
Media Release

St.Gallen, 15 February 2023

Ad hoc announcement pursuant to Art. 53 LR

This text is a translation from the media release in German, which version shall be decisive.

Higher consolidated profit, broad-based growth

St.Galler Kantonalbank can look back on a successful 2022 financial year. The large, broad-based new business is an expression of strong positioning and unchanged high customer confidence. At CHF 183.8 million, consolidated profit was 1.4% higher than in the previous year.

Strong sales performance in all business segments

The past financial year once again confirmed the high level of confidence that clients place in St.Galler Kantonalbank. Net new money amounted to CHF 2.7 billion (4.9%) and assets under management reached CHF 53.6 billion by the end of 2022. CEO Christian Schmid declares: «I am particularly pleased with this very good growth in a challenging investment year. It is broadly supported by our clients across all business areas and proves our strong positioning in the market. »

Loans to clients increased by 6.7% in the reporting year to a new high of CHF 30.4 billion. Traditional mortgages to private individuals continued to play a significant role, with stable growth of around CHF 500 million (+3.2%).

Balanced business model proves its worth

Consolidated profit increased by 1.4% to CHF 183.8 million. Once again, the balanced business model with different income pillars proved its worth.

The interest operations developed positively with an increase in income of 3.2% to CHF 317.0 million. This reflects the growth of the bank on the one hand, and the constantly changing interest rate environment during the year on the other.

The corrections on the financial markets caused the result from commission business and services to fall by 6.1% compared to the previous year. The result from trading activities and the other result from ordinary activities also fell due to market-related valuation corrections.

The level of operating expenses was pleasing, remaining at the previous year's level.

Thanks to the solid credit portfolio, it was possible to release CHF 5.6 million in net value adjustments and provisions from the credit business in this financial year too. At the same time and to a comparable extent, for reasons of prudence, reserves for general banking risks of CHF 5 million were provided.

Unchanged high dividend

The Board of Directors will propose an unchanged dividend of CHF 17 per share to the Annual General Meeting on 3 May 2023. This corresponds to a dividend yield of 3.5 % calculated on the 2022 year-end share price. As the main shareholder, the Canton of St.Gallen will thus receive CHF 52 million.

Outlook for 2023 results

From today's view, for the 2023 financial year St.Galler Kantonalbank expects a result above the previous year.

Digitalisation enhances customer experience

This year, digital innovations were again consistently aimed at further improving the customer experience. For example, customers now have access to a fast and uncomplicated purely digital account opening service 7 x 24 hours; this is even available for joint partner banking relationships. CEO Christian Schmid states: «St.Galler Kantonalbank thus confirms its digital pioneering role, as it is one of the first banks to offer this complete service to its customers.»

Key figures

In CHF million	2022	2021	change
Operating income	511.5	518.9	-1.4%
Operating result	221.7	220.2	+0.7%
Consolidated profit	183.8	181.2	+1.4%

In CHF million	Dec. 31, 2022	Dec. 31, 2021	change
Balance sheet total	40'824	39'581	+3.1%
Total loans to clients	30'417	28'517	+6.7%
Managed assets ¹	53'568	55'813	-4.0%
Total shareholders' equity	2'771	2'684	+3.2%
Employees	1'337	1'314	+1.8%
Full-time equivalents ²	1'132	1'121	+1.0%

Alternative Performance Measures:

The alternative performance measures used outside the scope of generally accepted accounting principles as defined in the corresponding SIX Directive are explained (in German) on the SGKB website (www.sgkb.ch/alternative-performanceKennzahlen).

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¹ Managed assets = Client funds (Due to clients in savings and deposits, other due to clients, medium-term notes) and assets under management. Not included are custody assets (=assets that are held solely for transaction and storage purposes and for which the Bank offers no advice to the clients).

² Average balance

The **St.Galler Kantonalbank AG (SGKB)**, founded in 1868, has been listed on the SIX Swiss Exchange since 2001. The Canton of St. Gallen is the majority shareholder, with 51% of the share capital. The St.Galler Kantonalbank offers a comprehensive range of financial services to its clients in the cantons of St. Gallen and Appenzell Ausserrhoden. While SGKB operates out of Zurich in the remaining parts of German-speaking Switzerland in private banking and corporate banking segments, it is actively engaged in the German market, also through its subsidiary SGKB Germany. SGKB meets its responsibilities for the economic, social and cultural development of the region as an employer, taxpayer and sponsorship partner. The parent company operates with a state guarantee and has an Aa1/P-1 Bank Deposit Rating as well as an Aa2 Senior Unsecured Debt Rating from Moody's. Further information at: www.sgkb.ch/en