	2022
					estimation	estimation
Equity capital ²⁾		1,039.5	1,079.1	1,081.8	1,108.5	1,128.2
Adjusted net profit		81.1	75.9	72.8	82.0	76.0
Dividend		40.0	46.0	40.0	40.0	40.0
Payout ratio		55.0 %	66.1 %	57.9 %	52.9 %	54.1 %
per PC (in CHF)			2018	2019	2020	2021
Price ³⁾	High		1,535	1,505	1,610	1,580
	Low		1,300	1,320	1,350	1,440
P/E ⁴⁾	High		18.9	19.8	22.1	19.3
	Low		16.0	17.4	18.5	17.6

 $^{^{\}scriptscriptstyle 2}$ not including intangible assets

10 year performance (including dividend distributions)





³ highest/lowest prices on actually paid prices

 $^{^{\}rm 4}$ highest/lowest prices of a given year as a ratio of the adjusted net profit of that year