

2002 FINANCIAL YEAR



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**St.Galler
Kantonalbank**

EDITORIAL

A satisfying look back. And a confident look ahead.

Dear Shareholders

For the first time, the Cantonal Bank of Saint Gall looks back on a full financial year as a public company – and we do so with a great sense of satisfaction. In a disagreeable environment, the Group's income, profit and share price all trod a much more positive path than the sector as a whole. Our qualitative goal attainment was also better than average. We regard the fact that we have succeeded in further cementing our relationships with both private customers and SMEs in our region, despite tougher competition, as clear evidence of the trust that we have earned in the market in recent years. Where asset consulting is concerned, the acquisition of HYPOSWISS brought an injection of experience and expertise that will give the Cantonal Bank of Saint Gall an even more distinct profile in this segment. In addition, the very recent acquisition of Bank Thorbecke will further expand our customer base.

What do we expect for 2003? Taking a very cautious view of market trends, we firmly believe that the Group is correctly positioned for the future. Ahead of us is a year in which we will strive to make even better use of the capabilities of our various business areas for the benefit of our customers. It goes without saying that our shareholders will profit too.

With our sincere thanks for your confidence in the Cantonal Bank of Saint Gall,



Dr. Franz Peter Oesch
Chairman of
the Board of Directors



Dr. Urs Rügsegger
CEO

A stylized, handwritten signature of Dr. Franz Peter Oesch, consisting of a few simple, sweeping lines.

Dr. Franz Peter Oesch

A handwritten signature of Dr. Urs Rügsegger in a cursive script.

Dr. Urs Rügsegger

REVIEW AND OUTLOOK

Reassuring values in uncertain times

Following on from the highs and lows of 2001, 2002 was a year dominated by economic and political lows. That the Cantonal Bank of Saint Gall (SGKB) nonetheless performed well is testament not only to the quality of its strategy, but also to the capabilities of its staff. Group operating income of CHF 418.0 million (+19.5% over 2001) and Group net profit of CHF 99.2 million (+6.8%) show that the Bank still has the potential to expand its position.

Prior-year comparisons are impacted by the acquisition of HYPOSWISS and the related expansion in business volume. Other success factors were a sharp rise in income from the interest business, little change in the low level of valuation adjustments for credit risks and closer relationships with private and business customers. Despite massive falls on the capital markets, the new subsidiary helped to boost Group fee and commission income by 35.3% to CHF 113.9 million. Operating expenses also rose, but the increase of 16.3% is well below the budgeted figure.

Sound partnerships in retail and commercial banking

The Cantonal Bank of Saint Gall achieved all of its objectives in its core private and business customer operations. Operating income of CHF 288.2 million and gross profit of CHF 128.4 million exceed the previous year's results by 7.9% and 20.7% respectively. Customer funds were up by 14.7% to CHF 10.2 billion (savings: +7.1%), and loans to customers were raised by 4.4% to CHF 15.7 billion. The SGKB also benefited from its reputation as a financial partner that knows its customers. Services for people building their own homes enjoyed great popularity in a toughly competitive mortgage market. During the year, the Cantonal Bank of Saint Gall was steadfast in its commitment to small and medium-sized enterprises (SMEs) in the region, and with the «KMU Primus» award, given for the first time, and the «KMU Profil» seminars, it has even achieved a sustainable

improvement in its services to Eastern Switzerland's most important business segment. Despite difficult operating conditions, the Bank adhered strictly to its assessment criteria in order to maintain the quality of its loan portfolio.

Competitive asset consulting services

Hardest hit by the state of the economy was asset consulting. Results nonetheless demonstrate that the Cantonal Bank of Saint Gall is well on the way to establishing itself as a leading provider in this segment. With its excellent growth (+6.6%) in commission income HYPOSWISS, in particular, outperformed the sector average. Although operating income of CHF 58.9 million (-8.1%) and gross profit of CHF 23.6 million (-14.4%) fell short of St. Galler Vermögensberatung's (SGVB) 2001 results, it succeeded in attracting new clients to offset the valuation-related decline in the assets of existing clients. This enabled SGVB to maintain its share of an unsettled private and institutional client market. The picture was the other way around at HYPOSWISS. Here, the weak US dollar and stock market trends resulted in a 16.7% decline in assets under management to CHF 5.3 billion, while operating income stayed steady at CHF 56.7 million. At CHF 25.2 million, gross profit was down slightly year-on-year. Structured products, tailored to suit the needs of our individual clients, proved very successful.

SGKB share passes public popularity test

The qualities of the Cantonal Bank of Saint Gall were also in evidence on the equity market: Over the year, the number of shareholders rose to around 20 000, approximately 15 600 of whom live in the Canton of Saint Gall. We have thus achieved even greater success with our aim of establishing a broad and predominantly local shareholder base. What's more, our shareholders can be pleased with our earnings per share. Taking the dividend into account, they posted a 16.1%

increase and are among the best in the industry. Our success is rooted in growing investor confidence, but also reflects the positive message that the Group has been able to convey to the public under turbulent economic circumstances. In the light of our good results, it will be proposed at the Annual General Meeting that the dividend for 2002 remain unchanged at CHF 8 per share.

A bank built by its staff

Two Executive Board members of outstanding merit, Josef C. Müller and Guido Sutter, stepped down during the year under review. The entire Group owes them a debt of thanks for their efforts and achievements. They have been succeeded by Urs Bolzern and Roland Ledergerber respectively, who have already proven their worth in their previous management positions at the Bank. The acquisition of HYPOSWISS has taken our total headcount to 1 224, while the number of trainees remained more or less unchanged. In a tight labour market, the Cantonal Bank of Saint Gall also created short-term employment for those completing their period of training.

Advantages through alliances

The AGI information technology and logistics joint venture, in which the Cantonal Bank of Saint Gall works with other cantonal banks, continued to make significant progress in 2002. Operating activities were merged with those of Swisscom IT Services, a subsidiary of the eight AGI banks and Swisscom. The combination of banking and technological expertise enables the Cantonal Bank of Saint Gall to offer pioneering solutions in an area that is becoming increasingly critical to success. The value of alliances was proven in the year under review with the launch of the «CreditMaster» credit rating system, which was developed in collaboration with the Cantonal Bank of Lucerne. It facilitates individual, risk-appropriate price-setting in the commercial lending business and places the Cantonal Bank of Saint Gall in a sound position with regard to the imminent toughening of capital adequacy requirements. For the 2003 financial year, there are plans to

introduce the «GEOS» securities system, which will guarantee the Group significant technological progress in its asset securities processing activities.

Accentuating public action

As one of the major promoters of culture in our region, the Cantonal Bank of Saint Gall continued to support a variety of organizations and events in 2002 – from the St. Gallen theatre to the jazztage festival in Lichtensteig. Preparations for celebrations to mark the canton's bicentennial were a special part of our activities last year. The Group is helping to stage the celebrations in its capacity as official partner, and it is also financing the «Talent-Air 2003» young artists' competition – an integral part of the festivities – as its principal sponsor. These activities reflect the responsibilities that we have as the bank of the people of Saint Gall. At the same time, the over 300 bicentennial events offer a unique opportunity to meet our customers and to deepen our relationships with them.

Group objectives focus on continuity

The Cantonal Bank of Saint Gall's expectations for 2003 are modest, and we are more cautious than the majority of analysts when it comes to the recovery of the regional, national and international economy. Trends to date have justified this caution, and we foresee greater pressure on margins owing to the shift towards fixed-rate mortgages. The Bank is therefore paying even greater attention to further advancing its current strengths. For example, strategic investment in training and quality assurance will further improve consulting and service capacities. Our active partnership with private and business customers in the region will also continue in the future as it has in the past, and we will be intensifying cross-segment alliances in asset consulting to increase the added value for our customers. In doing so, the Cantonal Bank of Saint Gall will be underscoring its claim, as the leading regional universal bank, to be a partner to trust with all financial matters – even, and especially, in a climate of uncertainty.

INTERVIEW WITH THE CEO

Meeting the Executive Board: Six questions to Urs Rügsegger

What is your favourite memory of 2002?

Happily, I have more than one. Most of all, I have enjoyed the great relationship we have with our customers – not only those whom I have met in my own business meetings, but also the ties that I have been able to strengthen at our Group's numerous events. A particular highlight here was the very first «KMU Primus» award ceremony for SMEs. It goes without saying that the first Annual General Meeting of the Cantonal Bank of Saint Gall, where I met many of our shareholders personally for the first time, remains a very special memory. Just as unforgettable was the summer event that we held for the whole bank in Rapperswil. It gave staff from throughout the Group the opportunity to get to know each other away from the banking business and time pressures of work.

What is your view of the annual results of the Cantonal Bank of Saint Gall overall?

To follow on from the previous question, I think that we can all hold our heads high when we meet our shareholders. This is not only because the price of the SGKB share put in an entirely pleasing performance compared with our peers, but also because our profitability was excellent, despite a difficult market. The Cantonal Bank of Saint Gall closed the 2002 financial year with a high net profit. What's more, by strategically strengthening our private banking operations, we have laid the ideal foundation to continue achieving above-average results in the future. Expanding our capabilities in this way is a major step in the ongoing implementation of our Group strategy. As a consulting and service-oriented financial services provider, we must – and we will – have a strong asset consulting arm in addition to our regional private and business customer activities.

The adverse climate was particularly evident in private banking. Why has the Cantonal Bank of Saint Gall expanded its exposure in this area in the last year specifically?

Like I said, our acquisitions in this area have been strategically motivated. As such, they must be judged independent of the present economic situation. You could even look at it the other way round: The prevailing market situation has enabled us – with professional strategic planning and a thorough evaluation of all the opportunities and risks – to achieve our targeted expansion in private asset consulting faster than we had expected.

Everyone is talking about «corporate governance». What is the Cantonal Bank of Saint Gall's response to growing calls for risk controls and transparency?

As a financial services provider – and one with the public sector as the majority shareholder – we wanted to create absolute clarity on this point even before we floated on the stock exchange. As early as 2001, the structure of and division of tasks between our Board of Directors and Executive Board largely reflected the «Swiss Code of Best Practice for Corporate Governance» that was published last summer by the Swiss Business Federa-



Dr. Urs Rügsegger
CEO
Cantonal Bank of Saint Gall

tion, economiesuisse. Furthermore, our last Annual Report already fulfilled the SWX Swiss Exchange transparency guidelines that apply from this year onwards. In no way does this discharge us from the obligation to continue improving. By laying down a «best practice» approach to corporate governance, we are setting ourselves a very clear goal: To fulfil not just the usual industry standards, but the best in the country.

What would you say were the top priorities for 2003?

I see two main objectives. Firstly, we would like, as far as is possible, to turn the asset consulting expertise that we already have at SGVB and HYPOSWISS into concrete competitive advantages. The individual areas of business within the Cantonal Bank of Saint Gall have a great deal to learn from one another, especially where product development and the structure of consulting processes are concerned. The second major goal – and the real focus – is to improve the quality of our advice and service throughout the Group. We will do so with new training concepts for our customer advisors and with new staff development programmes.

What are you particularly looking forward to this year?

Naturally, the many events taking place around the region to commemorate the 200th birthday of the Canton of Saint Gall will also be a highlight for the Cantonal Bank of Saint Gall. As the principal sponsor of the cantonal celebrations we will, of course, be on the front line – and we will certainly be doing full justice to the bicentennial's motto of «sich neu begegnen», meeting people anew.

PRIVATE BANKING

Private banking at the Cantonal Bank of Saint Gall

The Cantonal Bank of Saint Gall has undergone no more dramatic change in recent years than in private asset consulting. With the spinoff of SGVB and, even more so, with the acquisition of HYPOSWISS, it has become one of the leading providers of private banking services in Eastern Switzerland. This not only diversifies the Group's earnings structure, but also taps into attractive medium-term growth potential. The growing importance of private banking is also reflected in the Group's key figures. At the end of 2002, SGVB and HYPOSWISS served private and institutional clients with assets totalling CHF 17.6 billion. These activities' combined operating income was CHF 115.6 million for the year, or 27.7% of Group income. SGVB contributed CHF 58.9 million to this result, HYPOSWISS CHF 56.7 million. The acquisition of the Saint Gall private bank Thorbecke in January 2003 enhanced the client base with an attractive client portfolio worth around CHF 450 million in total as at 31 December 2002.

Successfully serving high-end clients

Our firm strategic convictions are reflected in the way in which we have continued vigorously to expand our private banking capabilities despite a tight market. As a universal bank with a leading position in the Eastern Swiss market, the Cantonal Bank of Saint Gall aims to offer each customer segment the service that best corresponds to their individual needs. At the same time, the greater commitment to private banking underscores the Group's proximity to its customers and its specialist expertise. In asset consulting in particular, which depends like no other discipline on personal service, the Group can prove every day that it is fulfilling its performance promise as a consulting and service bank.

This high degree of consulting expertise is demonstrated, for example, by the enormous success that the Bank achieved last year with its alternative

investment products. Its outstanding performance in a stagnating and intensely competitive market was due in large part to these customized instruments, which are tailored to the risk tolerance of the individual client. Furthermore, with internationally recognized SPPS accreditation, the Cantonal Bank of Saint Gall has gained a seal of quality that attests to the highest standards of advice, methodology and reporting in its private banking activities.

Opportunities in Group-wide collaboration

Professional consulting capability is also the key element in the further development of private banking within the Cantonal Bank of Saint Gall – even, and especially, in the light of still-subdued economic forecasts. Without doubt, the greatest potential we find in a more intensive exchange of expertise and experience between the Bank's subsidiaries. The year under review saw the first steps taken towards systematic collaboration at the competence centre and marketing levels. The positive results of these ventures reinforce the Bank's intention to extend this dialogue to other areas such as the investment process and product development.

However, opportunities to combine and exploit existing expertise are not confined to SGVB and HYPOSWISS, but also exist between the two subsidiaries and in our core business with private and business customers in the Saint Gall area. Strategic liaison here will enable key functions – such as information technology, internal training or HR management – to be organized more efficiently. In addition to the economies of scale, there are also direct benefits in terms of quality. The private and business customer segments are already working closely with SGVB on financial planning, for example. What's more, present efforts to extend investment activities in the retail segment by offering additional services add greater weight to the alliance.

Pleasing affirmation of chosen strategy

The Cantonal Bank of Saint Gall firmly believes that in 2002 it laid the ideal foundation for sus-

Professional advice on all financial matters

It is the stated aim of the Cantonal Bank of Saint Gall to build up a significant position on the market for private asset consulting, in addition to its core business with private and business customers in Eastern Switzerland. The first step in this direction was taken in 2001, when St. Galler Vermögensberatung (SGVB) was spun off as an independent company. Private banking at the Cantonal Bank of Saint Gall underwent a significant expansion one year later with the acquisition of the Zurich private bank HYPOSWISS. The takeover of Bank Thorbecke in 2003 enabled the Group to further consolidate its customer base in its home territory.

tainable success in private banking and the steady expansion of its position on the market. The segment's pleasing annual results offer impressive proof that private asset consulting at the Cantonal Bank of Saint Gall is strong enough to generate above-average results even under the most difficult economic conditions. In a more favourable market – and exploiting alliance potential to the full – the area will make an even greater contribution to the Group's overall results in the future.



Urs Bolzern
CEO
St. Galler Vermögensberatung

Balance Sheet (Group)

ASSETS in CHF 000s	2002	in %	2001	in %	Change	in %
Liquid funds	167 578	0.9	144 580	0.8	22 998	15.9
Receivables from money market instruments	340 768	1.9	506 307	2.9	(165 539)	(32.7)
Due from banks	831 487	4.5	510 553	2.9	320 934	62.9
Due from customers	2 908 330	15.9	2 917 528	16.8	(9 198)	(0.3)
Mortgage loans	12 812 208	70.0	12 141 512	69.9	670 696	5.5
Total loans to customers	15 720 538	85.9	15 059 040	86.7	661 498	4.4
Securities and precious metals trading portfolios	24 962	0.1	117 633	0.7	(92 671)	(78.8)
Financial investments	659 060	3.6	590 846	3.4	68 214	11.5
Non-consolidated participations	33 405	0.2	33 351	0.2	54	0.2
Fixed assets and intangibles	334 846	1.8	181 486	1.1	153 360	84.5
Accrued income and prepaid expenses	88 253	0.5	96 145	0.6	(7 892)	(8.2)
Other assets	113 435	0.6	127 038	0.7	(13 603)	(10.7)
Balance sheet total	18 314 332	100.0	17 366 979	100.0	947 353	5.5
Of which:						
– Total subordinated amounts receivable	14 376	–	21 975	–	(7 599)	(34.6)
– Total due from non-consolidated participations	105 481	–	104 571	–	910	0.9
– Total due from the canton of Saint Gall	0	–	0	–	0	0.0

LIABILITIES in CHF 000s

Due to money market instruments	410	–	0	–	410	100.0
Due to banks	1 170 724	6.4	1 626 010	9.4	(455 286)	(28.0)
Due to customers in savings and deposits	5 570 593	30.4	5 203 470	30.0	367 123	7.1
Other due to customers	3 740 698	20.5	2 834 295	16.3	906 403	32.0
Medium-term notes	938 560	5.1	901 884	5.2	36 676	4.1
Total customer funds	10 249 851	56.0	8 939 649	51.5	1 310 202	14.7
Debt and loans secured by mortgages	5 179 400	28.3	5 074 900	29.2	104 500	2.1
Accrued expense and deferred income	164 614	0.9	198 540	1.1	(33 926)	(17.1)
Other liabilities	187 220	1.0	197 920	1.1	(10 700)	(5.4)
Valuation adjustments and provisions	246 075	1.3	273 335	1.6	(27 260)	(10.0)
Share capital	500 000	2.7	500 000	2.9	0	0.0
Capital reserve	4 862	–	5 774	–	(912)	(15.8)
Profit reserve	511 991	2.9	458 011	2.7	53 980	11.8
Group net profit	99 185	0.5	92 840	0.5	6 345	6.8
Total shareholders' equity	1 116 038	6.1	1 056 625	6.1	59 413	5.6
Balance sheet total	18 314 332	100.0	17 366 979	100.0	947 353	5.5
Of which:						
– Total subordinated amounts payable	260 000	–	160 000	–	100 000	62.5
– Total due to non-consolidated participations	1 250 525	–	1 427 510	–	(176 985)	(12.4)
– Total due to the canton of Saint Gall	289 639	–	290 317	–	(678)	(0.2)

OFF-BALANCE-SHEET TRANSACTIONS in CHF 000s

Contingent liabilities	197 593	–	173 230	–	24 363	14.1
Irrevocable commitments	119 963	–	93 804	–	26 159	27.9
Liabilities for calls on shares and other equities	40 562	–	38 882	–	1 680	4.3
Derivative instruments:						
– Contract volume	3 262 190	–	3 277 055	–	(14 865)	(0.5)
– Positive replacement values	101 667	–	22 329	–	79 338	355.3
– Negative replacement values	88 021	–	92 235	–	(4 214)	(4.6)
Assets under Management	17 550 435	–	12 518 369	–	5 032 066	40.2
Fiduciary assets	1 603 693	–	255 996	–	1 347 697	526.5

Income Statement (Group)

in CHF 000s	2002	2001	Change	in %
Interest and discount income	635 585	687 374	(51 789)	(7.5)
Interest and dividend income on trading portfolios	930	3 726	(2 796)	(75.0)
Interest and dividend income on financial investments	21 004	16 292	4 712	28.9
Interest expense	(377 163)	(457 058)	79 895	17.5
Net interest income	280 356	250 334	30 022	12.0
Commission income from lending activities	1 741	1 454	287	19.7
Commission income from securities and investment activities	100 356	70 641	29 715	42.1
Commission income from other service fee activities	16 486	15 303	1 183	7.7
Commission expense	(4 719)	(3 228)	(1 491)	(46.2)
Net fee and commission income	113 864	84 170	29 694	35.3
Net trading income	13 985	4 617	9 368	202.9
Results from the sale of financial investments	1 950	1 363	587	43.1
Income from non-consolidated participations	1 790	1 724	66	3.8
Results from real estate	4 928	4 039	889	22.0
Other ordinary results	8 690	10 683	(1 993)	(18.7)
Other ordinary expenses	(7 609)	(7 230)	(379)	(5.2)
Net other income	9 749	10 579	(830)	(7.8)
Operating income	417 954	349 700	68 254	19.5
Personnel expenses	(133 515)	(106 923)	(26 592)	(24.9)
Other operating expenses	(108 765)	(101 348)	(7 417)	(7.3)
Administrative expenses	(242 280)	(208 271)	(34 009)	(16.3)
Gross profit	175 674	141 429	34 245	24.2
Depreciation and write-offs of fixed assets	(13 680)	(13 221)	(459)	(3.5)
Depreciation of intangibles	(17 609)	0	(17 609)	(100.0)
Valuations adjustments, provisions and losses	(21 950)	(14 996)	(6 954)	(46.4)
Operating profit	122 435	113 212	9 223	8.1
Extraordinary income	5 650	2 986	2 664	89.2
Extraordinary expenses	(871)	(3 677)	2 806	76.3
Taxes	(28 029)	(19 681)	(8 348)	(42.4)
Group net profit	99 185	92 840	6 345	6.8

Management Accounts

in CHF 000s	Retail and commercial banking		SGVB		HYPOSWISS ¹		Corporate Center		Group	
	2002	Change	2002	Change	2002	Change	2002	Change	2002	Change
Operating income	288 159	7.9%	58 912	(8.1%)	56 715	-	14 168	(23.7%)	417 954	19.5%
Administrative expenses	(159 718)	0.6%	(35 279)	3.3%	(31 556)	-	(15 727)	(41.3%)	(242 280)	(16.3%)
Gross profit	128 441	20.7%	23 633	(14.4%)	25 159	-	(1 559)	(121.0%)	175 674	24.2%
Depreciation and write-offs of fixed assets and intangibles	0	-	(2 832)	(54.9%)	(215)	-	(28 242)	(147.9%)	(31 289)	(136.7%)
Valuations adjustments, provisions and losses	(20 817)	(55.1%)	(185)	78.7%	(537)	-	(411)	41.6%	(21 950)	(46.4%)
Operating profit	107 624	15.8%	20 616	(17.2%)	24 407	-	(30 212)	(547.8%)	122 435	8.1%
Extraordinary income, net	0	-	0	100.0%	1 491	-	3 288	384.2%	4 779	791.6%
Taxes	(18 821)	(21.7%)	(4 407)	9.6%	(5 985)	-	1 184	78.6%	(28 029)	(42.4%)
Group net profit	88 803	14.6%	16 209	(13.2%)	19 913	-	(25 740)	(674.8%)	99 185	6.8%
Other data										
Assets under management ²	2835704	0.0%	9381639	(3.1%)	5333092	-	-	-	17550435	40.2%
Headcount ²	499	0.0%	105	1.0%	139	-	338	(3.4%)	1 081	13.4%

Notes:

¹ The income statement of HYPOSWISS consists of the 2nd quarter of 2002; no year-on-year change since first consolidated as at 1 April 2002.

² Changes in percent of other data refer to December 31, 2001

Key figures SGKB Group

INCOME STATEMENT in CHF 000s	2002	2001	2000
Operating income	417 954	349 700	359 193
Administrative expenses	(242 280)	(208 271)	(195 081)
Operating profit	122 435	113 212	129 949
Group net profit	99 185	92 840	88 993

EARNINGS PER SHARE in CHF

Undiluted Earnings per share	19.87	18.60	17.80
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KEY FIGURES

Return on equity, pre-tax (basis: Operating profit)	11.7%	11.4%	13.9%
Return on equity, after tax (basis: Group net profit)	9.5%	9.4%	9.5%
Administrative expenses incl. write-offs of fixed assets / Operating income (before depreciation of intangibles)	61.2%	63.3%	57.2%

BALANCE SHEET in CHF 000s

	2002	31.12.2001	31.12.2000
Loans to customers	15 720 538	15 059 040	14 910 434
Customer funds	10 249 851	8 939 649	8 866 205
Balance sheet total	18 314 332	17 366 979	17 143 907
Shareholders' equity	1 116 038	1 056 625	1 003 785

ASSETS UNDER MANAGEMENT in CHF 000s

Total customer funds and assets under management	26 962 114	20 619 525	21 552 374
Of which assets under management	17 550 435	12 518 369	13 479 941
– Custody volume	15 785 870	12 241 809	13 253 001
– Assets deposited at third banks	161 587	20 564	–
– Fiduciary placements	1 602 978	255 996	226 940

HEADCOUNT

Full-time equivalents	1 081	953	930
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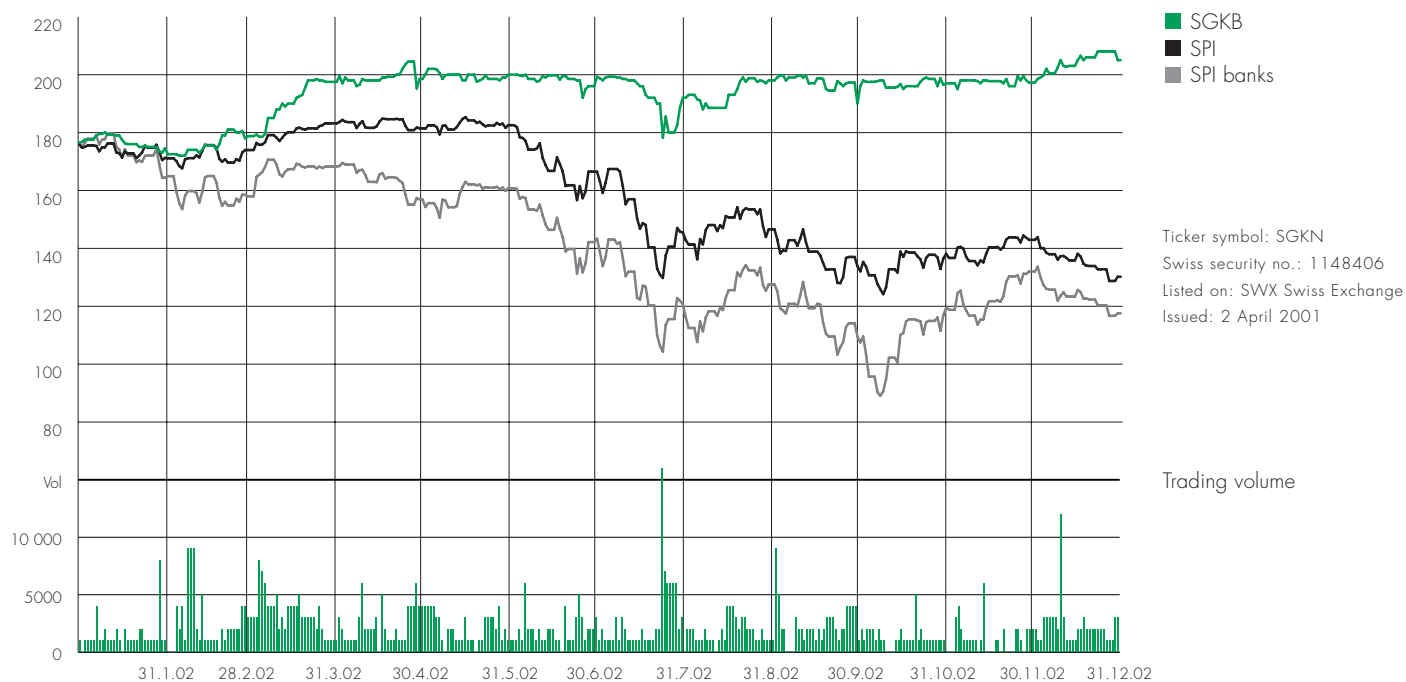
RATING MOODY'S

Senior unsecured domestic currency	Aa2	Aa2	Aa2
Bank deposits	Aa2/P-1	Aa2/P-1	Aa2/P-1
Bank financial strength	B	B	B

Investor information

SHARE PRICE

The price of the SKGB shares has again developed very well compared with the Swiss market as a whole. From 1 January to 31 December 2002 the share price increased by 16.1%.



SHARE STATISTICS

Undiluted Earnings per share	CHF 19.87
Dividend per share (proposed for the financial year 2002)	CHF 8.00
Total shares issued	5 000 000 (Floating 1 850 000)
Time-weighted number of dividend bearing shares	4 991 003
Number of shares held by SGKB (ave.)	8 997
Shareholders (31 December 2002)	19 731
Issue price	CHF 160.00
Market price (31 December 2002)	CHF 205.00
Market capitalization	CHF 1 025.0 million
Ratio of market capitalization / Shareholders' equity	91.8%
Return on equity, pre-tax (basis: Operating profit)	11.7%
Reported shareholders' equity	CHF 1 116.0 million
Dividend yield	3.9%
Price-earning ratio	10.3 x
Payout ratio	40.3%

KEY DATES

Annual media/ analysts' briefing	annual	20 February 2003
Annual Report	annual	29 March 2003
Annual General Meeting	annual	30 April 2003
Interim Report	annual	14 August 2003
Semi-annual media/ analysts' briefing	annual	14 August 2003
Media releases	as necessary	

CONTACTS FOR SHAREHOLDERS AND THE MEDIA

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The Cantonal Bank of Saint Gall

As a universal bank, the Cantonal Bank of Saint Gall offers the full range of classic banking services. With 37 branches in the Canton of Saint Gall and offices in Herisau, Schaffhausen and Zurich, the bank, which was established in 1868, has excellent relationships with private and institutional customers in Eastern Switzerland and beyond. The acquisition of private banks HYPOSWISS (as of 1 April 2002) and Bank Thorbecke (as of 1 January 2003) has enabled the Cantonal Bank of Saint Gall to significantly strengthen its position in the asset consulting market. The Group, which is the eighth largest Swiss bank on the basis of the balance sheet total, employed a total of 1 224 staff as of 31 December 2002.