Luzerner Kantonalbank

Half-year results for 2026

Agenda

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In brief

LUKB's market environment and management measures

In brief

Market environment in 2026

- Moderate GDP growth of 1.1 %
- Slight year-on-year rise in inflation of 0.6 %
- Canton of Lucerne in above-average condition
- SNB policy rate at 0 % since June 2025
- Regulatory:
  - Stricter requirements
  - Higher compliance costs
  - Greater FINMA influence in the banking system

LUKB management measures

- Targeted management of the balance sheet and interest conditions
- Adherence to the proven, very risk-conscious lending policy

The half-year results for 2026 in brief

In brief

- Record half-year profit: consolidated profit 161.4 million Swiss francs (+7.1 %)
- Rise in profitability: operating income 369.2 million Swiss francs (+6.3 %)
- Increased diversification: Non-interest income +12.7 %
- Zero-interest-rate environment cleverly managed: interest income +3.1 %
- Efficiency kept high: 45.5 % cost-income-ratio

S&P credit rating: AA+ confirmed

In brief

S&P Global Ratings

	2023	2024	2025	2026
Rating for non-current liabilities	AA	AA+	AA+	AA+
Rating for current liabilities	A-1+	A-1+	A-1+	A-1+

ESG ratings established at a high level

In brief

ESG ratings for LUKB	2023	2024	2025	2026
MSCI: ESG risk[1)]	AA	AA	AA	AA
Inrate: ESG impact[2)]	B-	B	B	B*
Inrate: Corporate governance (zRating)[3]	70	72	74	74*
Sustainalytics (Morningstar): ESG risk[4)]	Medium	Medium	Medium	Medium*
ISS: ESG impact, risks & opportunities (IRO)[5]	Not Prime D+	Not Prime D+	Prime C	Prime C*

* not yet updated in 2026

1 Scale: AAA (best rating), AA, A, BBB, BB, B, CCC; AA rating confirmed as of 01.06.2026
2 Scale: A+ (best rating), A, A–, B+, B, B–, C+, C, C–, D+, D, D–
3) Scale from 100 points (best rating) to 1 point
4 Scale: 'Negligible ESG risk' (best rating), 'Low ESG risk,' 'Medium ESG risk,' 'High ESG risk,' 'Severe ESG risk'
5 Scale: A+ (best rating), A, A–, B+, B, B–, C+, C, C–, D+, D, D–

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Half-year results for 2026

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Active interest rate risk management cushions the SNB's low interest rate policy

Half-year results for 2026

Comparison with the same period in the previous year

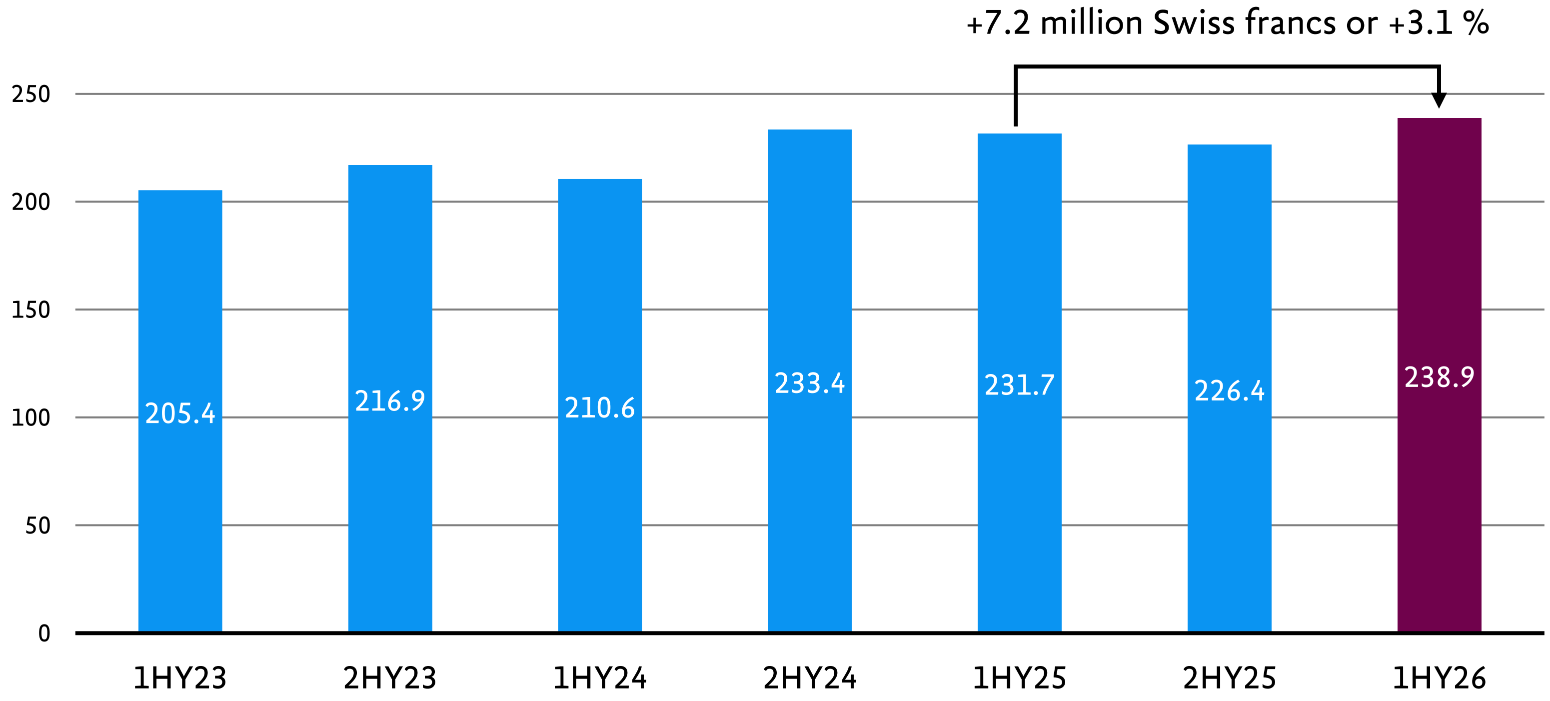
- Highest net interest income ever achieved
- +3.1 % versus the same period in the previous year
- Net result from interest operations: 238.9 million Swiss francs

Well positioned thanks to active interest rate risk management

- Positive margin development in the lending business
- Active management of financial assets
- Higher contribution to earnings from interest rate hedging business

Development of net result from interest operations

in million Swiss francs



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Prudent development of the lending business

Half-year results for 2026

Development since the end of 2025

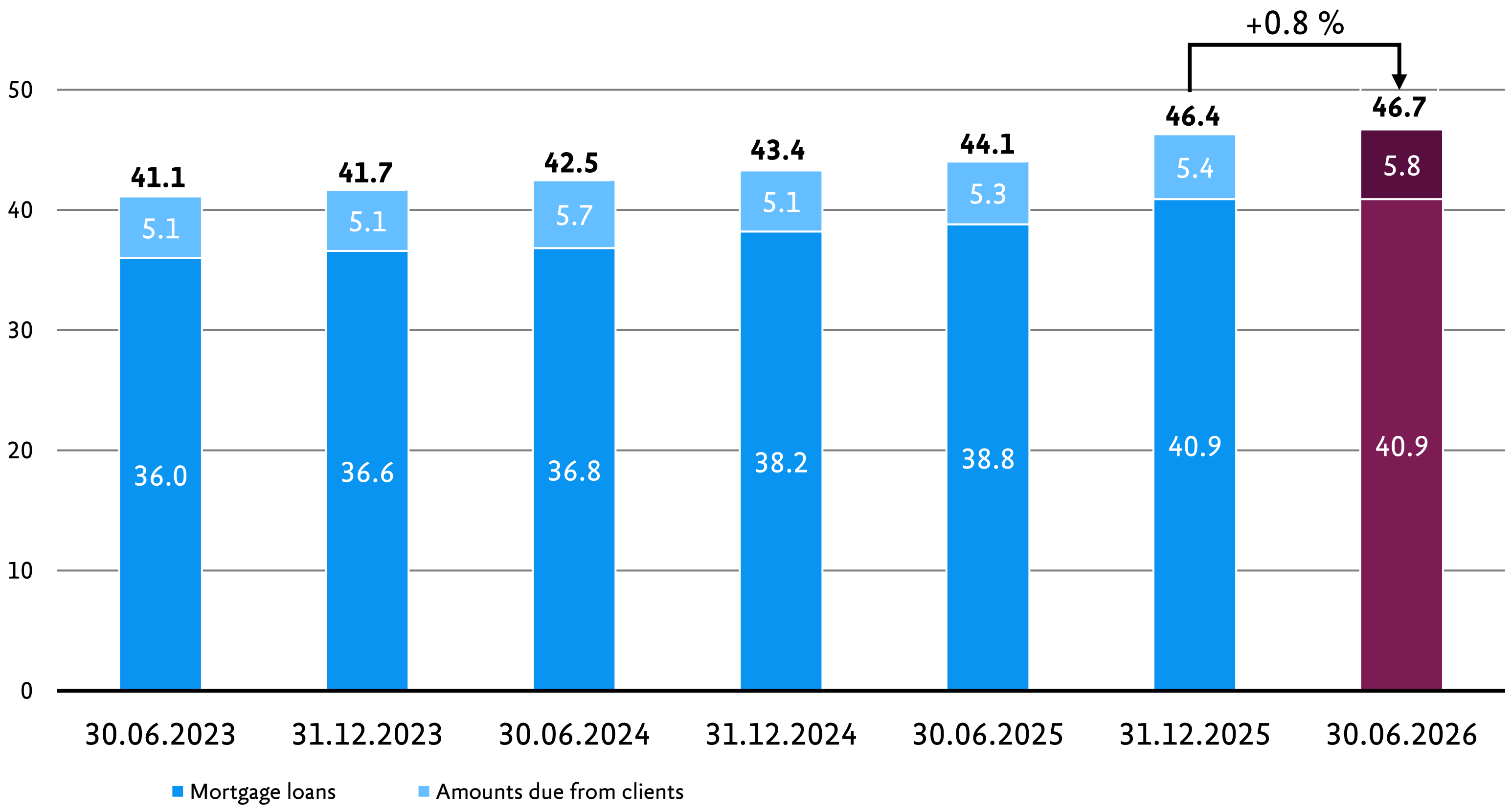
- Loans to customers as of 30.06.2026
  46.7 billion Swiss francs (+0.8 %)
  - Mortgage loans (-0.1 %)
    Decline in CISA financing → growth in ordinary mortgage business (+0.6 billion Swiss francs)
  - Amounts due from clients (+7.2 %)

Companies with high demand for credit

- Targeted use of regulatory capital to meet demand in the lending business
- Strong demand for business loans thanks to the long-term commitment of the entrepreneur bank
- Increased demand for Lombard loans

Development of loans to customers

in billions of Swiss francs

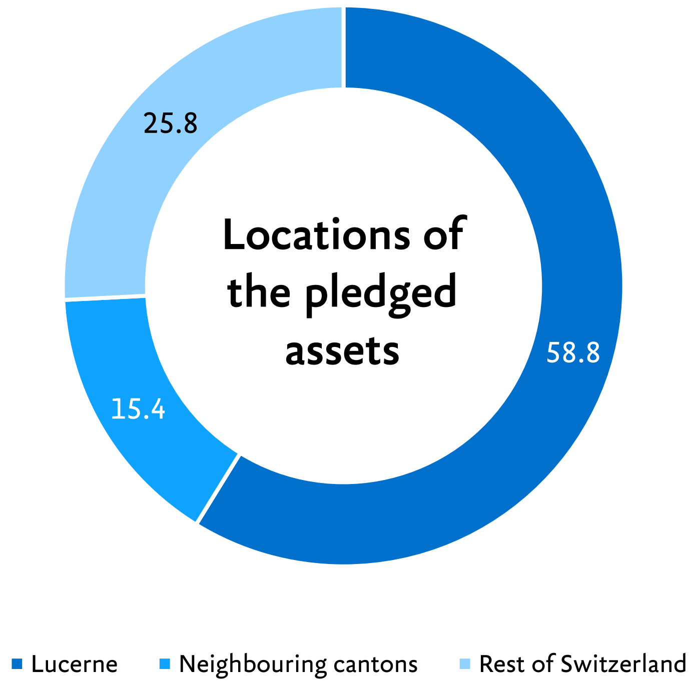


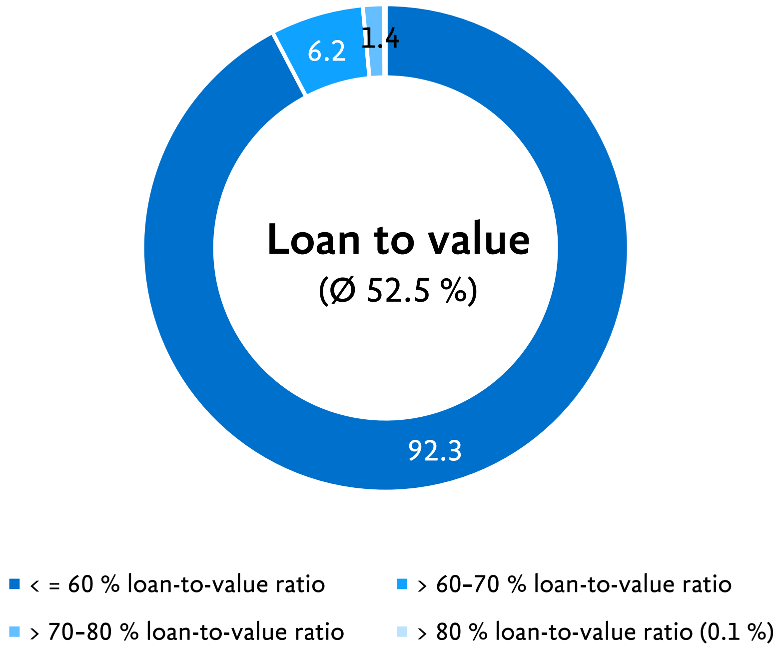
Low average loan-to-value ratio for residential properties

Half-year results for 2026

Locations of the pledged assets and loan to value

in percent (as at 30.06.2026)





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Quality of the lending portfolio remains high

Half-year results for 2026

Conservative credit risk policy has a positive impact

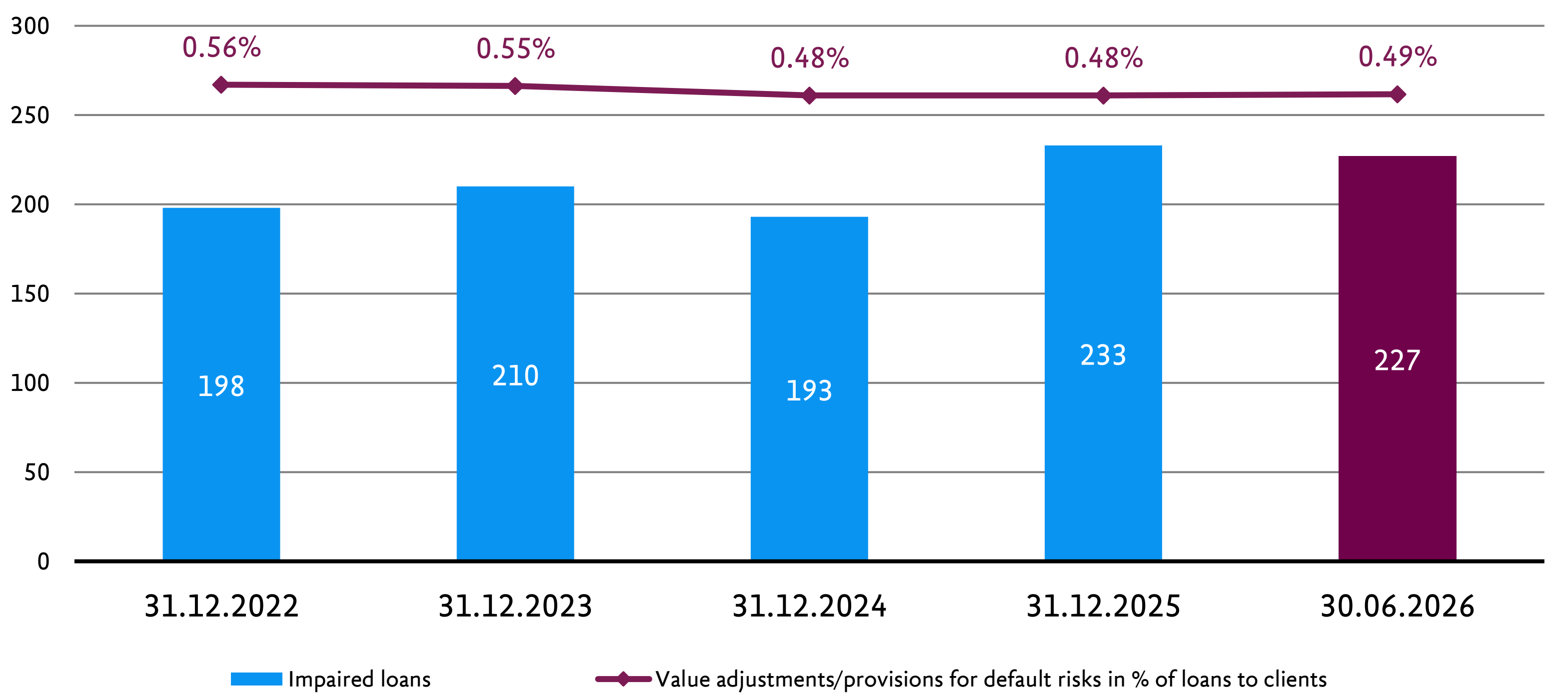
- Traditionally low value adjustment requirement
- Value adjustment expenses unchanged in moderate range
- Quality of loan portfolio very good over the years

Breakdown of value adjustment portfolio

- Specific value adjustments: 128.6 million Swiss francs
- Value adjustments for inherent default risks: 89.6 million Swiss francs

Development of impaired loans and value adjustments

in million Swiss francs or % of loans to customers



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Strong growth in strategically key commission business and services

Half-year results for 2026

Comparison with the same period in the previous year

Result from commission business and services: 77.5 million Swiss francs (+11.1 % compared to the same period in the previous year)

Primary earnings drivers

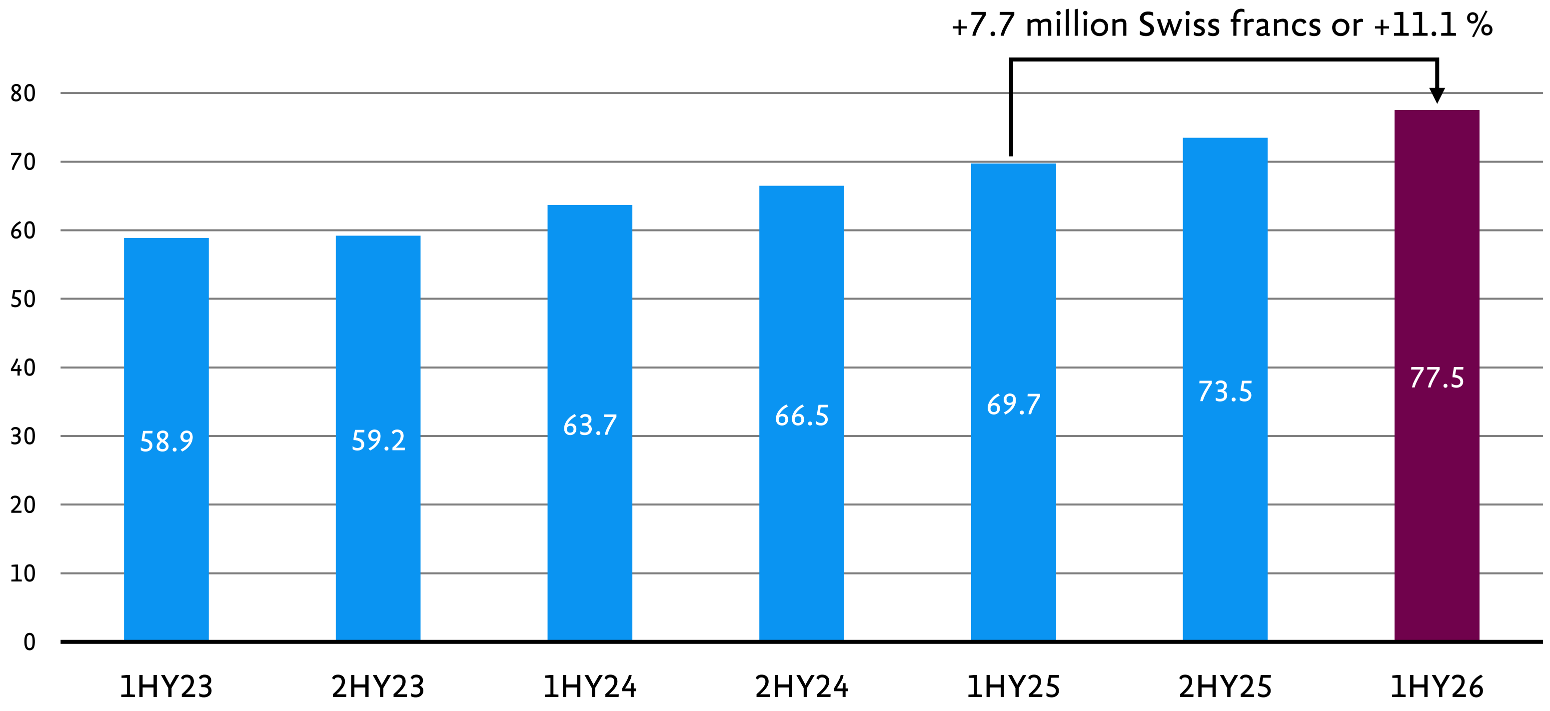
- Continuous increase in advisory and asset management mandates
- Demand for specialist advice

Successful funds

- Above-average return on LUKB Expert funds
- Fund volume increased by 12.6 % to 7.341 billion Swiss francs (compared to the end of 2025)

Development of result from commission business and services

in million Swiss francs



Desired increase in mandated client assets

Half-year results for 2026

Compared to the end of 2025

- Client assets under management as at 30.06.2026: 43.993 billion Swiss francs (+3.3 %)
  - Net new money: +0.709 billion Swiss francs
  - Performance: +0.677 billion Swiss francs
- Percentage of mandated client assets increased further by 806 million Swiss francs after adjustment for performance

Reduced cash ratios in mandates

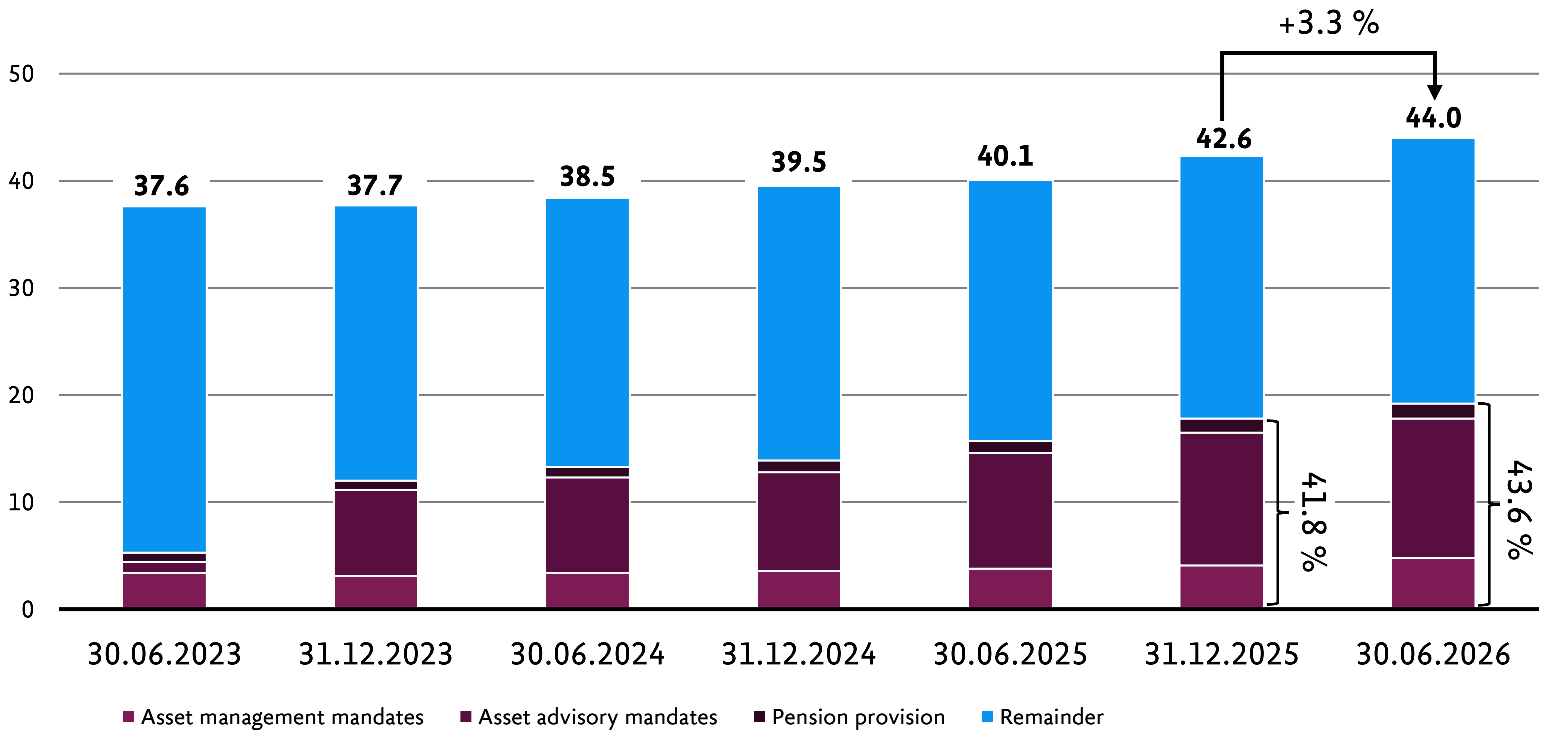
Reduction of cash ratio within mandates influences amounts due to clients

Growth in the number of mandates

Strong expansion in asset management and asset advisory mandates across all client segments and within all geographical target markets

Development and composition of client assets under management

in billions of Swiss francs



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Result from trading activities: growth with unchanged risk exposure

Half-year results for 2026

Comparison with the same period in the previous year

Result from trading activities:
45.5 million Swiss francs (+12.1 % compared to the same period in the previous year)

Trading activities

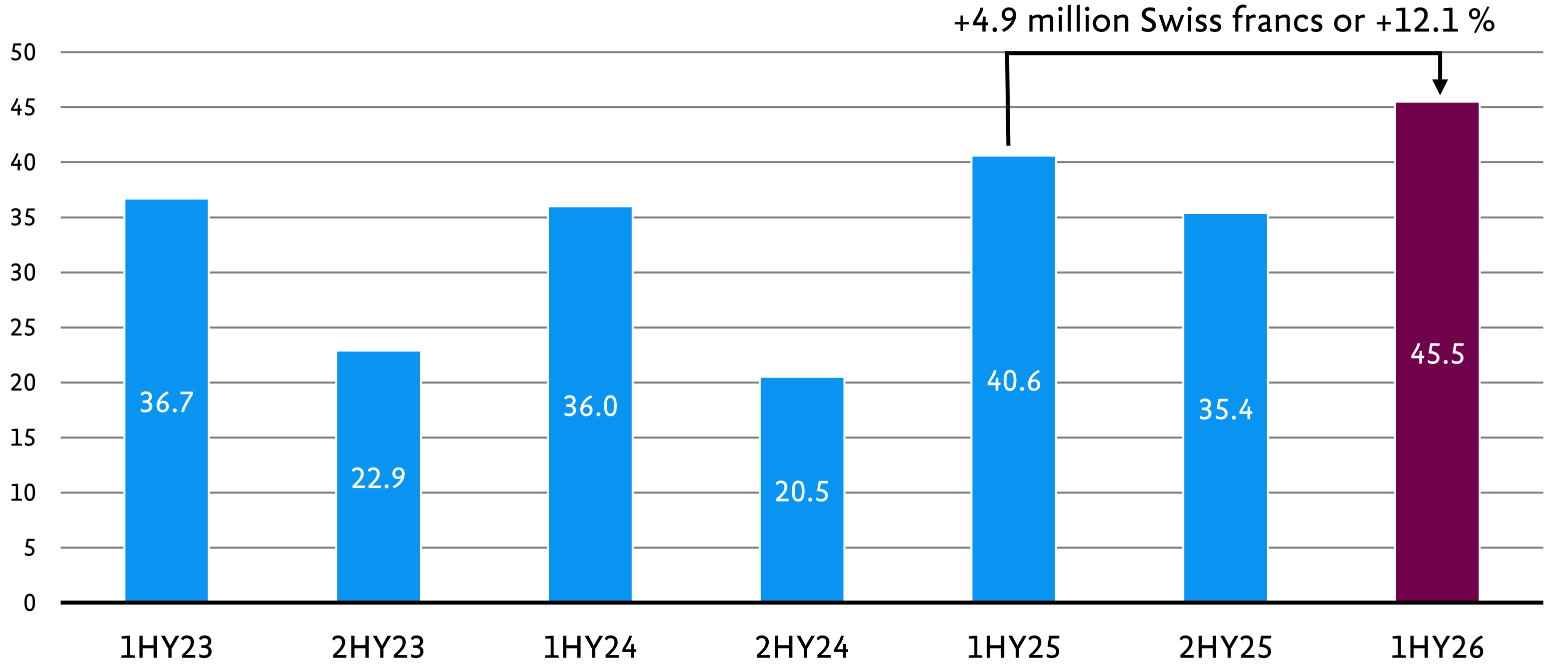
- Increase in client activity in foreign exchange and foreign currency trading boosts profitability
- Strong demand for structured products: revenue exceeding 1.3 billion for the first time in a single half-year

Risk management

- Strong portfolio hedging
- Risk limits have been stable for years despite consistent expansion of activities

Development of result from trading activities

in million Swiss francs



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Other result from ordinary activities slightly up

Half-year results for 2026

Comparison with the same period in the previous year

Other result from ordinary activities:
7.3 million Swiss francs (+38.4 % compared to the same period in the previous year)

Higher income from financial investments

Disposals of equity securities from financial investments in the current financial year

→ Increase in compulsory hidden reserves of 4 million Swiss francs

Consistent earnings from real estate

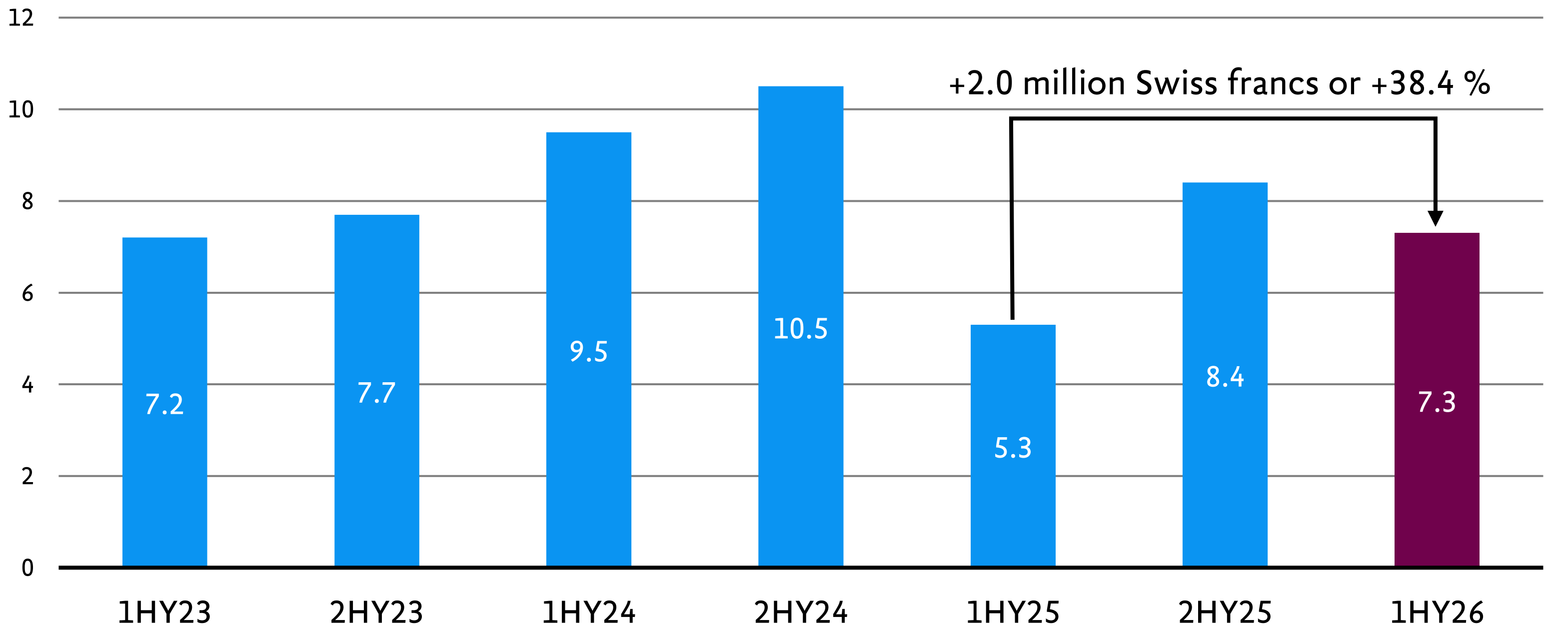
- LUKB properties fully let out
- Earnings from real estate unchanged at 3.9 million Swiss francs

LUKB target

- Generate sustainable additional income from financial assets and own properties

Development of other result from ordinary activities

in million Swiss francs



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Income substantially increased and diversified

Half-year results for 2026

Comparison with the same period in the previous year

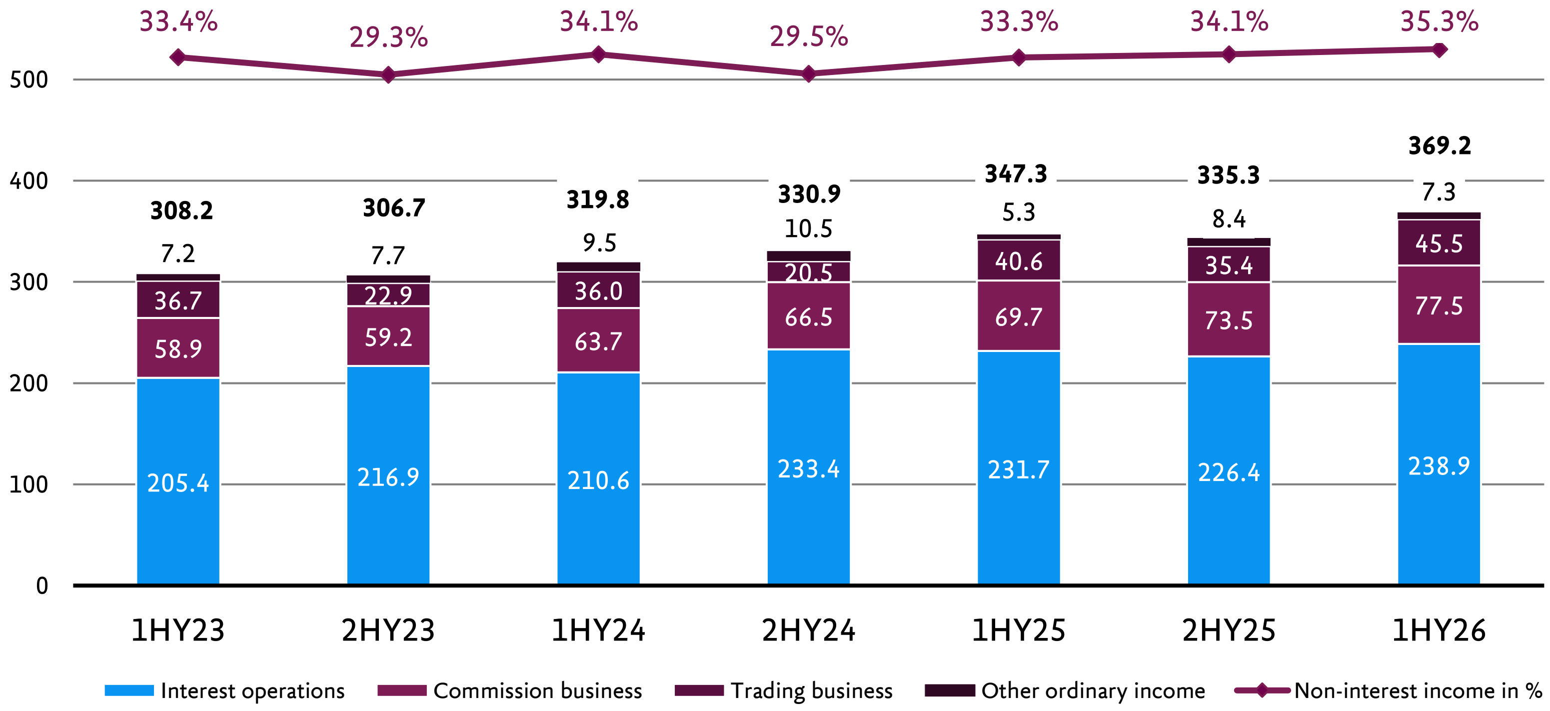
- Operating income +6.3 % versus the same period in the previous year
- Interest operations: +7.2 million Swiss francs (+3.1 %)
- Commission business: +7.7 million Swiss francs (+11.1 %)
- Trading business: +4.9 million Swiss francs (+12.1 %)
- Other ordinary income: +2.0 million Swiss francs (+38.4 %)

Diversification of gross income

- Increase in non-interest income of 33.3 % (first half of 2025) to 35.3 % (first half of 2026) despite positive interest income development
- Broad-based business model stabilises development of total income
- Market-related weaknesses in one market area are compensated by strengths in other market areas

Development of operating income by income component

in million Swiss francs



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Increase in expenses in line with strategy

Half-year results for 2026

Comparison with the same period in the previous year

- Personnel expenses: 115.6 million Swiss francs (+6.4 %)
- General and administrative expenses: 49.5 million Swiss francs (+4.5 %)
- Compensation for the state guarantee: 5.9 million Swiss francs (+3.5 %)

Investment in additional specialists

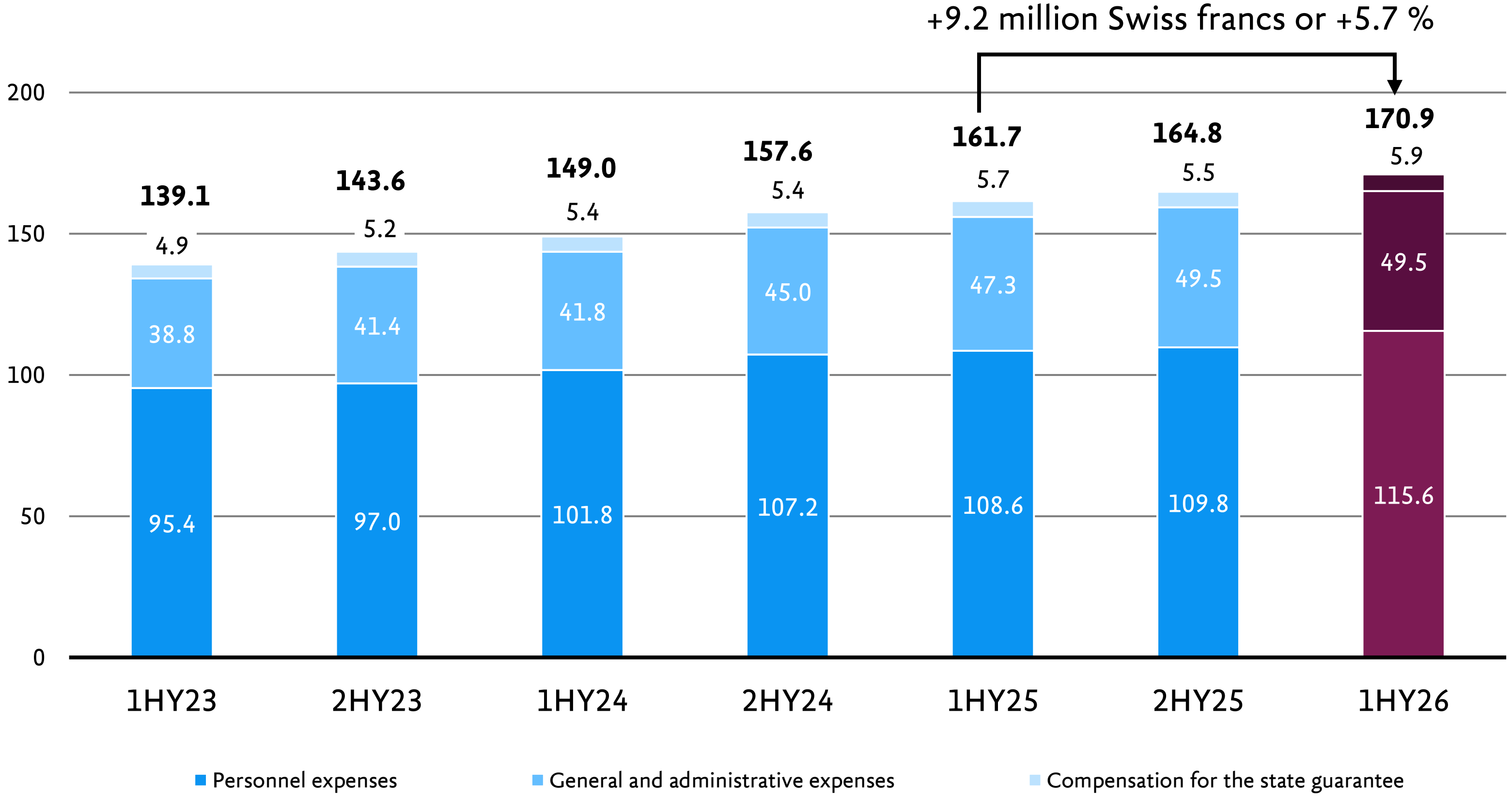
- Increase in headcount: primarily in customer-facing special functions and in the areas of ICT/digitisation (+19.8 full-time equivalents)
- Drivers of general and administrative expenses are reviewed on an ongoing basis

Consistently low cost-income-ratio

Cost-income-ratio of 45.5 % is well within the company's own target range (strategic objective: <50 %)

Development of operating expenses

in million Swiss francs



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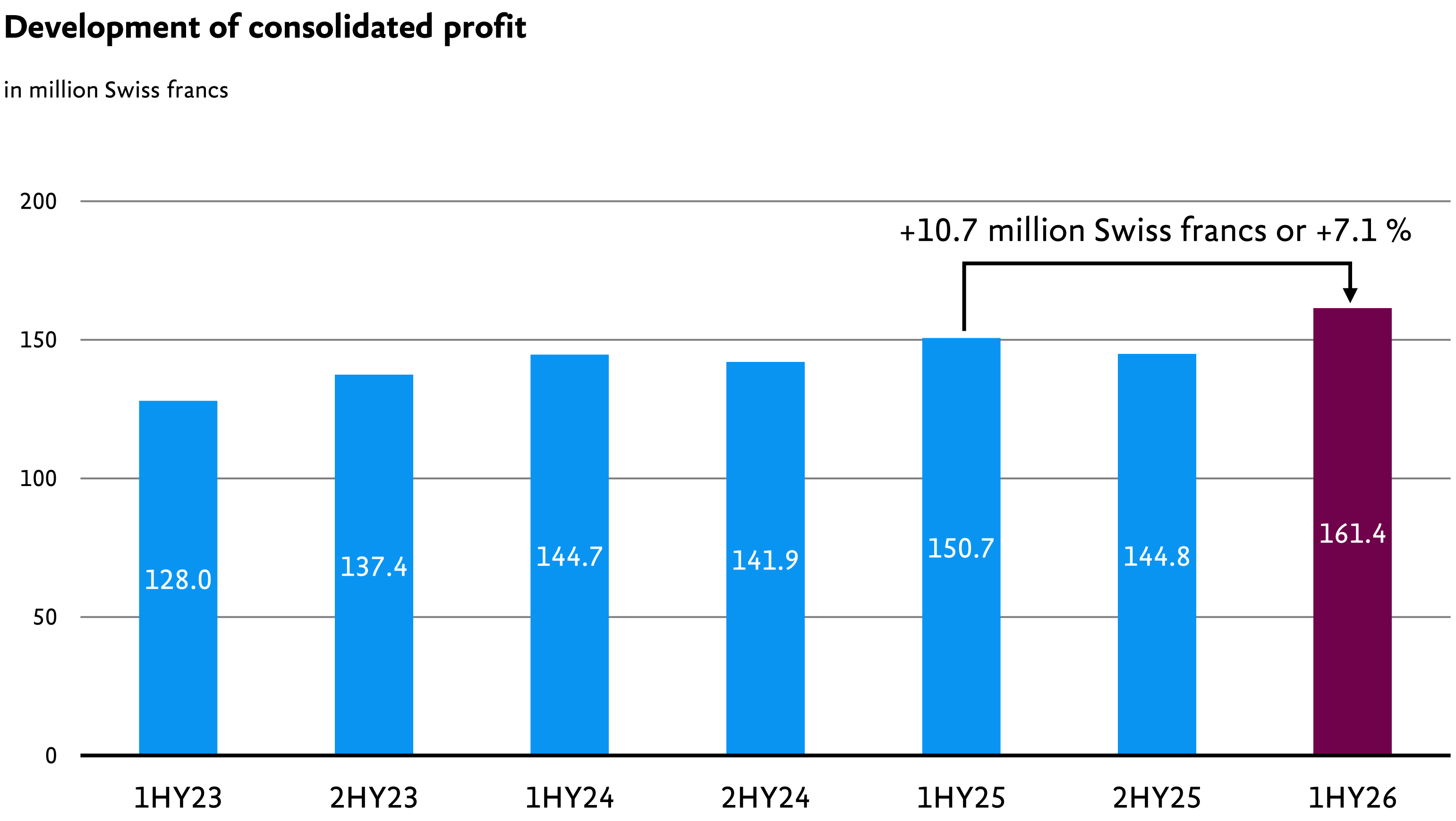
Highest half-year consolidated profit

Half-year results for 2026



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Outlook for 2026 annual results

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Assessment of market environment

Outlook for 2026 annual results

- LUKB expects solid economic growth of 1.2 % for 2026, with inflation expected at 0.6 %.
- Inflation is expected to rise moderately towards 1.0 % in 2027.
- The Swiss National Bank (SNB) is likely to leave the policy rate at 0.0 % this year.
- Despite all the geopolitical adversities, the Swiss economy is performing robustly and is supported by positive domestic demand.

Positive expectations for the 2026 financial year

Outlook for 2026 annual results

	6M 2026	Targets for 2026	Targets for 2030
Consolidated profit	161 million Swiss francs	305 to 320 million Swiss francs*	> 340 million Swiss francs
Non-interest income	130 million Swiss francs	> 240 million Swiss francs	> 310 million Swiss francs
Net growth in asset advisory and asset management mandates (performance-adjusted)	806 million Swiss francs	> 1.2 billion Swiss francs	> 1.8 billion Swiss francs
Net growth in lending business	+0.8 %	3.5 to 5.5 %	2.5 to 4.0 %
Cost-income-ratio	45.5 %	< 50 %	

*Increased as of August 2026 (previously > 295 million Swiss francs)

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«LUKB30»: 50 million Swiss francs for strategic projects

Outlook for 2026 annual results

Overview of strategic initiatives for 2026 to 2030

Investing and private banking

- Further development of the investment business
- Intensification of client support and advice
- Strengthening of the EAM business

Capital market

- Expansion of trading/structured products
- Expansion of digital asset activities

AI and data

- Expansion of AI competence centre
- Digital financial assistance
- Data-driven sales

Brand and people

- Brand evolution
- Leadership programmes

Sales of the future

- Further development of the advisory centre
- CX management culture

Your questions

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Key equity figures

Annex

Key figures per share in Swiss francs	2022*	2023	2024	2025	6M 2026
Closing price (at the end of the period)	82.70	72.00	63.90	92.70	110.20
Book value (at the end of the period)	76.11	78.20	82.02	85.31	85.87
Consolidated profit/share (earnings per share, EPS)	5.34	5.38	5.81	5.97	6.52
Price-to-earnings ratio (based on net profit)	13.95	13.40	10.11	15.52	16.91
Price-to-book ratio	1.09	0.92	0.78	1.09	1.28
Total return (distribution + value change)	2.20	-7.00	-5.60	31.40	20.20
in % of prior-year closing price	2.7 %	-8.5 %	-7.8 %	49.1 %	21.8 %

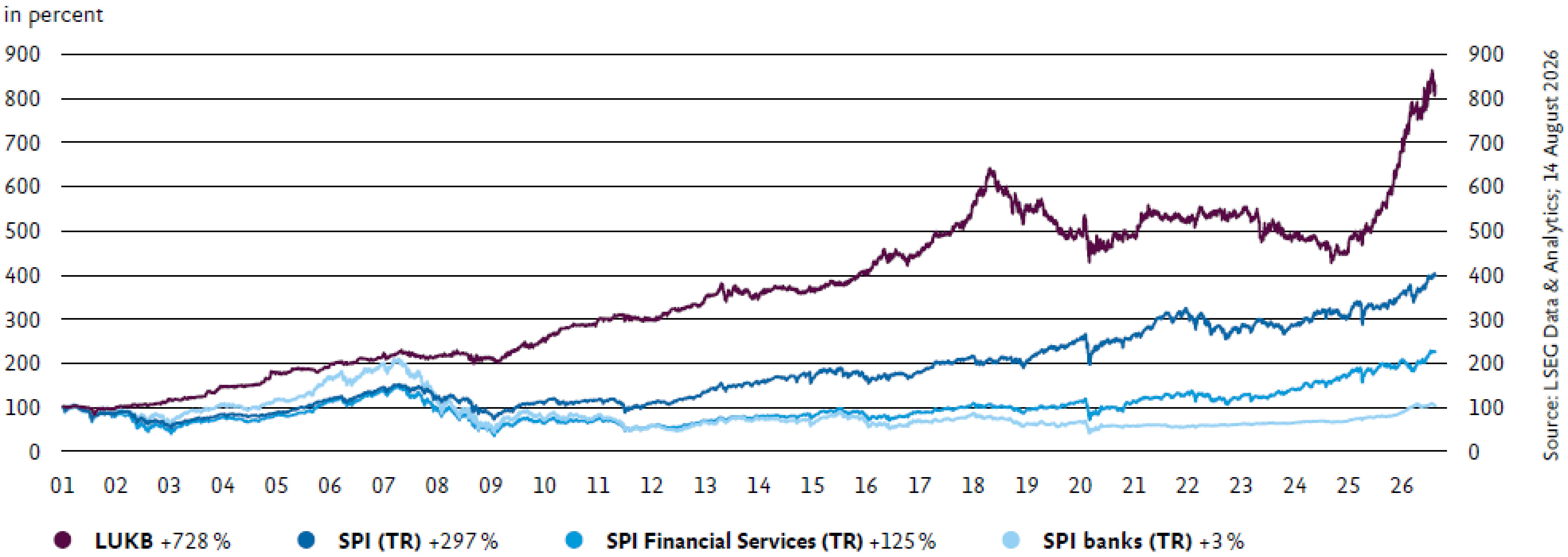
*split 1:5 from April 2023 also taken into account in previous years

LUKN: Defensive stock with attractive risk-return profile

Annex

Total return

Since the IPO (12 March 2001: first trading day for the LUKB share after the change of legal form), LUKB's total return (distribution of profits plus value change) until 14 August 2026 has been 728 %.



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