
Media Release

St.Gallen, 14. August 2024

Ad hoc announcement pursuant to Art. 53 LR

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

St.Galler Kantonalbank (SGKB) continues to grow

SGKB's managed assets (+7.2%) and loans to clients (+3.6%) rose significantly in the first half of 2024, confirming the banks strong positioning. At CHF 100.4 million (-7.4%), profit is down on the previous year.

More assets under management, more loans granted

St.Galler Kantonalbank increased its business volume by 5.9% to CHF 96.3 billion, acquiring CHF 1.8 billion in net new money in the first half of the year. At the end of June, it managed CHF 63.0 billion in assets (+7.2%). Growth is broadly based across all business areas.

Loans to clients reached a new high of CHF 33.3 billion (+3.6%). In addition to mortgages to private individuals and loans to companies, real estate investors again contributed to this growth.

Group profit slightly lower

At CHF 100.4 million, Group profit in the first half of 2024 was slightly lower than in the exceptionally strong previous year (CHF 108.4 million). The gross result from interest operations is significantly below the previous year (-12.1%). While the Swiss National Bank raised interest rates in three steps from 0.5% to 1.75% in the first half of 2023, the first half of 2024 was characterized by interest rate cuts back to 1.25%. Typically, net interest income benefits in times of interest rate hikes, while interest rate cuts tend to have a dampening effect. St.Galler Kantonalbank increased interest rates on savings and pension accounts in January, April, June and December 2023. Compared to the previous year, customers were thus paid higher interest on their deposits.

SGKB's balanced business model is once again proving its worth. The result from commission business and services (+7.6%) as well as the result from trading activities (+1.6%) benefited from growth and the good performance of the financial markets, but were unable to fully compensate for the decline in interest income.

The continued strong growth is reflected in operating expenses (+3.1%). The increase in the wage bill and the investment in newly created positions led to a 1.9% increase in personnel costs. General and administrative expenses rose by 5.4%. The main reasons for this are higher IT operating costs and general inflationary effects.

Outlook profit 2024

St.Galler Kantonalbank still expects for the 2024 financial year a result at the previous year's level.

Key Figures

(in CHF million)	1st semester 2023	1st semester 2024	change
Operating income	290.7	274.7	-5.5%
Operating result	138.9	120.3	-13.3%
Consolidated profit	108.4	100.4	-7.4%
Employees (average)	1'358	1'395	+2.7%
Full-time equivalents (average)	1'144	1'171	+2.4%

(in CHF million)	Dec 31, 2023	June 30, 2024	change
Balance sheet total	41'337	45'624	+10.4%
Total loans to clients	32'161	33'308	+3.6%
Managed assets	58'736	62'967	+7.2%
Shareholders' equity	2'903	2'894	-0.3%

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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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 Deposits Rating as well as an Aa2 Senior Unsecured Debt Rating from Moody's. Further information at: www.sgkb.ch/en