Luzerner Kantonalbank

Disclosure Report

as at 30 June 2026

Disclosure Report

Contents

Introduction

Luzerner Kantonalbank AG (LUKB) clearly meets all regulatory requirements.

More than 72 % of eligible regulatory capital consists of Common Equity Tier 1 capital (4.159 billion Swiss francs). The main components of other eligible regulatory capital are the four subordinated Additional Tier 1 bonds and the two subordinated Tier 2 bonds issued by LUKB. Since May 2026, the subordinated Tier 2 bond CH111 224 6744 (nominal value 400 million Swiss francs, contractual expiry date if the termination option is not exercised: 14 May 2031), only 80 % of the nominal value has been credited to regulatory capital in compliance with the rules.

The total capital ratio was 20.6 % as at 30 June 2026 (as at 31 December 2025: 20.6 %). This figure is within the strategic target of 19.0 % to 21.0 % (regulatory minimum requirement as at 30 June 2026: 13.2 %[1]). This also complies with the minimum requirement of 19.0 % set out in the Ownership Strategy of the Canton of Lucerne for LUKB published on 17 April 2025.

The Common Equity Tier 1 (CET1) ratio was 14.9 % as at 30 June 2026 (as at 31 December 2025: 14.7 %) and clearly exceeds the strategic minimum target of 14.0 % (regulatory minimum requirement: 9.0 %[1)]).

The leverage ratio as at 30 June 2026 was 7.7 % (as at 31 December 2025: 7.7 %).

The average short-term liquidity ratio (LCR) for the first and second quarters of 2026 was 142.7 % and 135.6 % respectively, and the net stable funding ratio (NSFR) as at 30 June 2026 was 121.6 % (as at 31 March 2026: 121.7 %) with a minimum requirement under the Liquidity Ordinance (LiqO) of 100 % for both ratios.

This Disclosure Report complies with the information required by the 'FINMA Ordinance on Disclosure Obligations'. Where the figures and explanations required by the ordinance are not applicable to LUKB (e.g. because either the relevant business activities are not conducted or the standards, calculation approaches and models are not used), the corresponding tables or rows in the tables are not shown. Although LUKB discloses financial information on a quarterly basis, it may limit itself to semi-annual disclosure in accordance with the ordinance. Unless stated otherwise, the figures refer to the LUKB Group.

---

1) Including countercyclical buffers pursuant to Art. 44 and 44a CAO

Transitional periods

As of 30 June 2026, there are no transitional provisions relevant to LUKB.

Overview of tables in accordance with DisO-FINMA

Reference	Table name	Applicable for LUKB	Disclosure frequency
KM1	Key metrics	yes	semi-annually
KM2	Key metrics – TLAC requirements (at resolution group level)	no	-
OVA	Bank's risk management approach	yes	annually
OV1	Overview of risk weighted assets (RWA)	yes	semi-annually
CMS1	Comparison of RWA according to the model approach and the standardised approach at risk type level	no	-
CMS2	Comparison of RWA for credit risk according to the internal ratings-based approach (IRB) and the standardised approach for credit risk (SA-BIS) at asset class level	no	-
CCA	Main features of regulatory capital instruments and of other TLAC-eligible instruments	yes	annually and in case of changes
CC1	Composition of regulatory capital	yes	annually
CC2	Reconciliation of regulatory capital to the balance sheet	yes	annually
TLAC1	TLAC composition for G-SIBs (at resolution group level)	no	-
TLAC2	TLAC on material subgroup entity: creditor ranking at legal entity level	no	-
TLAC3	Resolution entity – creditor ranking at legal entity level	no	-
LIA	Explanations of differences between accounting and regulatory exposure amounts	yes	annually
LI1	Reconciliation of accounting and regulatory exposure amounts	yes	annually
LI2	Main sources of differences between regulatory exposure amounts and carrying values	yes	annually
PV1	Prudent valuation adjustments (PVA)	yes	annually
ENC	Encumbered and unencumbered assets	yes	semi-annually
REMA	Remuneration: policy	no	-
REM1	Remuneration: remuneration awarded during the financial year	no	-
REM2	Remuneration: special payments	no	-
REM3	Remuneration: deferred remuneration	no	-
CRA	Credit risk: general qualitative information	yes	annually
CR1	Credit risk: credit quality of assets	yes	annually
CR2	Credit risk: changes in stock of defaulted loans and debt securities	yes	annually
CRB	Credit risk: additional disclosure related to the credit quality of assets	yes	annually
CRC	Credit risk: qualitative disclosure requirements related to credit risk mitigation techniques	yes	annually
CR3	Credit risk: credit risk mitigation techniques – overview	yes	annually
CRD	Credit risk: qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk	yes	annually
CR4	Credit risk: standardised approach – credit risk exposure and credit risk mitigation (CRM) effects	yes	annually
CR5	Credit risk: standardised approach – exposures by asset classes and risk weights	yes	annually
CRE	IRB: qualitative disclosures related to IRB models	no	-
CR6	IRB: credit risk exposures by asset class and probability of default (PD) range	no	-
CR7	IRB: effect on RWA of credit derivatives used as CRM techniques	no	-

Reference	Table name	Applicable for LUKB	Disclosure frequency
CR8	IRB: RWA flow statements of credit risk exposures	no	-
CR9	IRB: back-testing of PD per asset class	no	-
CR10	IRB: specialised lending under the slotting approach	no	-
CCRA	Counterparty credit risk: general qualitative information	yes	annually
CCR1	Counterparty credit risk: analysis of exposures by approach	no	-
CCR3	Counterparty credit risk: standardised approach - exposures by asset classes and risk weights	yes	annually
CCR4	IRB: CCR exposures by asset class and PD scale	no	-
CCR5	Counterparty credit risk: composition of collateral for CCR exposure	yes	annually
CCR6	Counterparty credit risk: credit derivatives exposures	yes	annually
CCR7	Counterparty credit risk: RWA flow statements of CCR exposures under the Expected-Positive-Exposure (EPE) approach	no	-
CCR8	Counterparty credit risk: exposures to central counterparties	yes	annually
SECA	Securitisations: general qualitative information	no	-
SEC1	Securitisations: exposures in the banking book	no	-
SEC2	Securitisations: exposures in the trading book	no	-
SEC3	Securitisations: exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	no	-
SEC4	Securitisations: exposures in the banking book and associated regulatory capital requirements – bank acting as investor	no	-
MRA	Market risk: general qualitative information	yes	annually
MR1	Market risk: regulatory capital requirements under the standardised approach	yes	annually
MRB	Market risk: qualitative disclosures for banks using the Internal Model Approach (IMA)	no	-
MR2	Market risk: regulatory capital requirements under the model approach	no	-
MR3	Market risk: regulatory capital requirements under the simplified standardised approach	no	-
CVAA	CVA risk: general qualitative information	yes	annually
CVA1	CVA risk: reduced basic approach for CVA (BA-CVA)	yes	annually
CVA2	CVA risk: full basic approach for CVA (BA-CVA)	no	-
CVAB	CVA risk: qualitative disclosures for banks using the SA-CVA	no	-
CVA3	CVA risk: quantitative disclosures for the standardised approach for CVA (SA-CVA)	no	-
CVA4	CVA risk: RWA flow statements of CVA risk exposures under SA-CVA	no	-
ORA	Operational risk: general qualitative information	yes	annually
OR1	Operational risk: Historical losses	no	-
OR2	Operational risk: Business Indicator and subcomponents	yes	annually
OR3	Operational risk: Minimum required capital	yes	annually
IRRBBA	Interest rate risk: risk management objective and policies	yes	annually
IRRBBA1	Interest rate risk: quantitative information on exposure structure and repricing	yes	annually
IRRBB1	Interest rate risk: quantitative information on IRRBB	yes	annually
GSIB1	Disclosure of G-SIB indicators	no	-
CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	no	-
LR1	Leverage Ratio: comparison of balance sheet assets and leverage ratio exposure	yes	annually
LR2	Leverage Ratio: detailed disclosure	yes	annually
LIQA	Liquidity: liquidity risk management	yes	annually
LIQ1	Liquidity coverage ratio (LCR)	yes	semi-annually
LIQ2	Net stable funding ratio (NSFR)	yes	semi-annually
Annex 3	Disclosure requirements for systemically important banks	no	-
Annex 4	Disclosure related to corporate governance	yes	annually
Annex 5	Disclosure related to climate-related financial risks	no	-

Overview of risk management, key metrics and risk-weighted assets (RWA)

KM1: Key metrics (Group)

		a	c	e
	Amounts in millions Swiss francs resp. in %	**30.06.2026**	**31.12.2025**	**30.06.2025**
	Eligible capital			
1	Common Equity Tier 1 (CET1)	4,159.3	4,090.9	3,989.6
2	Tier 1 capital (T1)	5,119.0	5,050.6	4,949.3
3	Total capital	5,729.2	5,740.2	5,433.9
	Risk-weighted assets (RWA)			
4	RWA	27,836.2	27,904.3	27,566.9
	Risk-based capital ratios in % of RWA			
5	CET1 ratio	14.94 %	14.66 %	14.47 %
6	Tier 1 ratio	18.39 %	18.10 %	17.95 %
7	Total capital ratio	20.58 %	20.57 %	19.71 %
	Additional CET1 requirements (buffers) (% of RWA)			
8	Capital conservation buffer requirement according to Basel minimum requirements (2.5 %)	2.50 %	2.50 %	2.50 %
9	Countercyclical buffer requirement according to Basel minimum requirements	0.00 %	0.00 %	0.00 %
11	Total of bank CET1 specific buffer requirements according to Basel minimum requirements (rows 8 + 9)	2.50 %	2.50 %	2.50 %
12	CET1 available after meeting the banks minimum capital requirements	10.44 %	10.16 %	9.97 %
	Target capital ratios according to CAO annex 8 (% of RWA)			
12a	Capital conservation buffer according to CAO Annex 8	4.00 %	4.00 %	4.00 %
12b	Countercyclical capital buffer according to CAO Art. 44 and Art. 44a	1.21 %	1.21 %	1.15 %
12c	CET1 capital target according to CAO Annex 8 + countercyclical buffer according to CAO Art. 44 and 44a	9.01 %	9.01 %	8.95 %
12d	T1 capital target according to CAO Annex 8 + countercyclical buffer according to CAO Art. 44 and 44a	10.81 %	10.81 %	10.75 %
12e	Total capital target according to CAO Annex 8 + contercyclical buffer according to CAO Art. 44 and 44a	13.21 %	13.21 %	13.15 %
	Basel III Leverage Ratio			
13	Total Basel III leverage ratio exposure	66,614.2	65,472.3	62,431.9
14	Basel III leverage ratio (Tier 1 capital in % of total Basel III leverage ratio exposure measure, including the impact of any applicable temporary exemption of central bank reserves)	7.68 %	7.71 %	7.93 %

		a	c	e
	Amounts in millions Swiss francs resp. in %	**30.06.2026**	**31.12.2025**	**30.06.2025**
	Minimum capital requirement (CAO art. 42)			
14e	Minimum capital pursuant to Article 42(1) (a) and (b) CAO (3 % LRD or 8 % RWA)	2,226.9	2,232.3	2,205.4
	Liquidity Coverage Ratio (LCR)			
15	Total high-quality liquid assets (HQLA)	8,444.9	8,201.4	8,054.6
16	Total net cash outflow	6,227.4	6,323.9	5,599.0
17	LCR	135.61 %	129.69 %	143.86 %
	Net Stable Funding Ratio (NSFR)			
18	Available stable funding	44,840.1	44,542.7	42,608.7
19	Required stable funding	36,891.4	36,620.3	35,211.6
20	NSFR	121.55 %	121.63 %	121.01 %

OV1: Overview of risk weighted assets (RWA)

		a	b	c
	Amounts in millions Swiss francs	**RWA 30.06.2026**	**RWA 31.12.2025**	**Minimum Capital Requirement 30.06.2026**
1	Credit risk (excluding CCR – counterparty credit risk)	23,914.2	24,113.5	1,913.1
2	of which standardised approach (SA)	23,914.2	24,113.5	1,913.1
6	Counterparty credit risk (CCR)	618.8	449.9	49.5
7	of which standardised approach for counterparty credit risk (SA-CCR)	163.4	97.5	13.1
9	of which: other CCR	455.3	352.4	36.4
10	Credit valuation adjustments for derivatives and securities financing transactions (CVA)[1)]	146.0	114.0	11.7
13	Investments in funds – mandate-based approach	241.9	250.7	19.3
14	Investments in funds – fall-back approach	1,596.2	1,598.6	127.7
20	Market risk	276.8	335.0	22.1
21	of which standardised approach (SA)	276.8	335.0	22.1
24	Operational risk	1,032.3	1,032.3	82.6
25	Amounts below the thresholds for deduction (subject to 250 % risk weight)	10.1	10.3	0.8
29	**Total**	**27,836.2**	**27,904.3**	**2,226.9**

1) The capital required for the risk of possible value adjustments of derivatives (CVA risk) is calculated according to the standardised approach. CVA = Credit valuation adjustments

The increase in the value of risk-weighted exposures for counterparty credit risk compared to the end of 2025 can be explained by increased activity in securities financing transactions and derivatives business. The decline in risk-weighted positions for market risk in the first half of the year is mainly due to beneficial portfolio migrations and portfolio hedging strategies. Foreign currency risks have decreased among other things. The regulatory capital required for operational risks is recalculated once a year at year-end in accordance with the standardised approach and is generally based on financial reporting data.

Encumbering of assets

ENC: Encumbered and unencumbered assets

Amounts in millions Swiss francs	a **Encumbered assets excluding central bank facilities**	b **Central bank facilities**	c **Unencumbered assets excluding central bank facilities**	d **Total**
Liquid assets	69.1	0.0	7,966.0	8,035.1
Amounts due from banks	4.9	0.0	622.3	627.2
Amounts due from clients	0.1	0.0	5,827.1	5,827.2
Mortgage loans	9,945.2	0.0	30,944.7	40,889.9
Trading portfolio assets	64.3	0.0	1,863.8	1,928.1
Financial investments	3,052.9	132.6	2,194.6	5,380.1
Subtotal	**13,136.4**	**132.6**	**49,418.5**	**62,687.4**
Other assets	0.0	0.0	530.3	530.3
Total assets	**13,136.4**	**132.6**	**49,948.8**	**63,217.7**

Encumbered assets consist of collateral provided for derivative transactions, mortgage loans encumbered for mortgage-backed loans, obligation from the deposit insurance scheme with the SNB and securities financing transactions.

Changes compared to the previous period (31 December 2025) are mainly due to the presentation form. Previously, column b) showed all securities eligible for repo transactions with the central bank, irrespective of whether they were encumbered or unencumbered. To make the table more transparent and informative, all encumbered items are now shown in column a) and all unencumbered items are shown in column c). Column b) shows the custody cover accounts intended for central bank facilities.

Liquidity

LIQ1: Information on the liquidity coverage ratio (LCR)

	a	b	c	b	c
	Amounts in millions Swiss francs	Unweighted values Q2 2026	Weighted values Q2 2026	Unweighted values Q1 2026	Weighted values Q1 2026
	High-quality liquid assets (HQLA)				
1	**Total HQLA**	**-**	**8,445**	**-**	**8,497**
	Cash outflows				
2	Retail deposits	14,296	1,266	14,413	1,259
3	of which stable deposits	5,443	272	5,697	285
4	of which less stable deposits	8,852	994	8,716	974
5	Unsecured wholesale funding	9,833	6,663	9,376	6,007
6	of which operational deposits (all counterparties)	1,863	466	1,825	456
7	of which non-operational deposits all counterparties	7,889	6,116	7,492	5,491
8	of which unsecured debt	82	82	60	60
9	Secured wholesale funding and collateral swaps	–	7	–	1
10	Other outflows	2,915	693	2,890	685
11	of which outflows related to derivative exposures and other transactions	703	265	776	276
12	of which outflows related to loss of funding on asset-backed securities, covered bonds and other structured financing instruments, asset-backed commercial papers, conduits, securities investment vehicles and other such financing facilities	29	29	27	27
13	of which, outflows related to committed credit and liquidity facilities	2,183	399	2,087	382
14	Other contractual funding obligations	165	157	185	179
15	Other contingent funding obligations	28,048	78	27,447	73
16	**Total cash outflows**	**-**	**8,863**	**-**	**8,204**
	Cash inflows				
17	Secured financing operations (e.g. reverse repo transactions)	–	28	–	0
18	Infows from fully performing exposures	3,502	2,578	3,004	2,211
19	Other cash inflows	30	30	40	40
20	**Total cash inflows**	**-**	**2,636**	**-**	**2,251**
21	Total HQLA	–	8,445	–	8,497
22	Total net cash outflows	–	6,227	–	5,953
23	**Liquidity coverage ratio (LCR)**	**-**	**135.61 %**	**-**	**142.73 %**

The figures shown are calculated as a simple average of the monthly determined LCR values.

In addition to high-quality liquid assets (HQLA), the main factors influencing the reported LCR metric are non-operational deposits from business customers in the financial sector, which are fully accounted for as outflows, as well as cash inflows and outflows from derivative transactions (particularly currency swaps).

As at 30 June 2026, the weighted high-quality liquid assets consist of 60.8 % level 1, 38.7 % level 2a and 0.5 % level 2b assets.

Concentrations of liabilities are avoided by applying maximum limits to the funds of individual borrowers or business entities.

The liquidity requirement arising from potential cash collateral requirements for derivative financial instruments under the Credit Support Annexes per counterparty is based on the highest outflow within 30 days over the past 24 months.

Within the meaning of margin number 321 in conjunction with margin number 325 of FINMA Circular 2015/02 'Liquidity risks – banks,' only the LCR in Swiss francs is relevant in addition to the LCR reported across all currencies due to the current foreign-currency exposures as at 30 June 2026.

LIQ2: Information on the net stable funding ratio (NSFR)

		a	b	c	d	e
	30.06.2026	Unweighted value by residual maturity				
	Amounts in millions Swiss francs	**No maturity**	**< 6 months**	**≥ 6 months to < 1 year**	**≥ 1 year**	**Weighted value**
	Available Stable Funding (ASF) item					
1	Capital instruments	4,162	0	0	1,544	5,706
2	Regulatory capital before regulatory adjustments	4,162	0	0	960	5,122
3	Other capital instruments	0	0	0	584	584
4	Retail deposits and deposits from small business customers:	18,513	299	98	109	17,508
5	Stable deposits	7,527	39	24	38	7,249
6	Less stable deposits	10,986	260	73	71	10,258
7	Wholesale funding:	3,258	1,077	229	99	2,380
8	Operational deposits	986	74	0	0	530
9	Other wholesale funding	2,273	1,003	229	99	1,851
11	Other liabilities	5,985	9,874	1,969	16,039	19,246
12	derivative liabilities	-			216	-
13	All other liabilities and equity not included in the above	5,985	9,874	1,969	15,823	19,246
14	**Total ASF**	**-**	**-**	**-**	**-**	**44,840**
	Required Stable Funding (RSF) item					
15	Total high-quality liquid assets (HQLA)	-	-	-	-	1,190
17	Performing loans and securities	3,255	8,091	4,219	32,977	34,852
19	Performing loans to financial institutions secured by non-level 1 and 2a HQLA and unsecured performing loans to financial institutions	512	1,642	299	1,471	1,944
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities, of which:	1,275	2,552	745	4,928	6,461
21	with a risk weight of less than or equal to 35 % under SA-BIS for credit risk	0	0	0	293	190
22	Performing residential mortgages, of which:	1,146	3,837	3,094	25,631	25,407
23	with a risk weight of less than or equal to 35 % under SA-BIS	481	2,350	1,675	18,049	17,188
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	321	60	81	948	1,039
26	Other assets	412	82	26	814	718
27	Physical traded commodities, including precious metals	2	-	-	-	1
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-			93	79
29	Derivative assets	-			242	0
30	Derivative liabilities before deduction of collateral posted in the form of variation margins	-			442	88
31	All other assets not included in the above categories	410	82	26	37	549
32	Off-balance sheet items	-	17,827	436	2,326	132
33	**Total RSF**	**-**	**-**	**-**	**-**	**36,891**
34	**Net Stable Funding Ratio (NSFR)**	**-**	**-**	**-**	**-**	**121.55 %**

	31.03.2026	a	b	c	d	e
		Unweighted value by residual maturity				
	Amounts in millions Swiss francs	**No maturity**	**< 6 months**	**≥ 6 months to < 1 year**	**≥ 1 year**	**Weighted value**
	Available Stable Funding (ASF) item					
1	Capital instruments	4,129	0	0	1,623	5,752
2	Regulatory capital before regulatory adjustments	4,129	0	0	960	5,088
3	Other capital instruments	0	0	0	663	663
4	Retail deposits and deposits from small business customers:	18,316	317	99	125	17,363
5	Stable deposits	7,496	47	25	46	7,234
6	Less stable deposits	10,820	271	75	80	10,129
7	Wholesale funding:	3,327	1,118	258	95	2,447
8	Operational deposits	990	175	0	0	582
9	Other wholesale funding	2,338	943	258	95	1,865
11	Other liabilities	6,366	9,811	2,182	15,995	19,357
12	derivative liabilities	–			261	-
13	All other liabilities and equity not included in the above	6,366	9,811	2,182	15,734	19,357
14	**Total ASF**	**-**	**-**	**-**	**-**	**44,919**
	Required Stable Funding (RSF) item					
15	Total high-quality liquid assets (HQLA)	–	–	–	–	1,234
17	Performing loans and securities	3,369	8,319	4,409	32,426	34,698
19	Performing loans to financial institutions secured by non-level 1 and 2a HQLA and unsecured performing loans to financial institutions	788	1,627	363	1,390	1,934
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities, of which:	1,028	2,548	827	4,828	6,290
21	with a risk weight of less than or equal to 35 % under SA-BIS for credit risk	0	0	0	287	186
22	Performing residential mortgages, of which:	1,238	4,103	3,142	25,347	25,523
23	with a risk weight of less than or equal to 35 % under SA-BIS	562	2,417	1,681	17,603	17,038
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	315	41	77	861	951
26	Other assets	478	72	53	949	866
27	Physical traded commodities, including precious metals	2	–	–	–	1
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–			92	78
29	Derivative assets	–			313	52
30	Derivative liabilities before deduction of collateral posted in the form of variation margins	–			508	102
31	All other assets not included in the above categories	477	72	53	36	633
32	Off-balance sheet items	–	16,820	449	2,275	119
33	**Total RSF**	**-**	**-**	**-**	**-**	**36,917**
34	**Net Stable Funding Ratio (NSFR)**	**-**	**-**	**-**	**-**	**121.68 %**

The NSFR is determined by the ratio of equity and long-term borrowings to long-term loans granted. A factor of 0 is not applied to any mutually dependent loans or liabilities.

Imprint

Luzerner Kantonalbank AG
Pilatusstrasse 12
6003 Lucerne
Phone +41 (0) 844 822 811
info@lukb.ch
lukb.ch

Concept and editing

Luzerner Kantonalbank AG
Corporate Communications
Phone +41 (0) 844 822 811
kommunikation@lukb.ch

This report 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 report, the German version shall prevail.

Published on 25 August 2026

Luzerner Kantonalbank

Luzerner Kantonalbank AG
Pilatusstrasse 12
6003 Lucerne
Phone +41 (0) 844 822 811
info@lukb.ch
lukb.ch