



# Consolidated Financial Statements Half-Year 2024



Chairman Peter Fanconi and CEO Daniel Fust.

## GKB increases profitability

Graubündner Kantonalbank (GKB) increased its consolidated profit by 12.1 percent to CHF 133.6 million in the first half of 2024. Net interest income, net fee and commission income and trading income all rose. At CHF 132.8 million, the operating result was slightly below the record seen in the same period last year. Looking to the full year 2024, GKB expects consolidated profit between CHF 210 and 230 million. After eleven years in office, Chairman Peter Fanconi will step down at the 2025 annual general meeting of participation certificate holders (AGM), having brought the 2021-2025 strategy period to a very successful conclusion.

### Key figures for first half of 2024

- Consolidated profit: CHF 133.6 million / +12.1%
- Operating result: CHF 132.8 million / -2.1%
- Net cash flow: CHF -203.6 million / -0.4%
- Loans to clients: CHF +474.5 million / +2.0%
- Cost/income ratio II (including depreciation): 48.6%

### Consolidated profit increases to CHF 133.6 million

Consolidated profit was up 12.1 percent year-on-year to CHF 133.6 million. Extraordinary income of CHF 4.0 million was recognised on the sale of an equity interest. No allocations to general reserves were made in the first half. The operating result fell by 2.1 percent to CHF 132.8 million, mainly because of investments made in staff and digitalisation to help the Bank evolve.

### Client assets rise to over CHF 50 billion

Client assets reached a figure of CHF 50.8 billion, exceeding the CHF 50 billion level for the first time. "Client assets have so far increased by one-third in the 2021-2025 strategy period, from CHF 38.1 billion to CHF 50.8 billion. This underlines the success achieved by GKB in shifting from a pure lending bank to a lending and investment bank," noted CEO Daniel Fust with satisfaction. The growth in client assets and the CHF 474.5 million growth in loans to clients take business volume to CHF 75.3 billion (+3.0 percent).

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# 133.6

CHF million  
Consolidated profit +12.1%

### Cost/income ratio II of 48.6 percent

Operating income increased by 2.9 percent in the first half to CHF 267.6 million. All components of profit improved except other ordinary income. Net interest income rose by CHF 5.9 million (+3.6 percent) to CHF 167.2 million. Net fee and commission income grew by CHF 5.7 million (+7.2 percent) to CHF 84.7 million. Net trading income increased by CHF 0.4 million (+4.3 percent) to CHF 10.3 million. The 6.7 percent increase in operating expenses chiefly reflects investments in staff (personnel expenses +5.7 percent) and digitalisation (administrative expenses +8.3 percent). Headcount grew by 1.3 percent from 861 to 872 FTEs. Despite the stronger increase in operating expenses compared to operating income, the cost/income ratio II of 48.6 percent was well below the strategic maximum of 55.0 percent (prior-year period: 45.9 percent).

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**48.6%**

Cost/income ratio II

### Above-average capital ratio

The CET 1 ratio of 18.1 percent remains within the strategic range of 17.5 to 22.5 percent. With equity of CHF 2.9 billion and value adjustments/provisions of CHF 402.8 million, GKB has above-average shock absorbers. A net CHF 0.2 million of value adjustments from interest-related business were reversed in the first half of 2024. CHF 1.4 million were added to provisions and other value adjustments over the same period.

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**18.1%**

CET 1 ratio

### Strengthening of governance structures

The EY audit report in April 2024 confirmed that lending to companies associated with SIGNA had been conducted properly. The Bank has implemented the recommendations in the auditor's report on the need to keep minutes when granting extraordinary loans and on reporting and disclosure obligations. The adjustments are currently being reviewed by FINMA.

### Outlook for 2024: profit forecast raised to CHF 210-230 million

In light of these positive half-year results, GKB is increasing its forecast for consolidated profit to CHF 210-230 million and expects earnings per participation certificate of CHF 80-88. This is based on the assumption that the SNB cuts rates again in the second half and the capital markets remain steady.

### Chairman Peter Fanconi to step down at the 2025 AGM

Peter Fanconi has notified the government that after eleven very successful years as chairman of GKB he will be stepping down at the 2025 AGM. Coming at the end of the highly successful 2021-2025 strategy cycle, this decision will allow the government to make prudent arrangements for succession. During his reign as GKB chairman, Peter Fanconi rigorously optimised its business model and reported record results, substantially increasing the value generated for the canton and its citizens. Peter Fanconi remarked: "It has been a great pleasure and an honour to work for more than a decade with the Supervisory Board, the Executive Board and all the staff to help GKB evolve in a very challenging environment that saw major changes to the banking landscape. The forthcoming strategy cycle is the ideal time to hand over strategic responsibility. I will continue to work at full stretch until the AGM in March 2025, supporting the succession arrangements and ensuring the handover runs smoothly." The Supervisory Board and Executive Board would like to take this early opportunity to thank Peter Fanconi for the successful commitment he has shown.

## Group key figures

(Half-yearly figures are not audited.)

### Balance sheet / Off-balance-sheet

	in CHF million 6/30/2024	in CHF million 12/31/2023	+ / - in %
Client assets <sup>1)</sup>	50,835	49,150	3.4
Loans to clients	24,438	23,963	2.0
Own funds <sup>2)</sup>	2,856	2,878	-0.8

### Headcount

	6/30/2024	12/31/2023	+ / - in %
FTEs (adjusted for part-time positions, apprenticeships at 50 %)	872	861	1.3

### Income statement

	in CHF million 1st half 2024	in CHF million 1st half 2023	+ / - in %
Operating income	267.6	260.0	2.9
Operating expenses	122.0	114.4	6.7
Operating result	132.8	135.7	-2.1
Profit before allocation to reserves without minority interests	127.2	127.4	-0.2
Group profit	133.6	119.2	12.1

### Key figures

	1st half 2024	1st half 2023	+ / - in %
Net new money in CHF million <sup>1)</sup>	-204	688	
Operating expense / Operating income (CIR I) <sup>3)</sup>	45.6 %	43.5 %	5.0
Operating expense incl. depreciation / operating income (CIR II) <sup>3)</sup>	48.6 %	45.9 %	5.9
Return on equity (ROE) <sup>2)4)</sup>	9.1 %	9.3 %	-2.5
Own funds <sup>2)</sup> / PC in CHF	1,147	1,120	2.4
Leverage Ratio	8.3 %	8.3 %	-
Core capital ratio (CET-1-ratio / Tier-1-ratio)	18.1 %	18.8 %	-3.7

1) 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

2) Equity before the appropriation of profits without minority interests

3) without value adjustments interest rates; CIR II: depreciation excl. goodwill depreciation

4) Basis: profit before allocation to reserves without minority interests

All amounts listed in this document have been rounded. This can lead to a minimal difference to the total amounts.

## Group Balance Sheet

### Assets

	in CHF 1'000 6/30/2024	in CHF 1'000 12/31/2023	+ / - in %
Liquid assets	4,711,880	6,261,323	-24.7
Amounts due from banks	91,434	241,506	-62.1
Amounts due from customers	3,225,503	3,046,476	5.9
Mortgage loans	21,212,438	20,916,952	1.4
Trading portfolio assets	1,431	6,439	-77.8
Positive replacement values of derivative financial instruments	197,076	145,270	35.7
Financial investments	2,068,500	1,866,046	10.8
Accrued income and prepaid expenses	45,531	40,987	11.1
Non-consolidated participations	27,196	26,875	1.2
Participations valued using the equity method	-0	2,841	<-100
Tangible fixed assets	132,679	134,011	-1.0
Intangible assets	18,052	26,602	-32.1
Other assets	48,377	53,771	-10.0
<b>Total assets</b>	<b>31,780,097</b>	<b>32,769,099</b>	<b>-3.0</b>
Total subordinated claims	185	0	-

### Liabilities

	in CHF 1'000 6/30/2024	in CHF 1'000 12/31/2023	+ / - in %
Amounts due to banks	1,950,803	2,257,292	-13.6
Liabilities from securities financing transactions	195,000	1,065,000	-81.7
Amounts due in respect of customer deposits	19,917,837	19,876,694	0.2
Trading portfolio liabilities	0	0	-
Negative replacement values of derivative financial instruments	8,094	42,670	-81.0
Cash bonds	375	535	-29.9
Bond issues and central mortgage institution loans	6,385,000	6,260,000	2.0
Accrued expenses and deferred income	136,204	122,039	11.6
Other liabilities	210,847	151,059	39.6
Provisions	60,075	52,938	13.5
Reserves for general banking risks	1,207,626	1,234,900	-2.2
Bank's capital	250,000	250,000	-
Capital reserves	36,805	36,252	1.5
Retained earnings reserves	1,248,999	1,152,962	8.3
Own shares	-14,758	-14,835	-0.5
Minority interests in equity	53,555	50,955	5.1
Consolidated profit	133,635	230,638	-42.1
of which, minority interests in consolidated profit	6,462	12,351	-47.7
<b>Total liabilities</b>	<b>31,780,097</b>	<b>32,769,099</b>	<b>-3.0</b>

## Group off-balance-sheet

	in CHF 1,000 6/30/2024	in CHF 1,000 12/31/2023	+/- in %
Contingent liabilities	61,188	61,253	-0.1
Irrevocable commitments	1,333,873	1,405,830	-5.1
Obligations to pay up shares and make further contributions	1,129	1,129	-
fiduciary transactions	15,544	11,111	39.9
<b>Total off-balance-sheet transactions</b>	<b>1,411,734</b>	<b>1,479,323</b>	<b>-4.6</b>

# Consolidated Income Statement

	in CHF 1'000	in CHF 1'000	+ / - in %
	1st half 2024	1st half 2023	
Interest and discount income	294,083	254,189	15.7
Interest and dividend income from trading portfolios	12	0	–
Interest and dividend income from financial investments	3,931	4,685	-16.1
Interest expense	131,074	94,435	38.8
<b>Gross result from interest operations</b>	<b>166,952</b>	<b>164,439</b>	<b>1.5</b>
Changes in value adjustments for default risks and losses from interest operations	205	-3,132	>100
<b>Net result from interest operations</b>	<b>167,157</b>	<b>161,307</b>	<b>3.6</b>
Commission income from securities trading and investment activities	79,542	74,082	7.4
Commission income from lending activities	1,321	1,507	-12.3
Commission income from other services	11,303	10,852	4.2
Commission expense	7,461	7,413	0.6
<b>Result from commission business and services</b>	<b>84,705</b>	<b>79,028</b>	<b>7.2</b>
<b>Result from trading activities and the fair value option</b>	<b>10,345</b>	<b>9,919</b>	<b>4.3</b>
Result from the disposal of financial investments	65	1,010	-93.5
Income from participations	2,772	3,421	-19.0
of which, participations valued using the equity method	248	476	-47.8
of which, other non-consolidated participations	2,524	2,945	-14.3
Result from real estate	2,542	2,481	2.5
Other ordinary income	154	2,871	-94.6
Other ordinary expenses	146	25	>100
<b>Other result from ordinary activities</b>	<b>5,388</b>	<b>9,758</b>	<b>-44.8</b>
<b>Operating income</b>	<b>267,595</b>	<b>260,012</b>	<b>2.9</b>
Personnel expenses	74,768	70,706	5.7
General and administrative expenses	45,492	42,002	8.3
Compensation for cantonal guarantee	1,765	1,708	3.3
<b>Operating expenses</b>	<b>122,025</b>	<b>114,416</b>	<b>6.7</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	11,322	10,203	11.0
of which, goodwill depreciation	3,471	3,932	-11.7
Changes to provisions and other value adjustments, and losses	-1,409	279	<-100
<b>Operating result</b>	<b>132,839</b>	<b>135,672</b>	<b>-2.1</b>
Extraordinary income	4,002	2,057	94.6
Extraordinary expenses	0	1	-100.0
Changes in reserves for general banking risks	0	-15,000	100.0
of which, reserves for general banking risks (earmarked)	0	0	-
Taxes	3,206	3,489	-8.1
<b>Consolidated profit</b>	<b>133,635</b>	<b>119,239</b>	<b>12.1</b>
of which, minority interests in consolidated profit	6,462	6,815	-5.2

## Information on the summarised notes

### Extraordinary income and expense

The extraordinary income in the first half of 2024 includes a profit of CHF 3.98 million from the sale of an investment accounted for using the equity method. In the previous year the extraordinary income included a profit of CHF 2.05 million from the sale of a minority stake. There were no material extraordinary expense items in either year.

No allocation was made to the reserves for general banking risks in the period under review (previous year: CHF 15 million).

### Changes in the accounting and valuation principles

None.

### Material events after the closing date of the interim financial statements

None.

### Disclosure report

The disclosure report as at 30 June 2024 will be published in August 2024.

Chur, 25 July 2024

## Statement of consolidated Equity Capital

	in CHF 1,000							
	Bank's capital	Capital reserves	Retained earnings reserves	Unassigned reserves for general banking risks	Own shares	Minority interests	Consolidated profit	Total
<b>Equity on 1.1.2024</b>	250,000	36,252	1,152,962	1,234,900	-14,835	50,955	230,638	2,940,872
Prior year's profit carried forward	-	-	218,287	-	-	12,351	-230,638	-
Acquisition of own shares	-	-	-	-	-667	-	-	-667
Disposal of own shares	-	-	-	-	745	-	-	745
Profit (loss) on disposal of own shares	-	100	-	-	-	-	-	100
Dividends and other distributions	-	452	-122,250	-	-	-9,750	-	-131,548
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	-	-	-	-	-
Withdrawal from reserves for general banking risks in order to create value adjustments for inherent risks without affecting profit or loss	-	-	-	-27,274	-	-	-	-27,274
Change in minority interests	-	-	-	-	-	-	-	-
Consolidated profit	-	-	-	-	-	-	133,635	133,635
<b>Equity on 30.06.2024</b>	250,000	36,805	1,248,999	1,207,626	-14,758	53,555	133,635	2,915,862

# Graubündner Kantonalbank

Listed on SIX Swiss Exchange. Sec. No. 134 020. Price: CHF 1,750.00<sup>1</sup>

<sup>1</sup> price as at 06/28/2024

## Portrait

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 over 40 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, Albin Kistler AG and BZ Bank Aktiengesellschaft. 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: 84.6% of capital (per 06/30/2024)  
Board/Management: 0.1% of PC (per 06/30/2024)

## Board of directors/Management

Chairman of the Bank: Peter Fanconi (since 2014)  
Chief Executive Officer: Daniel Fust (since 2019)  
No. of BD/EB members 2024: 7/5

## Rating Standard & Poor's

Long term: AA  
Outlook: stable

## Key dates

Annual figures 2024: 14 February 2025  
Participation certificate holder's meeting: 22 March 2025

