

Media release, 27 July 2023 (Ad hoc announcement pursuant to Art. 53 LR)

Higher profitability and positive outlook for GKB

Graubündner Kantonalbank substantially improved its operating income in the first half of 2023. Not only did the return to a positive interest rate environment energise the Bank's deposit business, the strong acquisition performance also contributed to a record half-year result. The outlook for the year as a whole is therefore more positive than expected.

Key figures for first half of 2023:

- Consolidated profit: CHF 119.2 million / +15.3%
- Operating result: CHF 135.7 million / +28.2%
- Net new money: CHF +688.2 million / +1.5%
- Loans to clients: CHF +559.4 million / +2.5%
- Cost/income ratio I: 43.5%
- Cost/income ratio II (including depreciation): 45.9%

Strong growth in client business

GKB reported Group-wide growth in business volume of 3.7 percent to CHF 72.2 billion in the first half. CEO Daniel Fust: "This above-average growth and profit increase stem from our consistent client focus and positioning as a safe and sustainable investment bank. This half-year result confirms our strategy and encourages us to resolutely pursue our chosen course."

Loans to clients grow by 2.5 percent

At 2.5 percent, loans to clients grew on a par with the previous year's high rate. The mortgage portfolio also increased considerably on the previous year by 1.9% to CHF 19.9 billion. The increase of CHF 0.9 billion in the investment volume outstripped expectations in a challenging market environment.

Revitalisation of deposit business leads to higher consolidated profit

The SNB's departure from the negative interest rate regime allowed GKB to raise the profitability of its client deposits again. Bank Chairman Peter Fanconi is very pleased about the increase in profitability: "The normalisation of money and capital market interest rates revitalised the deposit business, which had a positive impact on both profitability and productivity. The resulting consolidated profit of CHF 119.2 million for the first half is a new record."

Operating profit increases by 28.2 percent to CHF 135.7 million

The increase of CHF 29.9 million in the operating profit mirrors the positive development of business operations. The additional earnings primarily arise from interest income, book gains on financial investments and the initial consolidation of BZ Bank. Operating expenses also increased, albeit less strongly than income. The impressive resurgence of productivity growth resulted in an improved cost/income ratio II of 45.9 percent.

Above-average capital ratio

GKB reported shareholders' equity (including minority interests) of CHF 2,848.8 million as well as value adjustments and provisions for inherent credit risks of CHF 288.2 million for the first half of 2023. This is also reflected in the high equity ratio (CET 1 ratio) of 18.8 percent.

Outlook for 2023: consolidated profit of CHF 230 million

GKB is improving its outlook for 2023 based on the interim result. If the SNB raises interest rates further and equity markets remain stable, the Bank expects a consolidated profit of approximately CHF 230 million (previously CHF 210 million) and earnings per participation certificate of around CHF 94.00 (previously CHF 80.00).

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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 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.

Events:

Annual figures 2023: 9 February 2024

Participation certificate holder's meeting: 20 April 2024