Luzerner Kantonalbank

Media Release

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

Results of Luzerner Kantonalbank AG for the first to third quarter of 2025

LUKB reports steady increase in income and profit in the third quarter of 2025

- **Consolidated profit of CHF 223.3 million (up 3.4 %)**
- **Increase in income to CHF 516.2 million (up 6.8 %)**
- **Growth in all main pillars of income:**
  - **Interest operations up 5.6 %**
  - **Commission business and services up 9.5 %**
  - **Trading business up 23.3 %**
- **Cost-income ratio stable at a low level: 46.2 %**
- **Consolidated profit in 2025: forecast increased to slightly higher than in the previous year (2024: CHF 286.6 million)**

Lucerne, 24 October 2025 – **Luzerner Kantonalbank AG (LUKB) increased its consolidated profit by 3.4 % over the corresponding period in the previous year to CHF 223.3 million by the end of the third quarter of 2025. The operating result from core business was up 6.4 %. All three main pillars of income – interest, commission and trading activities – contributed to the increase in operating income to CHF 516.2 million (up 6.8 %), with the quarterly result from interest operations slowing only slightly in spite of the reduction in the policy rate. LUKB now expects consolidated profit for the 2025 financial year to be slightly higher than in the previous year (2024: CHF 286.6 million).**

The consolidated profit of Luzerner Kantonalbank AG (LUKB) amounted to CHF 223.3 million at the end of the third quarter of 2025. This is CHF 7.3 million (3.4 %) higher than in the corresponding period of the previous year. LUKB posted income growth in all relevant areas: in interest, commission and trading activities, although growth in interest operations slowed as expected due to the interest rate environment.

Slower growth in interest operations

At CHF 346.2 million, the **net result from interest operations** was CHF 18.2 million higher than in the previous year (up 5.6 %). Although the policy rate was cut to 0 % in June 2025, net interest income fell by only CHF 3.5 million to CHF 114.5 million in the third quarter compared with the second quarter; this is still above the result for the first quarter of 2025 (CHF 113.7 million).

The decline in income in the lending business was almost offset by a range of activities in interest and liquidity management. Daniel Salzmann, CEO of LUKB, notes: "Thanks to further adjustments to the interest conditions in the deposit business and a successful hedging policy, net interest income is above our target figure." Another driver behind the higher-than-expected net interest income was the increase in loans to clients. These have increased by CHF 1,761 million since the start of the year (up 4.1 %).

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Continuous increase in non-interest income

Within the **commission business and services**, LUKB increased its result over the corresponding period in the previous year by CHF 9.1 million to CHF 105.0 million (up 9.5 %), primarily thanks to the CHF 9.4 million increase in income from securities trading and investment activities (up 11.5 %).

New money in advisory or asset management mandates (excluding institutional clients) amounted to CHF 882 million. As a result, LUKB has already almost reached its stated annual target of net growth of CHF 1 billion. Client assets under management increased by CHF 1.592 billion to CHF 41.081 billion by the end of September 2025 (including performance).

LUKB posted an even more significant increase in **trading activities**, which was up CHF 10.6 million to CHF 55.8 million (up 23.3 %). CEO Daniel Salzmann comments: "LUKB's trading activities include foreign currencies, securities trading, structured products and digital assets. We were able to make gains in all subsections."

Taking into account **other ordinary net** income of CHF 9.2 million, which fell significantly compared to the previous year (down 36.4 %), this resulted in **operating income** for the first nine months of 2025 of CHF 516.2 million, up 6.8 % over the corresponding period in the previous year.

Underproportionate increase in costs

This increase in income was offset by a 6.0 % increase in operating expenses at CHF 241.5 million. The most significant item – personnel expenses – amounted to CHF 163.0 million (up 4.5 %) after three quarters in 2025. Headcount increased by a further 37.5 full-time equivalent positions to 1,218.5 FTEs since the beginning of the year. General and administrative expenses rose to CHF 70.0 million (up 10.0 %), which is attributable, among other things, to higher operating costs due to investments in IT and to the bank's activities in connection with its 175th anniversary.

All in all, this results in a cost-income ratio of 46.2 %, which is well below our own strategic target of no more than 50 %.

Consolidated profit up

LUKB's operating result after three quarters of 2025 came to CHF 252.4 million, up 6.4 % on the corresponding period in the previous year. Taking into account the extraordinary net income and tax expenses, consolidated profit for the first three quarters of 2025 amounted to CHF 223.3 million. This represents an increase of 3.4 % compared with the corresponding period in the previous year (up CHF 7.3 million), which was affected by significant positive non-recurring effects following the sale of the real estate division of Fundamenta Real Estate Holding.
Although policy rates have fallen more sharply than expected in the current year and political and economic uncertainties have increased, LUKB has been able to further expand its operating profitability at a high level in recent months. At the same time, impairments remain at a very low level. As in the previous quarter, LUKB is once again able to raise its forecast for the current year. CEO Daniel Salzmann explains the background: "Since 2015, LUKB has demonstrated several times that it can operate successfully in a challenging – even negative – interest rate environment. This wealth of experience has also proven valuable in the current environment and, in particular, has underpinned our largest pillar of income: namely net interest income."

LUKB expects to close out 2025 with higher consolidated profit than the previous year (2024: CHF 286.6 million) and thus slightly above the previously communicated target range of CHF 265 million to CHF 285 million.

Key figures of the LUKB Group

	9M 2025	9M 2024	Change	
	(in CHF)	(in CHF)	(in CHF)	(in %)
Net result from interest operations	346.2 million	328.0 million	+18.2 million	+5.6
Result from commission business and services	105.0 million	95.8 million	+9.1 million	+9.5
Result from trading activities and the fair value option	55.8 million	45.3 million	+10.6 million	+23.3
Other result from ordinary activities	9.2 million	14.4 million	-5.2 million	-36.4
Operating income	516.2 million	483.5 million	+32.7 million	+6.8
Operating expenses	241.5 million	227.7 million	+13.7 million	+6.0
Operating result	252.4 million	237.1 million	+15.3 million	+6.4
Extraordinary income/change in reserves for general banking risks	0.2 million	7.1 million	-6.9 million	-97.0
Consolidated profit	223.3 million	216.0 million	+7.3 million	+3.4

Strategic growth targets

	Annual targets	Current as at 30 September 2025
New money in advisory or asset management mandates	>CHF 1 billion	CHF 882 million
Non-interest income	>CHF 215 million	CHF 170 million
Credit growth	2.00 to 3.75 %	4.1 %

Other key figures (in CHF or in %)

	30 September 2025	31 December 2024		
Cost-income ratio	46.2 %	46.1 %		
Risk-weighted assets	28,037.2 million*	28,208.5 million		
Eligible capital	5,664.3 million	5,210.3 million		
CET1 ratio	14.3 %	13.9 %		
Total capital ratio	20.2 %	18.5 %		
Leverage ratio	7.8 %	7.7 %		
	*Comparison with the previous year is only possible to a limited extent as the risk weights were finally adjusted as part of the switch to Basel III.			

Further information

Quarterly results for the first to third quarters (consolidated income statement and consolidated balance sheet), Financial information on the LUKB website (link)