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# Media Release

St.Gallen, May 27, 2019

In accordance with SIX Swiss Exchange's Directive on Ad hoc Publicity this media release is dispatched outside trading hours.

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

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## SGKB successfully completes capital increase

**St.Galler Kantonalbank AG successfully completed the capital increase with gross proceeds of CHF 176.5 million. Following the completion of the bookbuilding process, the subscription or placement price was set at CHF 420 per new registered share. In total, all 420,240 new registered shares were placed. The offer was significantly oversubscribed.**

The existing shareholders acquired 204,115 new registered shares by exercising their subscription rights in the context of the rights offering. 216,125 new registered shares were placed with the public and institutional investors. In total, 420,240 new registered shares will be issued as part of the capital increase. Based on a subscription or placement price of CHF 420, the St.Galler Kantonalbank thus generates gross proceeds of CHF 176.5 million. The free float thus rises to 49%. The Canton of St.Gallen remains the majority shareholder in accordance with the Cantonal Bank Act with its shareholding of 51%.

### **Strongly capitalized**

This capital increase will further strengthen the Bank's equity base and ensure strategic room for manoeuvre for sustainable growth. In addition, it is intended to prepare for any further increase in regulatory capital requirements at an early stage.

The first trading day of the new registered shares on the SIX Swiss Exchange as well as the delivery of the new registered shares against payment of the subscription price resp. placement price is scheduled for May 29, 2019.

### **Nominal value increase expected in the summer**

Following the capital increase of CHF29,416,800, the share capital of St.Galler Kantonalbank will now be CHF 419,556,620 divided into 5,993,666 registered shares with a nominal value of CHF 70 each. As already announced, a nominal value increase of all outstanding registered shares by CHF 10 from CHF 70 to CHF 80 is expected to take place in the summer of 2019. The shareholders do not have to do anything about this.

Roland Ledergerber, President of the Executive Board, comments on the successful outcome of the capital increase: «We are very pleased that the shares of St.Galler Kantonalbank have met with high demand. We consider the high exercise rate of the public shareholders and the high demand in the context of the share placement as a strong vote of confidence and as an order to continue the strategy we have embarked on.»

Zürcher Kantonalbank carried out the capital increase as lead manager. St.Galler Kantonalbank acted as co-manager of the transaction.

### **Media Relations:**

Jolanda Meyer  
Head of Media Relations  
071 231 32 18  
[jolanda.meyer@sgkb.ch](mailto:jolanda.meyer@sgkb.ch)

### **Investor Relations:**

Adrian Kunz  
Secretary General  
071 231 32 04  
[adrian.kunz@sgkb.ch](mailto:adrian.kunz@sgkb.ch)

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 its home market 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 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 credit rating from Moody's. Further information at: [www.sgkb.ch/en](http://www.sgkb.ch/en)

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