

Media release

Ad hoc announcement pursuant to Article 53 of the Listing Rules (LR)

2025 annual results

Luzerner Kantonalbank further increases consolidated profit and concludes the five-year 2021 to 2025 strategy period with great success

- CHF 295.5 million in consolidated profit (+CHF 8.9 million or +3.1 %)
- Proposal to the 2026 Annual General Meeting: increase distribution to CHF 2.70, half as a dividend and half as a tax-free distribution from capital contributions (2024: CHF 2.60)
- Broad-based growth:
 - Expansion of commission and service business thanks to higher income from securities trading and investment business (+CHF 13.1 million or +10.1 % to CHF 143.2 million)
 - Significant increase in trading income in volatile markets (+CHF 19.5 million or +34.5 % to CHF 76.0 million)
 - Higher interest income despite zero-interest-rate environment (+CHF 14.1 million or +3.2 % to CHF 458.1 million)
- All 2025 growth targets exceeded
 - New money in advisory or asset management mandates: CHF 1.1 billion (2025 target: > CHF 1 billion)
 - Non-interest income: CHF 232.9 million (2025 target: > CHF 215 million, actual value in 2024: CHF 206.5 million)
 - Lending growth: +6.9 % (2025 target: +2 % to +3.75 %)
- All strategic financial targets for the 2021 to 2025 strategy period achieved:
 - Cumulative net profit: CHF 1,370.5 million (target range: CHF 1,260 million to CHF 1,330 million)
 - Cost-income ratio: 46.1 % (target: max. 50 %)
 - Total capital ratio: 20.6 % (target: 19 % to 21 %)
 - Core capital ratio (CET1 ratio): 14.7 % (target: at least 14 %)
- Positive outlook – LUKB's targets for the 2026 financial year:
 - Consolidated profit of at least CHF 295 million
 - Performance-adjusted net growth in advisory and asset management mandates of at least CHF 1.2 billion
 - Non-interest income of at least CHF 240 million
 - Lending growth of +3.5 % to +5.5 %

Lucerne, 5 February 2026 – **Luzerner Kantonalbank AG (LUKB) once again increased its consolidated profit last year. At CHF 295.5 million, consolidated profit is CHF 8.9 million or 3.1 % above the previous year, representing the best result ever in the history of LUKB. This result is due to growth of all three core pillars of income combined with LUKB's traditional cost discipline. Interest business, the main pillar of income, increased despite the zero-interest-rate environment by 3.2 % to CHF 458.1 million, commission and service income by 10.1 % to CHF 143.2 million and trading income by 34.5 % to CHF 76.0 million. At 46.1 %, the cost-income ratio remained unchanged from the low level of the previous year. The Board of Directors will propose an increase in the distribution from the previous figure of CHF 2.60 to CHF 2.70 per registered share to the Annual General Meeting on 13 April 2026 – one half in the form of a dividend and one half in the form of a tax-exempt distribution from capital reserves. LUKB expects consolidated profit of at least CHF 295 million for the 2026 financial year, despite the likely continuation of the zero-interest-rate environment.**

In the 2025 financial year, LUKB generated **consolidated profit** of CHF 295.5 million, corresponding to an increase of CHF 8.9 million or 3.1 % on the previous year (CHF 286.6 million).

‘2025 was characterised by major geopolitical uncertainties, low interest rates and volatile markets. We acted in a risk-conscious manner and took opportunities that presented themselves. As a result, we are capping LUKB's anniversary year with a record profit for the benefit of our shareholders and the Canton of Lucerne in particular,’ says CEO Daniel Salzmann, summing up LUKB's results for the 2025 financial year. He adds: ‘We are closing our 2021 to 2025 strategy period with positive results across the board and have exceeded all strategic financial targets. With our business model, an extremely solid financial basis and a clear strategy through to the end of 2030, we are excellently positioned to face the challenges of the coming years.’

Increase in earnings in all three pillars of operating income

Interest business, the main pillar of income, contributed CHF 458.1 million to the operating result. This corresponds to CHF 14.1 million or 3.2 % more than in the previous year. CFO Marcel Hurschler explains: ‘This growth is above our expectations. We were able to cushion the effects of the zero-interest-rate environment with our tactical interest rate management. However, interest income in the second half of the year fell considerably by CHF 5.4 million compared with the first half of the year.’ The 6.9 % increase in **loans to clients** also contributed to the growth in interest income. At the end of the year, loans to clients amounted to CHF 46.4 billion, of which CHF 40.9 billion (+CHF 2.7 billion or 7.0 %) was attributable to mortgages. ‘In the current environment, demand for loans is expectedly high. Growth is above our original target for 2025 of 2 % to 3.75 %. Since we are managing our capital base in a proactive, tactical manner, we are able to cope well with the additional lending,’ comments CFO Marcel Hurschler, clarifying: ‘Despite the growth in lending, the core capital ratio (CET1 ratio) stood at 14.7 % at the end of 2025, a significant improvement on the end of 2024 (13.9 %).’ LUKB will continue to target a CET1 ratio of at least 14 % going forward.

LUKB and its clients were able to make good use of the opportunities presented by the volatile market environment. During the 2025 financial year, for example, LUKB recorded CHF 1.1 billion of **new money in its advisory or asset management mandates**. Of this amount, net new subscriptions of CHF 90 million were recorded in pension **custody accounts** (2024: CHF 98 million). The volumes managed by **LUKB Expert Fondsleitung AG** increased by around 14.0 % to CHF 6.518 billion.

Based on these activities, LUKB was able to increase its **commission and service income** by 10.1 % to CHF 143.2 million (2024: CHF 130.1 million). The largest contribution came from commissions from the securities and investment business. This in turn benefited from attractive investment markets, sustained demand for **asset management and advisory mandates** as well as overall positive development on the investment markets. CEO Daniel Salzmann adds: ‘In the current zero-interest-rate environment, many clients are aware that they are missing out on potential return opportunities with their savings or pension accounts.’

At the end of 2025, LUKB had **assets under management** (AuM, excluding double counting) totalling CHF 42.601 billion (2024: CHF 39.489 billion). **Net new money** increased by CHF 1.285 billion in the past financial year. The positive **performance** contributed CHF 1.833 billion to the growth in assets under management.

Net trading income amounted to CHF 76.0 million, up CHF 19.5 million or 34.5 % on 2024. ‘This marked increase is based on higher client demand across all trading segments. We were thereby able to further expand our issuing activities in the securities business and our activities in the primary and secondary markets for structured products as planned,’ says CFO Marcel Hurschler.

At CHF 13.7 million, **other ordinary income** was well below the previous year's figure of CHF 19.9 million. This decline of 31.4 % is explained by the conscious decision not to sell financial assets. Conversely, hidden reserves increased by a further CHF 16 million due to the performance of the equity securities held by LUKB.

In total, **non-interest income** for the 2025 financial year amounted to CHF 232.9 million (2024: CHF 206.5 million). As a result of this increase, the growth target in the non-lending and non-deposit business, which was set at a minimum of CHF 215 million in 2025, was significantly exceeded. Including interest income, total **operating income** amounted to CHF 691.0 million, up 6.2 % on the previous year (2024: CHF 650.5 million).

Prudent cost management

LUKB's **operating expenses** increased by 6.5 % to CHF 326.4 million in 2025 (2024: CHF 306.5 million). Headcount rose from 1,181 to 1,206 full-time equivalents in the 2025 financial year. Consequently, personnel expenses increased by 4.5 % to CHF 218.4 million. Expenditure on ICT, marketing, anniversary events and strategy development raised general and administrative expenses by 11.5 % year on year to CHF 96.8 million (2024: CHF 86.8 million).

The balanced development of income and expenses resulted in a **cost-income ratio** that was stable at the end of 2025 compared with the end of 2024. 'With a cost-income ratio of 46.1 %, we not only meet our own strategic target of a 50 % maximum but also remain one of the most efficient full-service banks in Switzerland,' emphasises CEO Daniel Salzmann.

Consolidated profit in 2025 excluding extraordinary effects

At the level of operating profit, the result for 2025 is 5.0 % higher than in the previous year. At CHF 295.5 million, consolidated profit was 3.1 % up on the previous year. This difference is explained by the extraordinary income accrued in the previous year from the sale of the Fundamenta real estate division.

Proposal to increase the distribution to CHF 2.70 per share

The Board of Directors of LUKB will propose an increase in the distribution from the previous figure of CHF 2.60 to CHF 2.70 per share to the Annual General Meeting on 13 April 2026 – one half in the form of a dividend and one half in the form of a distribution from statutory capital reserves exempt from Swiss withholding tax. The payout ratio is therefore 45.2 % (2024: 41.3 %). The distribution will be credited to the shareholders following approval of the proposal on 20 April 2026.

CHF 100.8 million for the Canton of Lucerne

Based on this proposal for the appropriation of profit, the Canton of Lucerne will receive a profit distribution of CHF 82.3 million (2024: CHF 79.3 million), cantonal taxes amounting to CHF 7.3 million (2024: CHF 8.0 million) and compensation for the state guarantee, which is calculated according to a formula prescribed by law, of CHF 11.2 million (2024: CHF 10.8 million).

The Canton of Lucerne will benefit by CHF 100.8 million in total from its investment in LUKB (2024: CHF 98.0 million).

Outlook for the 2026 business result: further growth

LUKB is expecting economic growth in Switzerland of 1.2 % in 2026, with inflation at 0 % and an unchanged SNB policy rate. In the non-interest business, LUKB intends to remain on the growth path it embarked on in the last strategy period. It aims to achieve an increase in its advisory and asset management mandates of at least a further CHF 1.2 billion.

After CHF 233 million in the last financial year, LUKB intends to generate non-interest income of at least CHF 240 million in 2026. However, the continued zero-interest-rate environment is likely to have an impact on LUKB's interest income in the current year, which will be at least partly offset by growth in the lending business. CEO Daniel Salzmann comments: 'Thanks to our solid capitalisation, we have enough room for manoeuvre to meet the strong demand for loans from the economy. We can well afford significant lending growth of 3.5 % to 5.5 % this year.'

Adhering to the long-term cap of 50 % for its cost-income ratio, LUKB expects consolidated profit of at least CHF 295 million for the current year 2026.

Ambitious targets for 2030

In November 2025, LUKB presented its strategy and targets for the years 2026 to 2030. The goal of becoming one of the five leading full-service banks in Switzerland is reflected in the ambitious targets for 2030. CEO Daniel Salzmann looks ahead: 'We expect the start of our new strategy period to involve a lot of work, which will demand absolute operating discipline from the outset. The interest rate environment will have a negative impact on our earnings. At the same time, we want to make significant investments, particularly in ICT and the recruitment of specialists. But we are convinced that these investments will pay off within the coming strategy period.'

Strategic target	Targets for 2026	Targets for 2030
Consolidated profit	> CHF 295 million	> CHF 340 million
Non-interest income	> CHF 240 million	> CHF 310 million
Net growth in advisory and asset management mandates (performance-adjusted)	> CHF 1.2 billion	> CHF 1.8 billion
Net growth in lending business (per year)	3.5 % to 5.5 %	2.5 % to 4 %
Cost-income ratio	< 50 %	

Further information

Income statement for 2025
 Balance sheet as at 31 December 2025
 2025 key figures for the Group
 2025 key figures for LUKB shares
 Letter to shareholders dated 5 February 2026

Important dates for media representatives, analysts and investors

20 March 2026	Publication of the 2025 Annual Report
10 April 2026	Results for Q1 2026
13 April 2026	2026 Annual General Meeting
25 August 2026	Half-year results for 2026
30 October 2026	Results for Q1 to Q3 2026
29 January 2027	Annual results for 2026

Note on the binding nature of this Media Release

This Media Release is a translation of the original German version and is provided for informational purposes only. In the event of differences or ambiguities between the English and the German version of this Media Release, the German version shall prevail.