

## Group Key Figures

<b>Income Statement</b> in CHF 000s	<b>2019</b>	2018	2017
Operating income	479 204	477 580	459 816
Operating expenses	(267 909)	(266 612)	(259 153)
Gross profit	211 296	210 968	200 663
Operating result	197 396	195 026	195 789
Consolidated profit	163 920	158 594	155 966

<b>Balance Sheet</b> in CHF 000s	<b>Dec. 31, 2019</b>	Dec. 31, 2018	Dec. 31, 2017
Loans to clients	26 936 617	26 015 699	25 495 996
Due in respect of client deposits	22 499 171	22 266 391	21 312 294
Balance sheet total	35 943 552	33 146 449	32 597 598
Shareholders' equity	2 551 592	2 304 427	2 235 359
Eligible Capital	2 691 483	2 487 350	2 472 851

<b>Managed assets</b> in CHF 000s			
Managed assets	46 347 879	43 044 509	42 351 558

<b>Average headcount</b>			
Full-time equivalents (in accordance with FINMA; apprentices calculated at 50%)	1 099	1 078	1 060
Number of employees:			
– Individuals	1 276	1 254	1 233
– of which trainees	121	123	123

<b>Key Figures</b>	<b>2019</b>	2018	2017
<b>SGKB share</b> in CHF			
Earnings per share	28.30	28.49	28.03
Dividend per share	16.00 <sup>1</sup>	16.00	17.50 <sup>2</sup>
Market price			
– as of December 31	450.50	451.50	484.00

<b>Return on equity</b>			
Return on equity, pre-tax (basis: operating result)	8.5%	9.0%	9.3%
Return on equity, after tax (basis: consolidated profit)	7.0%	7.3%	7.4%

<b>Cost/income ratio<sup>3</sup></b>			
Cost/income ratio	56.0%	58.3%	56.4%

<b>Equity key figures</b>	<b>Dec. 31, 2019</b>	Dec. 31, 2018	Dec. 31, 2017
CET1-ratio (Core-capital-ratio)	16.2%	14.9%	14.6%
Ratio related to regulatory capital (Total-capital-ratio)	17.8%	16.8%	16.9%
Shareholders' equity as % of balance sheet total	7.1%	7.0%	6.9%

<b>Moody's Rating<sup>4</sup></b>	<b>2019</b>	2018	2017
Bank deposits	Aa1/P-1	Aa1/P-1	Aa1/P-1
Baseline Credit Assessment	a2	a3	a3

<sup>1</sup> Recommendation of the Board of Directors for the financial year ended on Dec. 31, 2019

<sup>2</sup> Dividend of CHF 16 plus one-time jubilee dividend of CHF 1.50

<sup>3</sup> Operating Expenses in percentage of operating income excl. changes in value adjustments for default risks and losses from interest operations

<sup>4</sup> In January 2020, Moody's placed on review for downgrade the current long-term deposit Aa1 rating of SGKB. The reason is a re-evaluation of the credit profile of the canton of St.Gallen including the macro profile of Switzerland.

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-performance-kennzahlen](http://www.sgkb.ch/alternative-performance-kennzahlen)).

## Group Balance Sheet

<b>Assets</b> in CHF 000s	<b>Dec. 31, 2019</b>	in %	Dec. 31, 2018	in %	Change	in %
Liquid assets	6020034	16.7	3829039	11.6	2 190 996	57.2
Due from banks	484 646	1.3	897 697	2.7	(413 051)	(46.0)
Amounts due from securities financing transactions	100 000	0.3	0	0.0	100 000	–
Due from clients	2 277 594	6.3	2 339 751	7.1	(62 156)	(2.7)
Mortgage loans	24 659 023	68.6	23 675 948	71.4	983 075	4.2
<b>Total loans to clients</b>	<b>26 936 617</b>	<b>74.9</b>	<b>26 015 699</b>	<b>78.5</b>	<b>920 918</b>	<b>3.5</b>
Trading portfolio assets	34 770	0.1	30 534	0.1	4 236	13.9
Positive replacement values of derivative financial instruments	168 817	0.5	131 652	0.4	37 164	28.2
Financial investments	1 927 463	5.4	1 967 435	5.9	(39 973)	(2.0)
Accrued income and prepaid expenses	54 395	0.2	47 367	0.1	7 028	14.8
Non-consolidated participations	54 109	0.2	54 201	0.2	(92)	(0.2)
Tangible fixed assets	154 852	0.4	156 419	0.5	(1 567)	(1.0)
Intangible assets	4 210	0.0	7 902	0.0	(3 692)	(46.7)
Other assets	3 640	0.0	8 505	0.0	(4 865)	(57.2)
<b>Total assets</b>	<b>35 943 552</b>	<b>100.0</b>	<b>33 146 449</b>	<b>100.0</b>	<b>2 797 103</b>	<b>8.4</b>
Total subordinated claims	10 109		10 103		6	0.1
of which subject to mandatory conversion and/or debt waiver	10 000		10 000		0	0.0

### Liabilities in CHF 000s

Due to banks	1 310 296	3.6	1 065 113	3.2	245 183	23.0
Liabilities from securities financing transactions	977 125	2.7	0	0.0	977 125	–
Due in respect of client deposits	22 499 171	62.6	22 266 391	67.2	232 779	1.0
Trading portfolio liabilities	0	0.0	0	0.0	0	–
Negative replacement values of derivative financial instruments	108 653	0.3	123 567	0.4	(14 914)	(12.1)
Cash bonds	85 887	0.2	117 277	0.4	(31 390)	(26.8)
Bond issues and central mortgage institution loans	8 142 835	22.7	7 053 585	21.3	1 089 250	15.4
Accrued expenses and deferred income	131 652	0.4	120 351	0.4	11 301	9.4
Other liabilities	116 886	0.3	68 854	0.2	48 032	69.8
Provisions	19 454	0.1	26 884	0.1	(7 430)	(27.6)
Reserves for general banking risks	33 000	0.1	33 000	0.1	0	0.0
Bank's Capital	479 493	1.3	390 140	1.2	89 353	22.9
Capital reserve	98 366	0.3	14 696	0.0	83 671	–
Retained earnings reserve	1 791 703	5.0	1 722 297	5.2	69 406	4.0
Currency translation reserve	(9 475)	(0.0)	(8 682)	(0.0)	(794)	9.1
Own shares (negative item)	(5 414)	(0.0)	(5 618)	(0.0)	203	(3.6)
Consolidated profit	163 920	0.5	158 594	0.5	5 326	3.4
<b>Total shareholders' equity</b>	<b>2 551 592</b>	<b>7.1</b>	<b>2 304 427</b>	<b>7.0</b>	<b>247 165</b>	<b>10.7</b>
<b>Total liabilities</b>	<b>35 943 552</b>	<b>100.0</b>	<b>33 146 449</b>	<b>100.0</b>	<b>2 797 103</b>	<b>8.4</b>
Total subordinated liabilities	403 700		503 678		(99 978)	(19.8)
of which subject to mandatory conversion and/or debt waiver	201 075		201 075		0	0.0

### Off-balance-sheet transactions in CHF 000s

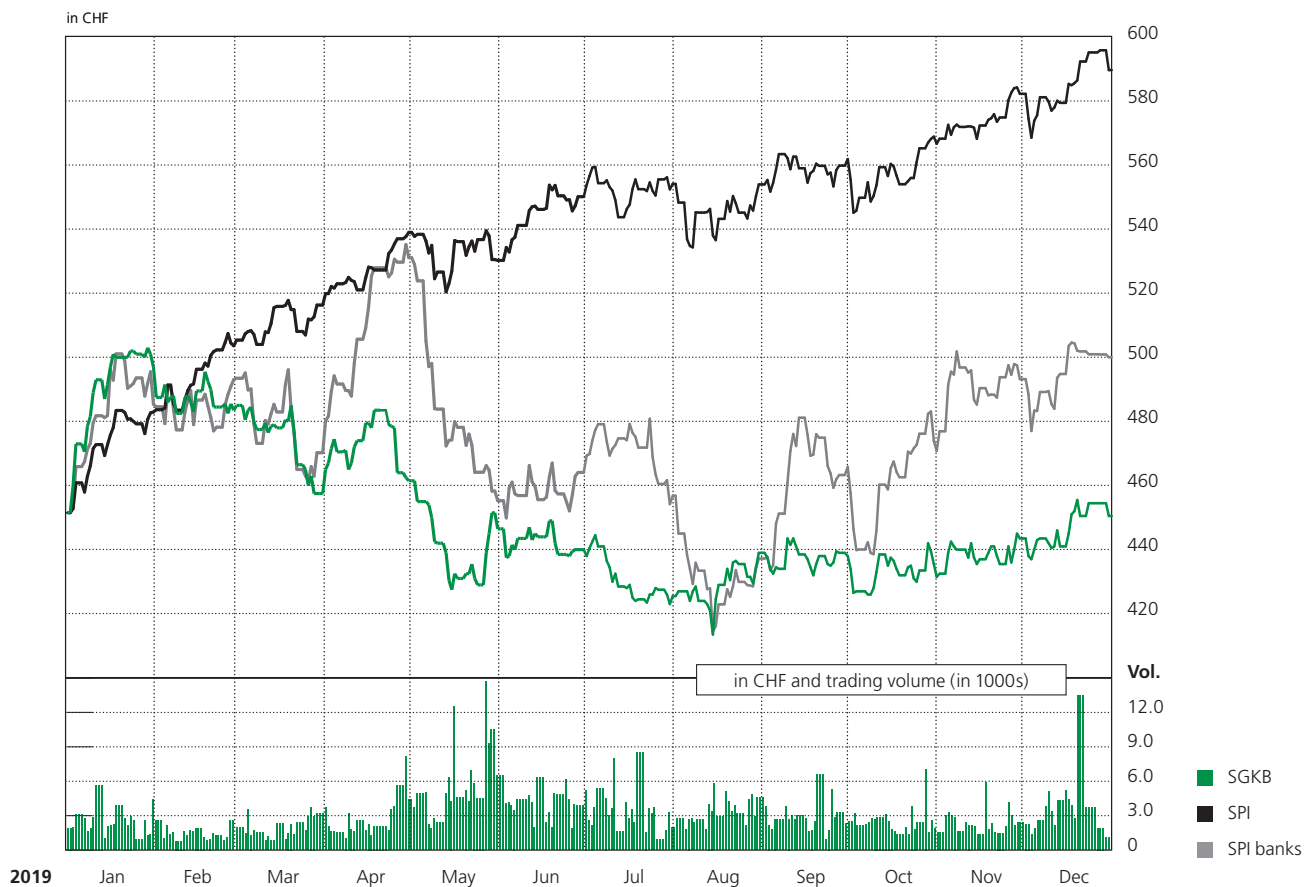
Contingent liabilities	242 597		213 776		28 821	13.5
Irrevocable commitments	636 530		660 633		(24 104)	(3.6)
Obligations to pay up shares and make further contributions	82 425		77 706		4 719	6.1

## Group Income Statement

in CHF 000s	2019	2018	Change	in %
Interest and discount income	373 342	389 363	(16 021)	(4.1)
Interest and dividend income on trading portfolios	410	402	8	1.9
Interest and dividend income on financial investments	14 046	14 817	(771)	(5.2)
Interest expense	(89 919)	(108 319)	18 400	(17.0)
<b>Gross result from interest operations</b>	<b>297 879</b>	<b>296 264</b>	<b>1 615</b>	<b>0.5</b>
Changes in value adjustments for default risks and losses from interest operations	379	2 0035	(19 657)	(98.1)
<b>Net result from interest operations</b>	<b>298 258</b>	<b>316 299</b>	<b>(18 041)</b>	<b>(5.7)</b>
Commission income from securities trading and investment activities	122 211	108 125	14 085	13.0
Commission income from lending activities	2 600	2 333	267	11.4
Commission income from other services	20 407	20 324	83	0.4
Commission expense	(14 986)	(13 475)	(1 511)	11.2
<b>Result from commission business and services</b>	<b>130 232</b>	<b>117 308</b>	<b>12 925</b>	<b>11.0</b>
<b>Result from trading activities</b>	<b>39 654</b>	<b>32 722</b>	<b>6 932</b>	<b>21.2</b>
<b>Other result from ordinary activities</b>	<b>11 060</b>	<b>11 251</b>	<b>(191)</b>	<b>(1.7)</b>
<b>Operating income</b>	<b>479 204</b>	<b>477 580</b>	<b>1 625</b>	<b>0.3</b>
Personnel expenses	(176 525)	(169 459)	(7 066)	4.2
General and administrative expenses	(91 384)	(97 153)	5 770	(5.9)
<b>Operating expenses</b>	<b>(267 909)</b>	<b>(266 612)</b>	<b>(1 297)</b>	<b>0.5</b>
<b>Gross profit</b>	<b>211 296</b>	<b>210 968</b>	<b>328</b>	<b>0.2</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(16 612)	(15 238)	(1 373)	9.0
Changes to provisions and other value adjustments, and losses	2 712	(703)	3 415	–
<b>Operating result</b>	<b>197 396</b>	<b>195 026</b>	<b>2 370</b>	<b>1.2</b>
Extraordinary income	1 455	5 948	(4 493)	(75.5)
Extraordinary expenses	(48)	(92)	44	(47.9)
Changes in reserves for general banking risks	0	(10 000)	10 000	(100.0)
<b>Consolidated profit before taxes</b>	<b>198 803</b>	<b>190 882</b>	<b>7 920</b>	<b>4.1</b>
Taxes	(34 883)	(32 288)	(2 595)	8.0
<b>Consolidated profit</b>	<b>163 920</b>	<b>158 594</b>	<b>5 326</b>	<b>3.4</b>

## SGKB Share

The value of SGKB share was CHF 451.50 in early 2019 and CHF 450.50 at December 31, 2019.  
This corresponds to a performance of -0.2%.

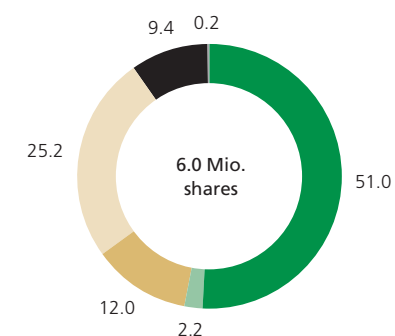


Ticker symbol: SGKN, Swiss security no.: 1'148'406, ISIN: CH0011484067, listed on: SIX Swiss Exchange, issued: April 2, 2001

Figures and Data	December 31, 2019
Earnings per share	CHF 28.30
Proposed dividend per share	CHF 16.00 <sup>1</sup>
Total shares issued	5 993 666
Time-weighted number of dividend-bearing shares	5 792 346
Number of shares held by SGKB (average)	7 363
Shareholders	33 448
Issue price (IPO)	CHF 160.00
Market price	CHF 450.50
Market capitalization	CHF 2.7 Mia.
Ratio of market capitalization/shareholders' equity	105.8%
Return on equity (basis: operating result)	8.5%
Reported shareholders' equity	CHF 2.6 Mia.
Dividend yield	3.6%
Price-earnings ratio	15.9

<sup>1</sup> Recommendation of the Board of Directors for the financial year ended on Dec. 31, 2019.

### Shareholder Structure (as of December 31, 2019, in %)



- Canton of St. Gallen
- Individuals
- SGKB employees
- Registration of transfer pending
- Corporates
- Treasury shares