



Consolidated Accounts for the Financial Year.

Ending December 31, 2023.

[gkb.ch](https://www.gkb.ch)



**Graubündner
Kantonalbank**



Chairman Peter Fanconi and CEO Daniel Fust

Record result and significantly higher distribution for GKB

The record profit of CHF 230.6 million (+11.1 percent) in the 2023 financial year reflects, on the one hand, the successful positioning of Graubündner Kantonalbank (GKB) as a credit, investment and pension bank and, on the other, the growth experienced in recent years. Among other things, the CHF 1.4 billion increase in client loans reflects the Bank's strong market presence. Holders of participation certificates, the canton and thus also the public participate in the increased value added by means of a higher distribution.

Key figures

- Consolidated profit: CHF 230.6 million / +11.1%
- Operating result: CHF 258.5 million / +18.5%
- Net cash flow: CHF -0.5 billion (previous year: CHF +1.6 billion)
- Loans to clients: CHF +1.4 billion / +6.2%
- Business volume: CHF 73.1 billion / +1.4%
- Cost/income ratio I: 44.3%; cost/income ratio II (including depreciation and amortisation): 48.8%
- Dividend increase of CHF +12.5 million / +11.8%

In the 2023 financial year, the normalisation of the interest rate environment combined with strong acquisitions of client loans led to higher interest income, which made a record result possible. "I'm extremely pleased with the team effort of our employees," says CEO Daniel Fust. "We're unable to influence the interest rate environment, but this isn't true for the Bank's acquisition performance, which is a direct reflection of the quality of our advice and our clear client focus."

"The 2023 financial year once again underlines the success of our strategy," says Bank Chairman Peter Fanconi. "Thanks to its broad-based business model, GKB was once again able to significantly improve its profitability. This will allow us to increase the distribution to the canton and our participation capital holders by 11.8 percent."

230.6

CHF million
Consolidated profit +11.1%

Increase in consolidated net profit to CHF 230.6 million (+11.1 percent)

Operating income grew by 14.2 percent year-on-year to CHF 525.9 million. This is attributable to growth in all income components. At CHF 258.5 million, the operating result was up 18.5 percent on the previous year. After allocating CHF 25 million to reserves for general banking risks, consolidated profit came to CHF 230.6 million.

258.5

CHF million
Operating result +18.5%

Increase in gross interest income due to normalisation following negative interest phase

Interest income rose by CHF 264.2 million, offset by an increase of CHF 197.7 million in interest expenses. Gross interest income thus rose by CHF 66.5 million or 24.6 percent to CHF 336.7 million. Following the normalisation of the interest rate environment, the gross interest margin – measured as a percentage of total assets – rose to the same level as before the negative interest rate phase.

High-quality loan portfolio and low value adjustments

At the end of 2023, the loan portfolio amounted to more than CHF 24 billion. Value adjustments totalling CHF 3.5 million were recognised for the lending business in the reporting year. This reflects the high quality of the loan portfolio.

Fee and commission income grew by 5.1 percent

GKB's fee and commission income grew by CHF 7.7 million or 5.1 percent. This increase is partly due to the fact that GKB consolidated BZ Bank over the full financial year for the first time. Net fee and commission income amounted to CHF 159.4 million.

One of the most productive banks in Switzerland

Operating expenses including payment for the state guarantee rose by 8.6 percent or CHF 18.6 million year-on-year to CHF 234.4 million. The reasons include the expansion of the group of consolidated companies to include BZ Bank, increasing investments and higher personnel expenses. In light of the increased income, the cost/income ratio II fell to 48.8 percent, which is well below the strategic maximum of 55.0 percent.

48.8%

Cost/income ratio II

6.2 percent growth in client loans

Growth in client loans increased year-on-year by 6.2 percent or CHF 1,392 million (previous year: CHF 1,193 million). This pleasing growth resulted from gains in the domestic market as well as growth in real estate fund financing.

Assets under management of CHF 55.6 billion

Client assets increased by 5.1 percent to CHF 49.2 billion. The GKB parent company acquired CHF 1.1 billion in client assets. This reflects clients' high level of confidence in the Bank's investment solutions and advisory expertise. Developments on the financial markets led to growth in client assets of CHF 2.9 billion. Assets under management grew by 5.9 percent to CHF 55.6 billion.

55.6

CHF billion
Assets under management +5.9%

Secure and stable bank thanks to a strong equity base

At 18.7 percent, the Group's core capital ratio, the CET 1 ratio, is within the strategic target range (17.5 - 22.5 percent). This makes GKB one of the best-capitalised banks in Switzerland.

Dividend increase of 11.8 percent and CHF 103.5 million for the Canton of Graubünden

Investors and the public benefit from the parent company's appropriation of profits. Participation capital holders will receive a higher dividend of CHF 47.50. This corresponds to a dividend increase of CHF 5 (+11.8 percent) compared to the previous year. Including payment for the state guarantee, the Canton of Graubünden will receive CHF 103.5 million, CHF 10.7 million (+11.5 percent) more than in the previous year.

Outlook for 2024: good result expected

Against the backdrop of the current economic situation, GKB expects a good result with consolidated net profit in the range of CHF 200 to 220 million and earnings per participation certificate of CHF 76 to 84.

Chur, 9 February 2024

11.8%

Dividend increase
CHF 103.5 million for the Canton of
Graubünden

Group key figures

Balance sheet / Off-balance-sheet

	in CHF million 12/31/2023	in CHF million 12/31/2022	+ / - in %
Client assets ¹⁾	49,150	46,760	5.1
Loans to clients	23,963	22,571	6.2
Own funds ²⁾	2,878	2,801	2.7

Headcount

	12/31/2023	12/31/2022	+ / - in %
FTEs (adjusted for part-time positions, apprenticeships at 50 %)	861	825	4.3

Income statement

	in CHF million 2023	in CHF million 2022	+ / - in %
Operating income	525.9	460.5	14.2
Operating expenses	234.4	215.8	8.6
Operating result	258.5	218.2	18.5
Profit before allocation to reserves without minority interests	243.3	207.8	17.1
Group profit	230.6	207.5	11.1

Key figures

	2023	2022	+ / - in %
Net new money in CHF million ¹⁾	-498	1,641	
Operating expense / Operating income (CIR I) ³⁾	44.3 %	48.3 %	-8.3
Operating expense incl. depreciation / operating income (CIR II) ³⁾	48.8 %	51.9 %	-5.9
Return on equity (ROE) ²⁾⁴⁾	8.8 %	7.7 %	14.6
Profit / PC (EPS) in CHF ⁴⁾	97.6	83.4	17.1
Own funds ²⁾ / PC in CHF	1,155	1,124	2.8
Leverage Ratio	8.1 %	7.8 %	3.8
Core capital ratio (CET-1-ratio / Tier-1-ratio)	18.7 %	19.3 %	-3.1

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

Group Balance Sheet

Assets

	in CHF 1'000 12/31/2023	in CHF 1'000 12/31/2022	+ / - in %
Liquid assets	6,261,323	7,743,231	-19.1
Amounts due from banks	241,506	267,918	-9.9
Amounts due from customers	3,046,476	3,015,373	1.0
Mortgage loans	20,916,952	19,555,845	7.0
Trading portfolio assets	6,439	5,308	21.3
Positive replacement values of derivative financial instruments	145,270	39,286	>100
Financial investments	1,866,046	2,230,379	-16.3
Accrued income and prepaid expenses	40,987	34,335	19.4
Non-consolidated participations	26,875	35,160	-23.6
Participations valued using the equity method	2,841	2,390	18.9
Tangible fixed assets	134,011	139,623	-4.0
Intangible assets	26,602	34,466	-22.8
Other assets	53,771	149,919	-64.1
Total assets	32,769,099	33,253,232	-1.5
Total subordinated claims	0	0	-

Liabilities

	in CHF 1'000 12/31/2023	in CHF 1'000 12/31/2022	+ / - in %
Amounts due to banks	2,257,292	2,586,716	-12.7
Liabilities from securities financing transactions	1,065,000	1,751,580	-39.2
Amounts due in respect of customer deposits	19,876,694	20,398,054	-2.6
Trading portfolio liabilities	0	0	-
Negative replacement values of derivative financial instruments	42,670	47,271	-9.7
Cash bonds	535	1,182	-54.7
Bond issues and central mortgage institution loans	6,260,000	5,374,000	16.5
Accrued expenses and deferred income	122,039	139,623	-12.6
Other liabilities	151,059	38,846	>100
Provisions	52,938	46,967	12.7
Reserves for general banking risks	1,234,900	1,264,617	-2.3
Bank's capital	250,000	250,000	-
Capital reserves	36,252	35,747	1.4
Retained earnings reserves	1,152,962	1,064,431	8.3
Own shares	-14,835	-11,331	30.9
Minority interests in equity	50,955	57,992	-12.1
Consolidated profit	230,638	207,538	11.1
of which, minority interests in consolidated profit	12,351	9,757	+26.6
Total liabilities	32,769,099	33,253,232	-1.5

Group off-balance-sheet

	in CHF 1,000 12/31/2023	in CHF 1,000 12/31/2022	+/- in %
Contingent liabilities	61,253	62,016	-1.2
Irrevocable commitments	1,405,830	1,084,665	29.6
Obligations to pay up shares and make further contributions	1,129	1,129	-
fiduciary transactions	11,111	12,719	-12.6
Total off-balance-sheet transactions	1,479,323	1,160,529	27.5

Consolidated Income Statement

	in CHF 1'000	in CHF 1'000	+ / - in %
	2023	2022	
Interest and discount income	542,434	278,207	95.0
Interest and dividend income from trading portfolios	1	40	-97.5
Interest and dividend income from financial investments	5,915	5,924	-0.2
Interest expense	211,679	13,972	>100
Gross result from interest operations	336,671	270,199	24.6
Changes in value adjustments for default risks and losses from interest operations	-3,488	13,849	<-100
Net result from interest operations	333,183	284,048	17.3
Commission income from securities trading and investment activities	148,978	141,374	5.4
Commission income from lending activities	3,147	2,623	20.0
Commission income from other services	22,125	21,178	4.5
Commission expense	14,865	13,523	9.9
Result from commission business and services	159,385	151,652	5.1
Result from trading activities and the fair value option	19,812	18,467	7.3
Result from the disposal of financial investments	1,417	3,703	-61.7
Income from participations	4,777	1,900	>100
of which, participations valued using the equity method	1,135	300	>100
of which, other non-consolidated participations	3,642	1,600	>100
Result from real estate	4,828	4,682	3.1
Other ordinary income	2,967	377	>100
Other ordinary expenses	463	4,336	-89.3
Other result from ordinary activities	13,526	6,327	>100
Operating income	525,906	460,494	14.2
Personnel expenses	147,736	136,380	8.3
General and administrative expenses	83,294	76,198	9.3
Compensation for cantonal guarantee	3,400	3,223	5.5
Operating expenses	234,430	215,801	8.6
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	31,958	27,614	15.7
of which, goodwill depreciation	7,865	11,585	-32.1
Changes to provisions and other value adjustments, and losses	-978	1,087	<-100
Operating result	258,539	218,166	18.5
Extraordinary income	3,285	4,400	-25.3
Extraordinary expenses	1	0	-
Changes in reserves for general banking risks	-25,000	-10,000	>100
of which, reserves for general banking risks (earmarked)	0	0	-
Taxes	6,185	5,028	23.0
Consolidated profit	230,638	207,538	11.1
of which, minority interests in consolidated profit	12,351	9,757	26.6

Profit Appropriation of the Parent Company

	in CHF 1,000 12/31/2023	in CHF 1,000 12/31/2022	+/- CHF 1'000
Annual profit	216,357	203,248	13,109
Profit carried forward	0	0	0
Distributable profit	216,357	203,248	13,109
Pursuant to the board of directors ruling, profit is to be appropriated as follows:			
Dividend on nominal capital of 47.5 % (previous year 42.5 %)	118,750	106,250	12,500
Funds for projects with cultural, charitable, sporting or economic purposes in the Canton of Graubünden	3,500	3,000	500
Allocation to voluntary retained earnings reserves	94,107	93,998	109
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

Listed on SIX Swiss Exchange. Sec. No. 134 020. Price: CHF 1,700.00¹

¹ price as at 12/29/2023

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 as well as a minority stake in Twelve Capital Holding AG. 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 12/31/2023)
Board/Management: 0.1% of PC (per 12/31/2023)

Board of directors/Management

Chairman of the Bank: Peter Fanconi (since 2014)
Chief Executive Officer: Daniel Fust (since 2019)
No. of BD/EB members 2023: 7/5

Rating Standard & Poor's

Long term: AA
Outlook: stable

Key dates

Ex-dividend date: 8 March 2024
Participation certificate holder's meeting: 20 April 2024
Half-year figures 2024: 25 July 2024

