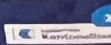




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MENÜ
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 2. MAI 2025

 **Luzerner
 Kantonalbank**

Annual Report 2025

Issue 176

2025 Annual Report

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Letter from the Board of Directors and the Executive Board

Dear Shareholders

Dear Readers

2025 was an important year for LUKB. We concluded our 2021-to-2025 strategy period and clearly exceeded all long-term targets. At the same time, we celebrated our 175th anniversary with the people of Lucerne.

With consolidated profit of 295.5 million Swiss francs in 2025, we achieved the best annual result in our history. In 2025, we achieved a 3.1 % improvement versus the 2024 annual result (286.6 million Swiss francs). Over the entire five-year strategy period, with cumulative net profit of 1,370.5 million Swiss francs, we exceeded the corresponding target range of 1,260 to 1,330 million Swiss francs, which was increased twice during the strategy period.

This achievement is all the more remarkable in view of the high market volatility, geopolitical uncertainties and low key interest rates of the past year.

Challenges of the zero-interest-rate environment successfully mastered

The extraordinary market and interest rate environment had a substantial influence on our Bank's results. This is particularly evident in the interest business. The fact that, despite the worst conceivable scenario with zero interest rates since last June, net interest income grew by 3.2 % to 458 million Swiss francs (2024: 444 million Swiss francs) is primarily thanks to our very active and successful interest rate management and the growth in loans to clients (+6.9 %).

Although this growth is above the original growth target of 2.0 % to 3.75 %, it is well aligned with the new regulatory requirements of Basel III final (capital requirements). In 2025, for example, we increased the total capital ratio from 18.5 % to 20.6 % and the Common Equity Tier 1 (CET1) ratio from 13.9 % to 14.7 %.

Non-interest business further strengthened

Our aim is to diversify income more broadly. For 2025, we had set ourselves the goal of generating non-interest income of at least 215 million Swiss francs. We were successful in achieving this goal. Compared to the previous year, we posted strong growth in the commission and service business (+10.1 % to 143 million Swiss francs) and in trading income (+34.5 % to 76 million Swiss francs). Both operating income components were boosted by the volatile markets and the generally positive developments on many stock exchanges over the year. With income from non-interest business totalling 233 million Swiss francs (2024: 207 million Swiss francs) we clearly exceeded our ambitious target of 215 million Swiss francs.

Cost discipline remains high

We reported operating income of 691 million Swiss francs (+6.2 %) for the past year. Operating expenses rose by 6.5 % to 326 million Swiss francs in the same period. As a result, the cost-income-ratio for the 2025 financial year was unchanged from the previous year at 46.1 %. This demonstrates once again that our Bank is highly efficient and is well below its own strategic target of a maximum of 50 %, making it one of the most efficient full-service banks in Switzerland.

Higher distribution proposed

LUKB's strong performance was recognised by the capital markets in 2025. Recording a gain of around 45 %, our share was one of the top performers in the Swiss Performance Index.

As shareholders, you should also benefit from the excellent annual result for 2025. At the Annual General Meeting of 13 April 2026, the Board of Directors will propose increasing the distribution from 2.60 Swiss francs to 2.70 Swiss francs per LUKB registered share - half as a dividend and half as a tax-free distribution from capital contributions. This underscores our policy of distributing 43 % to 50 % of profit to shareholders, while at the same time securing sufficient equity capital for our future growth. Together with the taxes and compensation for the state guarantee, the Canton of Lucerne will receive more than 100 million Swiss francs for the first time, with its 61.5 % stake.

Celebrating our bond with Lucerne

Around 30,000 visitors celebrated the bond between the people of Lucerne and our bank at five events. Almost 100 associations and businesses from Lucerne were involved as partners in the attractive anniversary programme. This commitment to our home canton is an expression of our gratitude for our 175-year success story as well as a promise for the future.

Smooth transition to the new strategy period

Thanks to the extremely successful conclusion of the anniversary year and the five-year strategy period, we are starting the new strategy period from a strong position. Our business model, which combines the accessibility of a cantonal bank with the networked expertise of a large bank, offers considerable potential for growth and scaling. Many of the strategic investments made in recent years will only take full effect in the years to come.

Consolidated profit for 2026 above previous year's level

In spite of the zero-interest-rate environment and significant investments, we expect consolidated profit to be above the previous year's level for the current year (2025: 295.5 million Swiss francs).

Among other things, we want to increase income from non-interest business to at least 240 million Swiss francs in 2026 (2025: 233 million Swiss francs). The growth we are pursuing in asset advisory and asset management mandates of at least 1.2 billion Swiss francs will make an important contribution to this. Overall, we expect these earnings figures to be able to compensate well for the planned expenditure increase.

True to the principle that results follow effort, we will make significant investments in 2026 to launch our new five-year strategy. You will be able to see one of these investments at the Annual General Meeting on 13 April 2026 in the form of an updated brand image.

Watch this space!

Yours sincerely



Markus Hongler
Chair of the Board of Directors



Daniel Salzmann
CEO

Lucerne, 12 March 2026

About LUKB

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Business model and strategy

Principles

Luzerner Kantonalbank AG (LUKB) is a full-service bank based in Lucerne. The company was founded in 1850 to promote the regional economy and provide the population of the Canton of Lucerne with secure savings services. LUKB has been a public limited company under private law since 1 January 2001 and its shares have been listed on the SIX Exchange since its IPO in March 2001.

The Canton of Lucerne currently holds 61.5 % of LUKB shares; by law, its stake must be at least 51 %. It grants LUKB a state guarantee, for which it receives annual compensation. This is calculated according to a formula prescribed by law (0.2 % of the capital requirements plus 2.0 % of the operating result) and amounts to 11.2 million Swiss francs for the 2025 financial year. As a public limited company under private law, LUKB is fully taxable at the municipal, cantonal and federal levels.

The Act on the Conversion of 8 May 2000, the corresponding Articles of Association as a public limited company and the regularly updated Ownership Strategy of the Canton of Lucerne form the basis for LUKB's business activities. They determine the purpose of LUKB and regulate the role of the Canton of Lucerne.

- The [Act on the Conversion](#)¹⁾ and the [Articles of Association](#)¹⁾ stipulate, among other things, that LUKB is to be operated as a for-profit full-service bank that takes into account the needs of the population and the economy of the Canton of Lucerne in particular.
- With the [2025 Ownership Strategy](#)¹⁾, the Canton of Lucerne defines its statutory role as the majority shareholder, while taking the interests of minority shareholders into account. In doing so, it respects the entrepreneurial freedoms of LUKB and creates optimal conditions for successful business activities. The Ownership Strategy sets out the Canton of Lucerne's expectations as the principal shareholder vis-à-vis LUKB.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Business model

Based on the Act on the Conversion, the Articles of Association and the Ownership Strategy, LUKB has developed a business model over the decades that makes it the leading full-service bank in the Lucerne region. This business model consists of two elements:

Traditional cantonal banking business

In the traditional cantonal banking business, LUKB provides private individuals and business clients with comprehensive basic services, such as accounts, cards, payment transactions, loans (including home financing) and pension and investment products (e.g. investment funds or fund savings plans).

Around 300,000 of LUKB's clients are attributable to two segments: private clients and small to medium-sized business clients (commercial clients and SMEs). The majority of this client base is based in the Lucerne economic region. LUKB offers its products and services to these clients through a variety of channels, including mobile and online banking, the telephone advice centre and 22 branches in the Canton of Lucerne that have been developed as advisory banks.

Speciality business

While the needs of most private and commercial clients can usually be met efficiently with standardised and, in some cases, fully digitised products and services, high-net-worth private individuals, large companies (corporate clients) and some sectors often have particular concerns and wishes that require individual advice as well as tailored products and services.

Since the development and maintenance of these competencies, products and services involve significant investments and high operating costs, only a few large banks in Switzerland serve these client segments with discerning advisory needs. Over recent strategy periods, LUKB has built up specific expertise in order to be an attractive partner for selected client groups in its home market and across Switzerland.

- **Corporate clients:** LUKB's corporate client business is geared towards the needs of medium-sized and large companies in Switzerland, offering them a wide range of services in the areas of corporate finance, trade finance, cash management, payment transactions, capital market transactions, pension provision, foreign exchange trading and liquidity investments as well as investment advice and asset management. There is also a comprehensive range of specialist consulting services for companies in the areas of corporate succession, real estate expertise, interest rate and currency hedging as well as risk hedging in international business. Find out more at [lukb.ch](https://www.lukb.ch)¹⁾.
- **Entrepreneurs & Executives (E&E):** In the Entrepreneurs & Executives (E&E) Private Banking segment, LUKB offers individual solutions for the financial needs of entrepreneurs and senior executives (executive board members and members of boards of directors). Here, LUKB combines asset management with comprehensive financial planning at the interface between companies and business owners in order to ensure long-term growth, sustainable asset accumulation and viable succession solutions. Find out more at [lukb.ch](https://www.lukb.ch)²⁾.
- **Professional real estate investors:** In the real estate business, LUKB offers comprehensive solutions along the entire real estate value chain. Owners of investment and commercial properties in German-speaking Switzerland benefit from sound advice from real estate experts on the realisation of their projects - from the initial idea to the finished project. Real estate portfolios are digitised and strategically managed using the LUKB ImmoTool. In the case of transactions, LUKB applies a systematic process to support its real estate

clients in buying and selling investment properties. LUKB also provides the necessary financing in the form of mortgages, project financing and construction loans. Find out more at lukk.ch³⁾.

- **Private banking clients:** High-net-worth private clients are managed in a separate unit at LUKB. These clients receive comprehensive support with a specialised range of services at selected locations. This includes asset management, investment advice and individually tailored solutions to meet complex financial needs. LUKB also offers other specific services and products, such as sustainable investments, in order to meet special client requirements. Find out more at lukk.ch⁴⁾.
- **Institutional clients:** With its Private Banking Professional division, LUKB offers specific solutions for institutional investors, pension funds, insurance companies, very-high-net-worth individuals (nationally and internationally), financial companies, trusts, foundations as well as single and multi-family offices. As a custodian bank, LUKB offers external asset managers from all over Switzerland and their clients access to all services and modern infrastructure combined with personal, professional contact partners.

Find out more at lukk.ch:

[Pension funds, foundations and insurance companies](#)⁵⁾

[Private clients \(nationally and internationally\)](#)⁶⁾

[Asset managers](#)⁷⁾

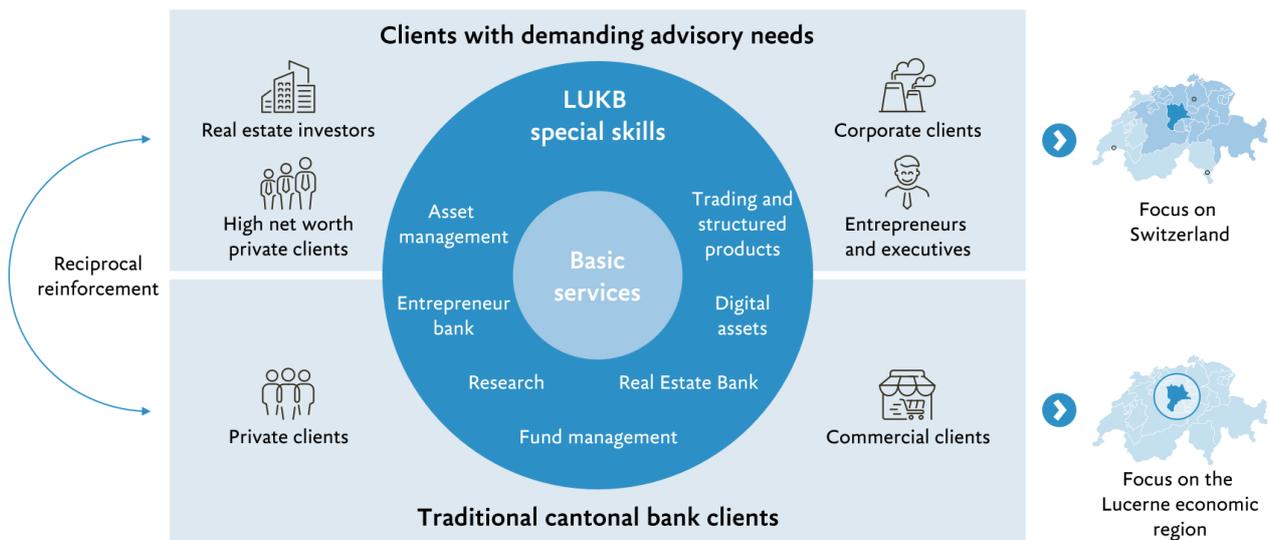
In order to meet the needs of these specific client groups, LUKB has set up specialised advisory teams and its own competence centres to differentiate itself through its own products and services.

- **Asset management and research:** Asset management at LUKB focuses on providing client-specific investment solutions that comply with the strategic and tactical allocation requirements of the in-house investment office. The services include research and investment processes (including macro, country, sector and company analyses) with the integration of ESG factors, and the arrangement of asset advisory and asset management mandates. Find out more at lukk.ch⁸⁾.
- **Trading and structured products:** LUKB's trading division acts as a professional intermediary on the financial markets and ensures competitive conditions for financial instruments, foreign currencies, precious metals and cryptocurrencies. In addition, the Capital Markets department assists professional and institutional clients with capital increases, bond issues and strategic financing solutions, and provides them with optimal access to national and international capital markets through suitable structures. The competence centre for structured products develops, distributes and trades investment products that tailor risk and return profiles precisely to the individual needs of clients. Find out more at lukk.ch⁹⁾.
- **Fund management:** The wholly owned subsidiary LUKB Expert Fondsleitung AG plays a key role in the investment business of Luzerner Kantonalbank. It is entrusted with the administration and management of its own LUKB Expert funds and ensures compliance with legal and regulatory requirements. In addition to investing the funds' assets, its duties also include valuing or calculating the net asset value (NAV) of the individual investment funds, organising the issue and redemption of fund units, correctly applying the accounting policies and publishing the annual reports. Protecting the interests of investors (duty of loyalty, due diligence and information) is a top priority. Find out more at lukk.ch¹⁰⁾.
- **Digital assets:** LUKB's dedicated division offers services involving digital assets (including cryptocurrencies such as Bitcoin and stablecoins). Clients can trade, transfer and hold digital assets independently via e-banking and personal sales channels as well as through client advisors or trading lines in an execution-only framework. The offering is complemented by a crypto investment plan, Lombard loans secured with Bitcoin or Ethereum, and B2B access for institutional clients via a corresponding interface. From a technical standpoint, the transactions are fully integrated into LUKB's IT infrastructure. Find out more at lukk.ch¹¹⁾.

- ¹⁾ <https://lukb.ch/unternehmen>
- ²⁾ <https://lukb.ch/private-banking/entrepreneurs-executives>
- ³⁾ <https://lukb.ch/unternehmen/immobilien>
- ⁴⁾ <https://lukb.ch/private/anlegen/private-banking>
- ⁵⁾ <https://lukb.ch/unternehmen/anlegen/produkte/pensionskassen-versicherungen>
- ⁶⁾ <https://lukb.ch/private/anlegen/private-banking>
- ⁷⁾ <https://lukb.ch/unternehmen/anlegen/produkte/vermoegensverwalter>
- ⁸⁾ <https://lukb.ch/private/anlegen/einschaetzung-finanzmaerkte/uebersicht-publikationen>
- ⁹⁾ <https://lukb.ch/private/anlegen/strukturierte-produkte>
- ¹⁰⁾ <https://lukb.ch/private/anlegen/fonds>
- ¹¹⁾ <https://lukb.ch/private/anlegen/selbststaendig-anlegen/kryptowaehrungen>

Reciprocal reinforcement

The comprehensive range of advice, products and channels that LUKB offers its private and corporate clients clearly sets the Bank apart from most other cantonal and regional banks. However, this comes with significant fixed costs. The earnings growth targeted by LUKB in the speciality business makes an important contribution to these fixed costs. This differentiation enables the provision of comprehensive advice on all banking services from a single source in the rapidly growing domestic market. At the same time, we reach companies and clients with demanding advisory needs throughout Switzerland. Thanks to the expansion of its service and product range in recent years, LUKB will be able to generate large economies of scale over the next few years.



Strategy 2021 to 2025 ('LUKB25')

In its 'LUKB25' strategy (strategy period from 2021 to 2025), LUKB pursued the further development of its business model with a view to achieving sustainable profitable growth. The core topics included the systematic broadening of the Bank's earnings base and boosting efficiency through optimised processes and the increased use of digital working methods.

Between 2021 and 2025, LUKB expanded its non-interest income in order to reduce its dependence on the interest business. Thematically, the focus was on expanding the business areas of investments and pensions, real estate and housing, corporate clients and the issuing and trading business. In addition, LUKB developed its interest business through selective sales management and active interest rate management.

The financial targets for the 'LUKB25' strategy period reflected the strategic focus on diversified, profitable growth on a solid capital base.

- The target range for cumulative net profit of 1,260 to 1,330 million Swiss francs represented sustainable profitable growth and was even increased twice during the strategy period.
- The target of a maximum cost-income-ratio of 50 % focused on high operating efficiency.
- To strengthen its capital base, the Bank targeted a total capital ratio of between 19 % and 21 %, with a minimum target for the Common Equity Tier 1 (CET1) ratio of 14 %. Both targets were raised during the strategy period.

LUKB met and indeed exceeded all of these financial targets in the 'LUKB25' strategy period, some of which were increased during the strategy period. Detailed information can be found in the [Annual Review](#).

LUKB set itself additional ambitious growth targets for the closing year of the 'LUKB25' strategy period:

- New money in investment business involving advisory or asset management mandates: more than 1 billion Swiss francs
- Non-interest income: more than 215 million
- Lending growth: between 2.00 % and 3.75 %

LUKB also achieved these three specific growth targets for the 2025 financial year. Detailed information can be found in the '[Annual Review](#)' section.

By consistently implementing its strategic plans by the end of 2025, LUKB has established a strong starting position for the next strategy period beginning in 2026.

Strategy 2026 to 2030 ('LUKB30')

At the start of the 2026 to 2030 strategy period, LUKB describes itself as a very efficient and future-oriented full-service bank. It enjoys the undisputed position of market leader in the Lucerne economic region, a solid financial base and a clear corporate identity. The Bank has proven that it can successfully combine growth, stability and client proximity. This gives it an extremely strong foundation for profitable growth.

LUKB's strategy for 2026 to 2030 - or 'LUKB30' for short - builds on its successful and proven business model: high profitability, a healthy balance sheet and a strong capital and liquidity base. Investments between 2021 and 2025 in digitalisation, technology, data, new services and competencies lay the foundation for further sustainable growth, especially in non-interest business areas.

LUKB has also established itself as a highly competitive market player at a national level in selected speciality areas and spheres of expertise. The additional income generated from this makes a disproportionately large contribution to the Bank's result and finances a growing proportion of fixed costs, which further supports profit growth.

Two strategic positioning goals

Strategically, LUKB is clearly positioned: as a champion in the Lucerne economic region with strong regional roots and as a specialist in Switzerland with purposefully expanded business areas at a national level.

- Champion in the Lucerne economic region: As the market leader, LUKB aims to benefit disproportionately from the prosperity of the Lucerne economic region. For example, the Canton of Lucerne is forecast to have one of the highest population growth rates in Switzerland up to 2055 (32 %, source: Swiss Federal Statistical Office). The attractive corporate tax rates in the canton complement the existing advantages of the location and encourage an increasing number of companies to establish themselves in the Bank's market area.
- Specialist in Switzerland: There are currently around 230 banks in Switzerland. However, the range of large full-service banks with comprehensive services for clients with special advisory needs is small and has lost a major player with the fall of Credit Suisse. LUKB has set itself the goal of actively filling the resulting gap and the need for another strong full-service bank. The further development of the LUKB brand identity and a consistent, high-quality client experience that brings LUKB's strategic positioning to life are key success factors in achieving this goal.

The Bank is thus pursuing the ambition of being one of the five leading full-service banks in Switzerland by 2030.

This objective requires the optimal engagement and ongoing development of the specialists working at the Bank. Aspects of human resources (HR) will therefore be of great importance in the coming years. LUKB is also working to support and relieve the workload of its employees through the use of artificial intelligence.

Strategic targets of 'LUKB30' underline ambitions

LUKB measures progress towards implementing the strategy for the years 2026 to 2030 using selected financial strategic targets:

- Focus on profitable, organic growth in off-balance-sheet business. The targets are as follows:
 - Net growth in advisory and asset management mandates in 2030: at least 1.8 billion Swiss francs (performance-adjusted)
 - Non-interest income in 2030: at least 310 million Swiss francs
 - Net growth in lending business per year: between 2.5 % and 4.0 % (net)
- Strong cost discipline
 - Cost-income-ratio over the entire strategy period: maximum 50 %
- Attractive profitability
 - Consolidated profit in 2030: at least 340 million Swiss francs

The financial targets for 2026 are defined in the ['Annual Review'](#) section.

Ratings

AA+ confirmed by Standard & Poor's

On 27 March 2025, the rating agency Standard & Poor's (S&P) confirmed LUKB's rating of non-current liabilities as AA+. The rating for current liabilities remains unchanged at A-1+. This rating is the highest rating for current liabilities. S&P's outlook for LUKB's rating is 'stable'.

The latest rating report from Standard & Poor's can be found at [lukb.ch](https://www.lukb.ch) under [Finanzinformationen](#)¹⁾.

Detailed information on ESG ratings is provided in the [Sustainability Report](#).

¹⁾ <https://www.lukb.ch/ueber-uns/investoren/aktie-kapitalmarkt/ratings>

LUKB share

Key figures

LUKB share	2021	2022	2023	2024	2025
Key figures per LUKB share in Swiss francs					
Closing price (at the end of the period)	83.00	82.70	72.00	63.90	92.70
Book value (at the end of the period)	72.64	76.11	78.20	82.02	85.31
Net profit before taxes and depreciation of goodwill	6.86	7.01	6.32	7.08	6.75
Net profit after taxes	5.81	5.93	5.38	6.32	5.97
Consolidated profit (Earnings per Share; EPS)	5.22	5.34	5.38	5.81	5.97
Distribution	2.50	2.50	2.50	2.60	2.70 ¹⁾
Payout Ratio (Distribution/Net profit after taxes)	43.1 %	42.2 %	46.5 %	41.3 %	45.2 % ²⁾
Dividend yields (Distribution/Closing price)	3.01 %	3.02 %	3.47 %	4.07 %	2.91 % ²⁾

¹⁾ Motion to general meeting on 13 April 2026

²⁾ Based on proposed distribution

Total return per LUKB share (in Swiss francs)	2021	2022	2023	2024	2025
Dividend from previous year profit	2.50	2.50	2.50	2.50	2.60
Sale of entitlement / Rights	-	-	1.20 ¹⁾	-	-
Value change	2.90	- 0.30	- 10.70	- 8.10	28.80
Total (Total Return)	5.40	2.20	- 7.00	- 5.60	31.40
in % of prior-year closing price	6.7 %	2.7 %	- 8.5 %	- 7.8 %	49.1 %

¹⁾ Price according to corporate action notice to clients as of start of subscription period

Total return LUKB registered share

Total return on the LUKB share

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 9 March 2026 has been 683 %.



Figure: Total return on the LUKB share as at 9 March 2026

Appropriation of profit / distribution

Amounts in Swiss francs

Profit for the year	290,591,921
Profit carried forward from previous year	702,383
Total distributable profit	291,294,303
Withdrawal from statutory capital reserves	66,937,500
Total available for distribution by the Annual General Meeting	358,231,803

The Board of Directors proposes to the Annual General Meeting that the above amount be appropriated as follows:

Amounts in Swiss francs

Allocation to voluntary retained earnings reserve	224,000,000
Distribution of 2.70 Swiss francs per share (previous year: 2.60 Swiss francs per share) ¹⁾	133,874,999
of which dividend 1.35 Swiss francs per share (previous year: 1.30 Swiss francs per share)	66,937,500
of which distribution from statutory capital reserves 1.35 Swiss francs per share (previous year: 1.30 Swiss francs per share)	66,937,500
Profit carried forward to new account	356,804
Total	358,231,803

¹⁾ Shares owned by Luzerner Kantonalbank AG at the time of payment are not entitled to distribution. As a result, the reported distribution amount may be reduced accordingly.

Further information on the appropriation of profit and distribution can be found in the Section 'Appropriation of profit' in the 2025 Financial Report for the parent company.

Shareholder value

LUKB's continuous value creation also benefits shareholders in the form of regular dividends. This also applies in particular to the bank's principal shareholder, the Canton of Lucerne, which holds a stake of 61.5 %.

Growth in net profit

in million Swiss francs

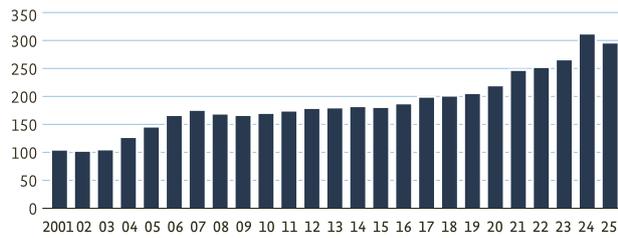


Figure: Growth in net profit, from 2001 to 2025

Shareholder dividend¹⁾

in Swiss francs, gross per LUKB registered share

¹⁾ Restatement of 'Distribution per share' for the years 2001 to 2022 by the share split (1:5) carried out in 2023.

* Proposal to the Annual General Meeting of 13 April 2026

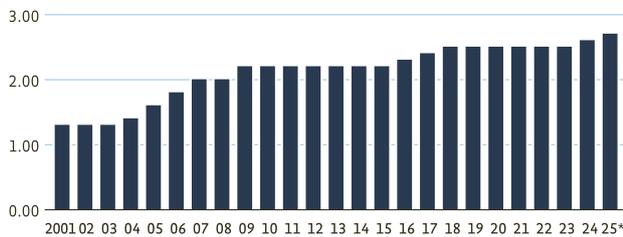


Figure: Profit distribution to shareholders, from 2001 to 2025

Payments to the Canton of Lucerne

in million Swiss francs

- Compensation for state guarantee
- Cantonal taxes (excluding municipal taxes)
- Distribution

* Distribution in accordance with the proposal to the Annual General Meeting of 13 April 2026

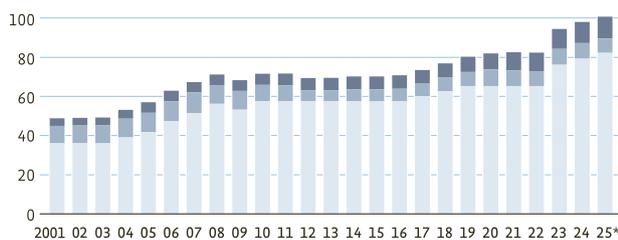


Figure: Payments to the Canton of Lucerne, from 2001 to 2025

Shareholder structure

Total LUKB registered shares	49,583,333
Within the share register	
registered shares	46,306,270
registered shareholders	33,556
Registration quota	93.4 %
Shareholding of the canton	61.5 %
Free Float	38.5 %

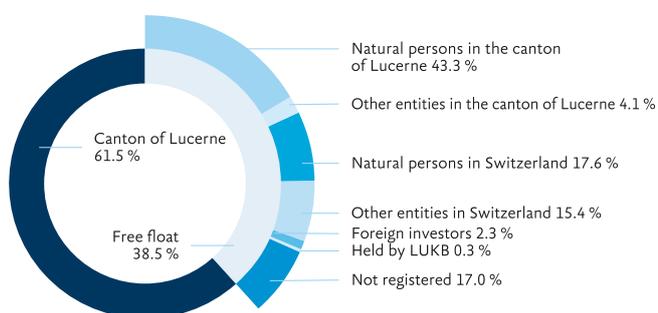


Figure: Shareholder structure as at 31 December 2025

Basic data

Nominal per registered share	CHF 3.70
Exchange listing	SIX SX
Ticker symbols	LUKN (SIX Financial Information and Bloomberg) LUKN.S (Reuters)
Valor	125 293 061
ISIN number	CH1252930610

Important dates in 2026/2027

20 March 2026	Publication of the 2025 Annual Report
10 April 2026	Publication of the results for Q1 2026
13 April 2026	Annual General Meeting
16 April 2026*	Ex date
17 April 2026*	Record date
20 April 2026*	Distribution credited
25 August 2026	Media and analysts' conference/publication of the results for H1 2026 (interim report)
30 October 2026	Publication of the results for Q1 to Q3 2026
29 January 2027	Media and analysts' conference/publication of the annual results for 2026

* The last trading day for entitlement to receive the distribution is 15 April 2026. From 16 April 2026 the shares are traded ex-distribution. The record date is 17 April 2026. If approved by the Annual General Meeting, the distribution of 2.70 Swiss francs per registered share (minus 35 % Swiss withholding tax on the dividend of 1.35 Swiss francs) will be credited to shareholders on 20 April 2026.

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Key figures for the Group

	2021	2022	2023	2024	2025
Income statement (in million Swiss francs)					
Operating income	581.3	585.7	614.9	650.5	691.0
Operating expenses	258.1	268.0	282.7	306.5	326.4
Operating result	282.7	284.6	303.5	317.8	333.8
Net profit before taxes	282.7	288.9	303.5	349.4	334.0
(Consolidated profit + Change in reserves for general banking risks + Taxes)					
Net profit after taxes	246.4	251.6	265.4	311.6	295.5
Consolidated profit	221.4	226.6	265.4	286.6	295.5
Balance sheet (as of period end; in million Swiss francs)					
Loans to customers	37,229.0	39,348.2	41,738.3	43,374.0	46,352.6
Amounts due in respect of customer deposits	28,557.5	27,086.9	29,090.2	29,384.1	30,215.9
Equity (attributable to shareholders)	3,081.9	3,228.8	3,856.1	4,045.3	4,224.6
Total assets	52,837.4	56,980.0	57,397.1	59,154.1	62,249.1
Assets under management (as of period end; in million Swiss francs)					
Assets under management	36,963.2	35,922.3	38,058.8	39,488.7	42,607.1
Net new money	2,730.2	1,420.2	1,506.5	767.6	1,285.1
Eligible capital (as of period end; in percent or in million Swiss francs)					
CET1 ratio	12.3 %	12.2 %	13.4 %	13.9 %	14.7 %
Total capital ratio	17.6 %	17.2 %	18.0 %	18.5 %	20.6 %
Risk-weighted assets (RWA)	23,947.0	25,553.4	27,833.6	28,208.5	27,904.3
Leverage ratio	6.8 %	6.7 %	7.6 %	7.7 %	7.7 %
Various key figures					
Full-time-equivalent (as of period end)	1,075.7	1,091.9	1,134.9	1,181.0	1,206.2
Cost-income-ratio	42.9 %	44.7 %	45.6 %	46.1 %	46.1 %
(Operating expenses relative to [gross result from interest operations + result from commission business and services + trading income + other ordinary income])					
Return on equity	7.43 %	7.30 %	7.61 %	7.37 %	7.26 %
(Consolidated profit relative to average shareholders' equity)					

Annual Review

Conclusion of the 2021 to 2025 strategy period

With its 'LUKB25' strategy, LUKB set itself ambitious targets for the years 2021 to 2025 – with a clear focus on sustainable growth, high levels of efficiency, customer proximity and a robust risk position. At the end of 2025, it can be observed that the strategy has been implemented very successfully. The Bank is financially strong, organisationally well positioned and has a clear strategic focus for the next development phase.

Metrics (values in million Swiss francs or percent)	Target 2021 to 2025	Status as at 31.12.2025	Target achievement Q4 2025
Cumulative net profit before taxes	1,260 to 1,330	1,371	✓
Cost-income-ratio	< 50 %	46.1	✓
Total capital ratio	16 % to 20 %	20.6	✓
CET1 ratio	> 12 %	14.7	✓

Profitability and growth

LUKB recorded high and stable profitability over the entire strategy period. At the end of 2025, cumulative net profit of **1,371 million Swiss francs** was well above the target range of **1,260 to 1,330 million Swiss francs**, which had been increased twice during the strategy period. Growth was of a high quality and did not expand the risk profile.

Net profit after taxes

cumulative in million Swiss francs

- Strategic target: 1,260 to 1,330 million Swiss francs
- Net profit after taxes (cumulative)

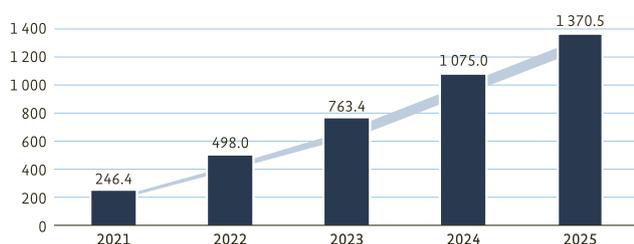


Figure: Net profit after taxes (cumulative) in million Swiss francs, from 2021 to 2025

During the strategy period from 2021 to 2025, the target range for net profit after taxes was increased from between 1,025 and 1,100 million Swiss francs in May 2023 to between 1,075 and 1,200 million Swiss francs and in February 2025 to between 1,260 and 1,330 million Swiss francs.

Income diversification

The earnings base was broadened as targeted. **Non-interest income increased to 233 million Swiss francs in the 2025 financial year** and continued to gain in importance structurally. The Bank also tapped into new sources of income by launching offers in the area of **digital assets**.

Diversification of operating income

in million Swiss francs

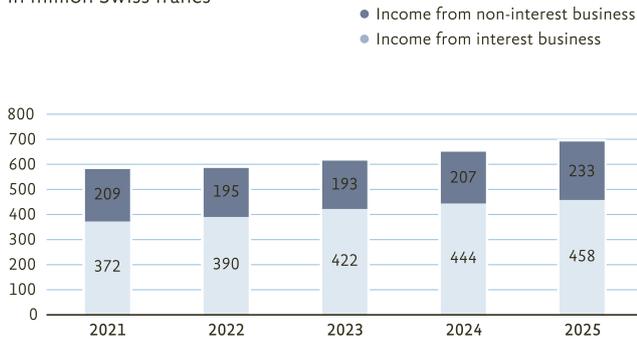


Figure: Diversification of operating income in million Swiss francs, from 2021 to 2025

Operational efficiency

Efficient operation is an important prerequisite for a sustainable range of services to the benefit of our clients. With a **cost-income-ratio of 46.1 %** (at the end of 2025), it was well below the strategic ceiling of 50 %. This was made possible by regularly simplifying processes, the increased use of digital working and advisory tools, and a strong degree of cost awareness at all levels.

Cost-income ratio

in %



Figure: Cost-income-ratio in %, from 2021 to 2025

Capitalisation and stability

The Bank remained very solid financially throughout the entire strategy period. The **total capital ratio of 20.6 %** is in the upper range of the strategic target range, while the **CET1 ratio of 14.7 %** comfortably meets the increased requirements. The strong capital base – also thanks to the successful capital increase in 2023 – ensures resilience, profitable growth and stakeholder trust in the bank.

Total capital ratio

in %



Figure: Total capital ratio in %, from 2021 to 2025

During the strategy period from 2021 to 2025, the total capital ratio target was increased from between 14 % and 18 % to between 16 % and 20 % as of January 2023 and to between 19 % and 21 % as of July 2025.

Increase in earnings per share

LUKB increased consolidated profit to 295.5 million Swiss francs in 2025, which corresponds to a return on equity of 7.26 %. Due to the increase in consolidated profit, earnings per share rose to 5.97 Swiss francs, a new record high.

Strategic development

In addition to the quantitative targets, LUKB made targeted investments in its future viability. The expansion of investment mandates and the speciality business with national reach, the modernisation of the advisory process as well as selected innovation initiatives strengthened its competitive position, the added value for clients and organisational performance.

Notes for the 2025 financial year

Growth targets for 2025 exceeded

LUKB set itself ambitious growth targets for the closing year of the 'LUKB25' strategy period and exceeded all of them.

- New money in advisory or asset management mandates for the 2025 financial year amounted to 1.093 billion Swiss francs (target: at least 1 billion Swiss francs).
- Non-interest income amounted to 232.9 million Swiss francs in the 2025 financial year (target: at least 215 million Swiss francs).
- The lending business grew by 6.9 % in the 2025 financial year (target: 2.00 % to 3.75 %).

Notes to the income statement

Increase in earnings in all three pillars of operating income

The **interest business** - the main pillar of income - contributed 458.1 million Swiss francs to the operating result, which corresponds to an increase of 14.1 million Swiss francs or 3.2 % on the previous year. This growth is above expectations due to successful tactical interest rate management, which dampened the impact of the zero-interest-rate environment. Nevertheless, interest income declined by 5.4 million Swiss francs in the second half of 2025 compared with the first half of the year. Growth in the interest business was also driven by the 6.9 % increase in loans to clients.

In the 2025 financial year, LUKB increased its **commission and service income** by 10.1 % to 143.2 million Swiss francs (2024: 130.1 million Swiss francs). The largest contribution was provided by commissions from the securities trading and investment business, which benefited from attractive investment markets, sustained demand for asset management and advisory mandates, and overall positive growth on the investment markets.

Net trading income amounted to 76.0 million Swiss francs, which is 19.5 million Swiss francs or 34.5 % more than in 2024. This marked increase is due to higher client demand across all trading segments. In addition, issuing activities in the securities business as well as activities in the primary and secondary markets for structured products were expanded as planned, further supporting growth.

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

Operating income of 691 million Swiss francs

In total, non-interest income for the 2025 financial year amounted to 232.9 million Swiss francs compared to 206.5 million Swiss francs in the previous year. The growth target in the non-lending and non-deposit business was therefore significantly exceeded as a result of this increase. Including interest income, operating income amounted to 691.0 million Swiss francs, up 6.2 % on the previous year (2024: 650.5 million Swiss francs).

Operating income

in million Swiss francs

Change in % on previous year

- Other ordinary income
- Trading business
- Commission and service business
- Interest business

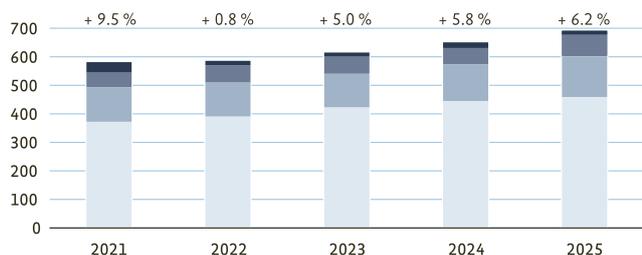


Figure: Operating income in million Swiss francs, from 2021 to 2025

Balanced contributions from all segments

Segment reporting for 2025 shows that LUKB's earnings base remains broad-based. All sales segments made a significant contribution to the **net profit** after taxes of 295.5 million Swiss francs (figures rounded):

- Private & Commercial Clients: 95.1 million Swiss francs (2024: 99.2 million Swiss francs)
- Corporate Clients: 102.8 million Swiss francs (2024: 93.4 million Swiss francs)
- Private Banking: 65.9 million Swiss francs (2024: 63.3 million Swiss francs)
- The corporate centre comprises all other costs and income (including trading) and closes the financial year with a contribution margin of 31.6 million Swiss francs (2024: 55.7 million Swiss francs).

2 % higher headcount

Headcount rose from 1,181.0 to 1,206.2 full-time equivalents in the 2025 financial year. Consequently, personnel expenses increased by 4.5 % to 218.4 million Swiss francs.

On average, the headcount (including apprentices recognised at 50 %) for 2025 was 1,191.7 full-time equivalents (previous year: 1,160.0 full-time equivalents) and is comprised as follows:

- Luzerner Kantonalbank AG (parent company): 1,181.9 full-time equivalents (previous year: 1,147.9)
- LUKB Expert Fondsleitung AG: 9.8 full-time equivalents (previous year: 10.0)
- Refinum AG: 0.0 full-time equivalents (previous year: 2.1)

Refinum AG was integrated into the parent company on 31 January 2025.

Additional expenses in the closing strategy year

Expenditure on information and communication technology (ICT), marketing, anniversary events and strategy development raised general and administrative expenses by 11.5 % year on year to 96.8 million Swiss francs (2024: 86.8 million Swiss francs).

Standing at 326.4 million Swiss francs for the 2025 financial year (2024: 306.5 million Swiss francs), this resulted in **operating expenses** that were 6.5 % higher.

The balanced development of income and expenses resulted in a **cost-income-ratio** that was stable as at the end of 2025 compared to the end of 2024, making LUKB one of the most efficient full-service banks in Switzerland.

Operating costs

in million Swiss francs

Change in % on previous year

- Compensation for state guarantee
- General and administrative expenses
- Personnel expenses

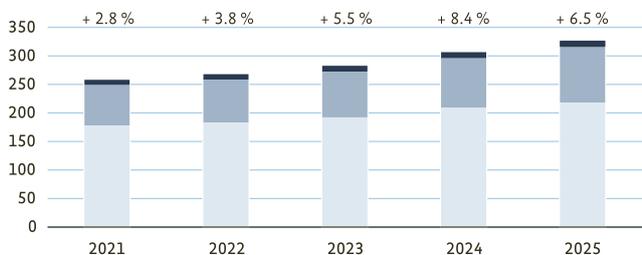


Figure: Operating costs in million Swiss francs, from 2021 to 2025

Consolidated profit excluding extraordinary effects

At the level of operating profit, the result for 2025 is 5.0 % higher than in the previous year. At 295.5 million Swiss francs, **consolidated profit** was 3.1 % up on the previous year. A net result of 6.6 million Swiss francs from the sale of the real estate component of Fundamenta Group Holding AG (31.6 million Swiss francs of extraordinary income less the 25.0 million Swiss francs allocation to reserves for general banking risks) was included in the previous year's result. Excluding this one-off effect compared with the previous year, consolidated profit increased by 15.4 million Swiss francs or 5.5 % in 2025.

Distribution of 2.70 Swiss francs proposed

The Board of Directors of LUKB will propose an increase in the distribution from the previous figure of 2.60 Swiss francs to 2.70 Swiss francs 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.

100.8 million Swiss francs for the Canton of Lucerne

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

The Canton of Lucerne will receive total benefits of 100.8 million Swiss francs from its investment in LUKB (2024: 98.0 million Swiss francs).

Notes to the balance sheet

Loans to clients

As at the end of 2025, LUKB's total volume of **loans to clients** amounted to 46.353 billion Swiss francs (2024: 43.374 billion Swiss francs), which corresponds to an increase of 6.9 %. Of this portfolio, 40.918 billion Swiss francs is attributable to mortgage loans (2024: 38.235 billion Swiss francs), which in turn recorded growth of 7.0 %.

Loans to clients

in million Swiss francs

Change in % on previous year

● Amounts due from clients
● Mortgage loans

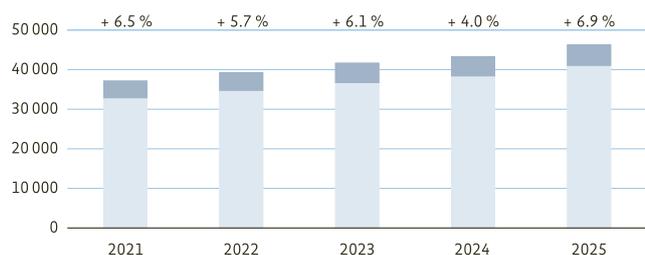


Figure: Loans to clients in million Swiss francs, from 2021 to 2025

The share of mortgages for owner-occupied properties is around 30 %. The average loan-to-value ratio of residential loans at LUKB decreased further in the 2025 financial year and amounted to 52.9 % as at 31 December 2025 (31 December 2024: 54.1 %).

Equity

LUKB's equity consists of the share capital, various reserves and consolidated profit, rising to 4.225 billion Swiss francs by the end of 2025 (end of 2024: 4.045 billion Swiss francs). The increase is primarily attributable to consolidated profit as well as the reduction in the LUKB treasury shares held by the bank. Of this amount, 133.9 million Swiss francs will be paid out to shareholders in accordance with the proposal for the appropriation of profit in April 2026.

Taking this proposal into account, LUKB increased the CET1 ratio from 13.9 % to 14.7 % in 2025. The total capital ratio rose from 18.5 % to 20.6 %.

Further information can be found in the Section 'Composition of capital and TLAC' in the [2025 Disclosure Report](#).

Risk-weighted assets (RWA)

Information on this can be found in the section 'Overview of risk management, key figures and risk-weighted assets (RWA)' in the [2025 Disclosure Report](#).

Client assets under management

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 an increase in assets under management from 3,118 billion Swiss francs (including net new money of 1,285 billion Swiss francs) to 42,607 billion Swiss francs.

Client assets under management (including performance)

in million Swiss francs

Change in % on previous year



Client assets under management (including performance) in million Swiss francs, from 2021 to 2025

Risk assessment

As a financial institution, LUKB is confronted with various bank-specific risks, whose assessment and management are of great importance. The relevant information can be found in the Section '[Risk management](#)' in the Consolidated notes.

Future prospects

Forecast for the development of the economic environment

LUKB expects the global economy to grow moderately in 2026 and 2027. LUKB expects growth to vary by region.

Currently (12 March 2026), LUKB assumes that the military conflicts in the Middle East will remain confined in terms of time and location. For the real economy of Switzerland, the eurozone and the USA, the negative consequences of this scenario would be manageable:

- the Swiss economy has recovered in recent months with domestic demand gaining momentum. The potential negative consequences of the Iran war on the economy can thus be cushioned somewhat better than if Switzerland were to be in a weaker economic situation. Specifically, LUKB anticipates economic growth of 1.2 % for Switzerland, with inflation standing at 0.6 %. No change in the SNB policy rate is expected.
- LUKB expects moderate economic growth of 1.5 % in Europe. Inflation should even fall slightly to 1.9 %.
- The US economy is already weakened due to the increased tariffs. A temporary and local Middle East conflict would have further negative consequences for the US economy, albeit to a limited extent. GDP growth in 2026 is expected to be slightly down at 2.0 %. Inflation will continue to rise, probably to 3.2 %.
- In the emerging markets, LUKB expects GDP to fall across the board, while inflation rates are expected to be mixed.

LUKB's financial targets for the 2026 financial year

Assuming the Middle East conflict remains confined in terms of time and location, the environment for LUKB as a whole is likely to change only marginally compared with the second half of 2025.

Interest business: Growth compensates for negative effects of the zero-interest-rate environment

The zero-interest-rate environment already limited LUKB's room for manoeuvre in interest business in the second half of 2025, putting pressure on income. However, it became apparent in the fourth quarter of 2025 that LUKB would be able to maintain its profitability better than originally assumed despite the interest rate cuts. Among other things, the optimised use of the capital available for loans made it possible to increase lending profitably above budget. LUKB will continue to pursue this approach in 2026 and aim for stronger lending growth of 3.5 % to 5.5 %, which is greater than the range announced in the autumn of 2025. The corresponding additional income will compensate for the negative effects of the zero-interest-rate environment.

Investment environment favours mandate business

Last year, LUKB generated around 1,093 billion Swiss francs in new money in investment mandates. A significant proportion of this is composed of reallocated account deposits. The potential here has not yet been exhausted. With targeted advice, many clients can be offered a suitable alternative to unprofitable account balances. For instance, advisory and asset management mandates are to be expanded by at least 1.2 billion Swiss francs in this way.

Market environment offers opportunities for commission, service and trading business

The two defining themes in the LUKB environment offer various opportunities to generate higher income in the investment, advisory and trading business. The reallocation to mandates described in the previous section has had a positive impact on the commission business. The persistently volatile markets are stimulating trade and boosting demand for qualified investment advice. Under these conditions, LUKB is aiming for non-interest income of at least 240 million Swiss francs for the 2026 financial year.

Temporary slight increase in cost-income-ratio expected

During the last strategy period, LUKB invested around 50 million Swiss francs in strategic projects and is planning a similar amount for the new strategy period. Relatively higher expenses are planned in connection with this for the next two to three years. Nevertheless, LUKB would like to maintain its strategic objective of securing a cost-income-ratio of below 50 %.

Consolidated profit of 295 million Swiss francs expected for 2026

While adhering to the long-term ceiling of 50 % for the cost-income-ratio, LUKB can expect consolidated profit of at least 295 million Swiss francs for the current year 2026, which is slightly above the target published in the strategy communication in the autumn.

Overview of targets for 2030 and 2026

LUKB has once again set very ambitious targets for the 2026 to 2030 strategy period. The targets for 2026 were already raised slightly in February 2026. The targets for the years 2026 and 2030 are currently as follows:

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

Concolidated financial statements

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Consolidated income statement

Amounts in 1,000 Swiss francs	2025	2024	Change	
			absolute	in %
Interest and discount income	721,655	961,731	- 240,075	- 25.0
Interest and dividend income from financial investments	52,736	46,372	6,364	13.7
Interest expense	- 298,780	- 549,002	250,222	- 45.6
Gross result from interest operations	475,611	459,101	16,511	3.6
Changes in value adjustments for default risk and losses from interest operations	- 17,514	- 15,125	- 2,389	15.8
Net result from interest operations	458,097	443,976	14,121	3.2
Commission income from securities trading and investment activities	124,494	111,221	13,273	11.9
Commission income from lending activities	4,086	3,704	382	10.3
Commission income from other services	29,107	28,418	689	2.4
Commission expense	- 14,464	- 13,231	- 1,233	9.3
Result from commission business and services	143,223	130,111	13,112	10.1
Result from trading activities and the fair value option	75,976	56,503	19,473	34.5
Result from the disposal of financial investments	3,952	16,472	- 12,519	- 76.0
Income from participations	4,052	3,305	747	22.6
of which, participations valued using the equity method	1,334	600	734	122.3
of which, from other non-consolidated participations	2,718	2,705	13	0.5
Result from real estate	7,502	7,235	267	3.7
Other ordinary income	1,582	1,796	- 214	- 11.9
Other ordinary expenses	- 3,412	- 8,882	5,469	- 61.6
Other result from ordinary activities	13,676	19,926	- 6,250	- 31.4
Operating income	690,972	650,517	40,456	6.2
Personnel expenses	- 218,405	- 208,991	- 9,414	4.5
General and administrative expenses	- 96,771	- 86,770	- 10,001	11.5
Compensation for the state guarantee	- 11,183	- 10,779	- 404	3.7
Operating expenses	- 326,359	- 306,541	- 19,818	6.5
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	- 30,349	- 28,913	- 1,436	5.0
Changes to provisions and other value adjustments and losses	- 488	2,711	- 3,199	- 118.0
Operating result	333,776	317,774	16,002	5.0
Extraordinary income	212	31,580	- 31,368	- 99.3
Extraordinary expenses	0	- 0	0	- 100.0
Changes in reserves for general banking risks	0	- 25,000	25,000	- 100.0
Taxes	- 38,491	- 37,711	- 780	2.1
Consolidated profit	295,497	286,642	8,855	3.1

Consolidated balance sheet (before appropriation of profit)

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	absolute	Change in %
Assets				
Liquid assets	7,797,905	8,212,567	- 414,663	- 5.0
Amounts due from banks	658,583	346,240	312,343	90.2
Loans to customers	46,352,628	43,374,016	2,978,612	6.9
Amounts due from clients	5,434,950	5,138,593	296,357	5.8
Mortgage loans	40,917,678	38,235,423	2,682,255	7.0
Trading portfolio assets	1,692,920	1,489,198	203,722	13.7
Positive replacement values of derivative financial instruments	89,613	174,381	- 84,768	- 48.6
Financial investments	5,290,101	5,153,687	136,414	2.6
Accrued income and prepaid expenses	100,701	100,972	- 272	- 0.3
Non-consolidated participations	28,343	29,045	- 702	- 2.4
Tangible fixed assets	213,763	218,537	- 4,774	- 2.2
Other assets	24,574	55,449	- 30,875	- 55.7
Total assets	62,249,130	59,154,092	3,095,039	5.2
Total subordinated claims	11,069	8,234	2,835	34.4
of which, subject to conversion and/or debt waiver	6,465	3,796	2,670	70.3
Liabilities				
Amounts due to banks	5,706,212	4,102,377	1,603,835	39.1
Amounts due to securities financing transactions	2,571,911	3,861,798	- 1,289,887	- 33.4
Amounts due in respect of customer deposits	30,009,649	29,101,601	908,048	3.1
Trading portfolio liabilities	55,949	88,167	- 32,218	- 36.5
Negative replacement values of derivative financial instruments	176,627	190,445	- 13,819	- 7.3
Liabilities from other financial instruments at fair value	927,691	695,172	232,519	33.4
Cash bonds	206,221	282,512	- 76,291	- 27.0
Bond issues and central mortgage institution loans	18,053,005	16,417,127	1,635,878	10.0
Accrued expenses and deferred income	273,157	287,007	- 13,850	- 4.8
Other liabilities	17,223	52,265	- 35,042	- 67.0
Provisions	26,844	30,364	- 3,520	- 11.6
Reserves for general banking risks	694,354	694,354	0	0.0
Share capital	183,458	183,458	0	0.0
Capital reserve	487,068	552,806	- 65,738	- 11.9
Retained earnings reserve	2,568,814	2,346,532	222,282	9.5
Own shares	- 4,548	- 18,534	13,986	- 75.5
Consolidated profit	295,497	286,642	8,855	3.1
Total liabilities	62,249,130	59,154,092	3,095,039	5.2
Total subordinated liabilities	1,572,671	1,219,454	353,217	29.0
of which, subject to conversion and/or debt waiver	1,572,671	1,219,454	353,217	29.0
Off-balance-sheet transactions				
Contingent liabilities	298,948	317,273	- 18,325	- 5.8
Irrevocable commitments	2,396,031	2,034,885	361,147	17.7
Liabilities for calls on shares and other equity	101,691	76,056	25,635	33.7
Credit commitments	0	688	- 688	- 100.0
Contract volume of derivative financial instruments	25,580,351	24,315,587	1,264,764	5.2
Securities and fiduciary investments	36,060,728	31,034,939	5,025,789	16.2

Consolidated cash flow statement

Amounts in 1,000 Swiss francs	Cash inflow 2025	Cash outflow 2025	Cash inflow 2024	Cash outflow 2024
Cash flow from operating activities (internal financing)				
Consolidated profit	295,497	-	286,642	-
Changes in reserves for general banking risks	0	0	25,000	0
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	30,109	0	29,213	0
Provisions and other value adjustments	1,419	1,990	804	4,485
Changes in value adjustments for default risk and losses	35,951	22,593	56,828	72,930
Accrued income and prepaid expenses	303	0	8,422	0
Accrued expenses and deferred income	0	13,850	0	20,900
Other items	0	0	0	0
Previous year's dividend	-	128,719	-	123,364
Balance	196,126	-	185,230	-
Cash flow from equity transactions				
Share capital	0	0	0	0
Changes in own shares	15,150	2,542	5,343	4,428
Balance	12,608	-	915	-
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Non-consolidated participations / equity participations	0	481	2,080	1,054
Real estate	0	3,988	0	4,791
Other tangible fixed assets	0	20,164	0	19,363
Intangible assets	0	0	15,541	0
Balance	-	24,633	-	7,587
Cash flow from banking operations				
Medium and long-term business (>1 year)	3,953,052	5,469,099	2,100,966	3,566,860
- Amounts due to banks	40,000	0	0	0
- Amounts due in respect of customer deposits	33,070	0	0	41,642
- Cash bonds	53,889	130,180	59,230	18,851
- Bond issues	1,410,000	649,985	398,095	200,000
- Central mortgage institution loans	997,000	293,000	492,000	371,000
- Funding-component of structured products	1,388,219	1,216,356	1,128,059	1,171,032
- Other liabilities	0	35,042	0	25,163
- Amounts due from banks	0	20,000	0	15,000
- Amounts due from clients	0	87,721	0	43,944
- Mortgage loans	0	2,686,503	0	1,637,479
- Financial investments	0	350,313	23,582	0
- Other assets	30,875	0	0	42,749
Short-term business	2,975,079	2,057,795	1,967,187	905,762
- Amounts due to banks	1,563,835	0	1,256,930	0
- Liabilities from securities financing transactions	0	1,289,887	0	72,721
- Amounts due in respect of customer deposits	874,978	0	295,255	0
- Trading portfolio liabilities	0	32,218	189	0
- Negative replacement values of derivative financial instruments	0	13,819	0	87,657
- Liabilities from other financial instruments at fair value	232,519	0	260,343	0
- Amounts due from banks	0	292,343	0	25,361
- Amounts due from securities financing transactions	0	0	40,000	0
- Amounts due from clients	0	225,806	34,294	0
- Trading portfolio assets	0	203,722	0	591,790
- Positive replacement values of derivative financial instruments	84,768	0	80,176	0
- Financial investments	218,979	0	0	128,233
Liquidity	414,663	0	225,910	0
- Liquid assets	414,663	0	225,910	0
Balance	-	184,101	-	178,559

The movements in the consolidated cash flow statement are presented before taking value adjustments into account. Due to this gross presentation, the figures cannot be compared directly with the balance sheet.

Consolidated statement of changes in equity

Amounts in 1,000 Swiss francs	Share capital	Capital reserves	Retained earnings reserve	Reserves for general banking risks	Own shares	Consolidated profit	Total
Equity as of 31.12.2024	183,458	552,806	2,346,532	694,354	- 18,534	286,642	4,045,258
Purchase of own shares	0	0	0	0	- 2,542	0	- 2,542
Sale of own shares relating to employee participation programme	0	0	0	0	15,887	0	15,887
Sale of own shares (other)	0	0	0	0	641	0	641
Gain (loss) on sale of own shares	0	- 1,378	0	0	0	0	- 1,378
of which, financial investments	0	- 1,365	0	0	0	0	- 1,365
of which, trading portfolio assets	0	- 13	0	0	0	0	- 13
Dividends and other distributions	0	- 64,360	0	0	0	- 64,360	- 128,719
Allocations to (Transfers from) the reserves for general banking risks	0	0	0	0	0	0	0
Other allocations to (transfers from) the retained earnings reserve	0	0	222,282	0	0	- 222,282	0
Consolidated profit	0	0	0	0	0	295,497	295,497
Equity as of 31.12.2025	183,458	487,068	2,568,814	694,354	- 4,548	295,497	4,224,643

Consolidated notes

1 Company name, legal form and registered office of the bank

Luzerner Kantonalbank AG (LUKB) is a public limited company under private law in accordance with the Swiss Code of Obligations with its registered office in Lucerne. The LUKB Group has a dense branch network with 22 branches in the Canton of Lucerne and one office in Zurich (private banking and structured products). LUKB has two sales offices for its structured products business in the French- and Italian-speaking parts of Switzerland (Lausanne and Lugano).

2 Accounting and valuation principles

General principles

The accounting and valuation principles comply with the Swiss Code of Obligations, the Swiss Banking Act and the related ordinance as well as the Accounting Ordinance of the Swiss Financial Market Supervisory Authority (FINMA) (FINMA AO) and the accounting rules for banks, investment firms, financial groups and conglomerates in accordance with FINMA Circular 2020/01 'Accounting - Banks'. The consolidated annual financial statements present a true and fair view of the assets, financial position and results of operations of the LUKB Group. The individual figures are rounded for publication. The calculations, however, were made on the basis of unrounded figures.

Scope of consolidation

The consolidated annual financial statements comprise the financial statements of the parent company as well as of the Group companies held directly or indirectly in which LUKB holds a majority of the voting rights or capital (see sections '[Disclosures on significant participations](#)' and '[Consolidation method](#)').

Consolidation method

The company mentioned in the 'Fully consolidated participations' paragraph in the '[Disclosures on significant participations](#)' section is included in the consolidated financial statements using the full consolidation method. For capital consolidation, the valuation is carried out at the time of acquisition using the purchase method. Under this method, assets and liabilities as well as expenses and income are recognised in full. Significant non-controlling interests with holdings of between 20 % and 50 % are accounted for in the consolidated annual financial statements using the equity method. In the case of intermediate holdings, the holding amount is determined by reference to the operating unit. Any surplus of assets resulting from the initial valuation (goodwill) is recognised under 'Intangible assets' and amortised over its useful life. Capitalised goodwill is generally amortised over a period of five years or, in justified cases, over a maximum of ten years. Goodwill for which recognition is no longer warranted on the basis of an assessment as at the balance sheet date is additionally written down at the appropriate time. This assessment is carried out if there are indications of impairments. Intra-Group transactions are eliminated during the preparation of the consolidated annual financial statements. There are no interim profits.

Consolidation period

The consolidation period corresponds to the respective calendar year. If consolidated subsidiaries have financial years that differ from the calendar year, interim financial statements are prepared as at the balance sheet date.

Detailed provisions

General valuation principles

The valuation is based on the assumption that the Group and the Group companies are going concerns. Accordingly, the annual financial statements are prepared on a going-concern basis.

The items reported and included in a balance sheet item are valued individually. If the value of assets is impaired as at the balance sheet date, individual value adjustments and write-downs are recognised. The following items are valued at nominal value:

Balance sheet: Assets

- Liquid assets
- Amounts due from banks
- Amounts due from securities financing transactions
- Amounts due from clients
- Mortgage loans

Balance sheet: Liabilities

- Amounts due to banks
- Liabilities from securities financing transactions
- Amounts due in respect of customer deposits
- Cash bonds
- Bond issues and central mortgage institution loans

Off-balance sheet

- Contingent liabilities
- Irrevocable commitments
- Liabilities relating to calls on shares and other equity securities
- Credit commitments
- Fiduciary transactions

For credit-related default risks, value adjustments are recognised for assets, and provisions are established for off-balance-sheet items. Interest and discounts are accrued over time and recognised under 'Gross result from interest business'.

As a general principle, there is no offsetting of assets and liabilities. However, assets and liabilities can be offset in the following cases:

- Receivables and liabilities, provided they arise from transactions of the same type with the same counterparty, have the same or earlier due date as the receivable, are denominated in the same currency and do not give rise to counterparty risk. These conditions must be fulfilled cumulatively;
- Positive and negative value adjustments not recognised in profit or loss in the adjustment account;

- Deferred income tax liabilities with deferred income tax assets, provided they concern both the same taxable entity and the same tax authority;
- Netting of positive and negative replacement values of derivative financial instruments and cash collaterals deposited in this context, provided that recognised and legally enforceable netting agreements exist.

Assets and liabilities are also offset in the following cases:

- Own debt securities with the corresponding liability position;
- value adjustments with the corresponding asset position;
- Sub-participations granted as the lead bank in a loan transaction with the corresponding principal claim.

As a general principle, there is no offsetting of expenses and income. However, expenses and income can be offset in the following cases:

- Newly formed value adjustments for default risks and losses from interest business with the corresponding recoveries and released value adjustments (reported under 'Changes in value adjustments for default risk and losses from interest operations');
- Newly formed provisions and other value adjustments and losses with the corresponding recoveries and released provisions and value adjustments (reported under 'Changes to provisions and other value adjustments and losses');
- Gains on trading activities and transactions measured using the fair value option with the losses on these transactions;
- Positive value adjustments of financial assets valued according to the lower-of-cost-or-market principle with the corresponding negative value adjustments;
- Expenses and income from real estate are reported under 'Property income';
- The refinancing result from trading activities under 'Result from trading activities and the fair value option';
- Income from hedging transactions with corresponding income from the hedged transaction;

Liquid assets

Liquid assets comprise coins, banknotes and sight deposits held at the Swiss National Bank and at FINMA-recognised clearing centres.

Amounts due from and liabilities from securities financing transactions

As part of repurchase transactions, the LUKB Group sells securities from the investment portfolio and money market book claims with a corresponding repurchase obligation and, as part of reverse repurchase transactions, buys securities with a corresponding selling obligation. Repurchase transactions are treated as cash deposits with the pledging of own securities, while reverse repurchase transactions are treated as advances secured by securities. Lending transactions with securities that are not collateralised by cash are not recognised in the balance sheet, but are disclosed in the notes.

Reimbursement claims and obligations from securities lending and borrowing arising from cash contributions posted or received for borrowed or loaned non-monetary securities are also disclosed under 'Amounts due from securities financing transactions' and 'liabilities from securities financing transactions'. Expenses and income arising in connection with securities lending and borrowing (e.g. compensation payments for dividends or interest on lent securities) are recognised under 'Result from trading activities and the fair value option'.

Amounts due from banks, amounts due from clients and mortgage loans

Value adjustments are made for identifiable risks of loss, whereby specific value adjustments for impaired loans/receivables and value adjustments for inherent default risks on non-impaired loans/receivables (including those for

country risks) are offset against the loans/receivables. The methods used for determining value adjustments are described in Section 4 'Methods used for identifying default risks and determining the need for value adjustments and provisions'. As mentioned in Section 4, the basis for determining the value adjustment of loans/receivables is at least the agreed credit limit. The use of this limit for overdraft facilities is typically subject to frequent and significant fluctuations. For this reason, the entire value adjustment (both for the loan/receivable portion and the unused limit portion) is recognised for the first time under 'Changes in value adjustments for default risk and losses from interest operations'. The corresponding offsetting entry is made:

- in the amount of the loan/receivable less any liquidation proceeds from collateral as a value adjustment to the corresponding balance sheet item,
- in the amount of the unused limit or of the remaining value adjustment as a provision.

This means that loans to customers are recognised in the balance sheet at least to the extent of the recoverable collateral.

If the amount of the loan/receivable and thus also the proportion of the unused limit changes, the corresponding amount is reclassified between the value adjustment on the corresponding balance sheet item and the provision without affecting profit or loss. This reclassification is shown in the column 'Reclassifications' in Table 8.14 'Value adjustments and provisions / reserves for general banking risks'. The value of the impaired loan/receivable is adjusted as mentioned in Section 4, taking into account any liquidation proceeds from collateral. As a result, the impaired loan/receivable remains on the balance sheet in the amount of the liquidation proceeds. Recoveries on impaired loans/receivables are offset directly against value adjustments or provisions for credit risks. Value adjustments and provisions that are no longer required are reversed under 'Changes in value adjustments for default risk, and losses from interest operations'.

Trading portfolio assets and liabilities

Securities, precious metals and cryptocurrencies that are actively managed and therefore held for current trading purposes are valued at fair value as at the balance sheet date (value on a price-efficient and liquid market). Valuation gains or losses form part of 'Result from trading activities and the fair value option'. Interest and dividend income is likewise reported under 'Result from trading activities and the fair value option'. Securities purchases made in connection with the hedging of structured products issued by LUKB form an integral part of the trading business. For the treatment of own debt and equity securities, please refer to the corresponding Section.

Positive and negative replacement values of derivative financial instruments

The positive and negative replacement values of derivative financial instruments are recognised as follows:

Hedging transactions

Derivative financial instruments are used to hedge interest-rate risks and value fluctuations of equity securities in financial assets. The principles and hedge accounting are described in the Section 'Use of derivative financial instruments / hedge accounting'.

The accrual method is applied to the derivative financial instruments used to hedge interest-rate risks as part of asset & liability management (ALM). The result from derivative hedging transactions is allocated to the same income item as income from the underlying transaction.

The result from macro hedges in the interest-rate hedging area, together with the interest income from currency swaps concluded in the banking book, is included in interest income or expenses under 'Result from interest-rate hedging and other derivative transactions'.

During the tenor of the hedging transactions, for as long as they are deemed effective, the result of the hedging of equity securities in financial assets is booked on a lump-sum basis to a settlement account recognised under financial assets. After expiry or termination of the hedging, the cost prices of the hedged securities are adjusted by the total effective hedging result in proportion to the carrying amounts of the hedged securities. Hedging transactions that are ineffective or only partially effective are treated as trading transactions to the extent of the ineffective portion.

The replacement values of derivative hedging instruments are booked under 'Other assets' or 'Other liabilities' against the compensation account. Accrued interest on hedging positions is also included in the compensation account. The net balance of the compensation account from interest-rate hedges is reported under 'Other assets' or 'Other liabilities'.

Interest-rate-risk hedges in the banking book are executed via the Trading & Treasury Services (Trading) organisational unit. Interest income from currency swaps concluded in the banking book is reported under 'Result from interest-rate hedging and other derivative transactions' under 'Gross result from interest operations'. For this purpose, Trading concludes the corresponding derivative financial instruments with external counterparties. While the foreign-exchange result is allocated to trading activities, the interest income is recognised in the banking book ('Gross result from interest operations'). These transactions are shown as trading instruments in Section 8.4 '[Derivative financial instruments \(assets and liabilities\)](#)'.

Trading business

The market value principle is applied to trading transactions, provided the contracts are listed on the stock exchange or a representative market exists. Unlisted derivative financial instruments are valued on a discounted-cash-flow basis or using option-pricing models. Realised and unrealised gains or losses from derivative financial instruments held for trading purposes are recognised under 'Result from trading activities and the fair value option', while positive or negative replacement values are recognised in the corresponding balance sheet item.

Commission business

In addition to derivative business for its own account as a proprietary trader, LUKB also engages in commission business with clients. The replacement values are accounted for according to the following rules:

- Over-the-counter (OTC) trading: All replacement values of derivative financial instruments are recognised in the balance sheet.
- Exchange traded: Only the replacement values of the derivative financial instruments sold by clients are recognised in the balance sheet (and the offsetting position as derivative financial instruments purchased on the stock exchange).

Other financial instruments at fair value and liabilities from other financial instruments at fair value

Financial instruments that are not part of the trading business but are nevertheless valued at fair value are recognised under 'Other financial instruments at fair value'.

Self-issued structured products for which the fair value option has been selected within the meaning of Art. 18 para. 2 FINMA AO are treated as a unit and recognised under the balance sheet item 'Liabilities from other financial instruments at fair value'.

With the exception of the valuation gain or loss on own shares in self-issued trackers, changes in valuation are recognised in 'Result from trading activities and the fair value option', while the interest expense is recognised under 'Gross result from interest operations'. The gain or loss from the valuation of own shares in self-issued trackers is deferred over the tenor and, upon realisation, recognised in equity as per the Section '[Own debt and equity securities](#)'.

Financial investments

Securities acquired with the intention of long-term investment are valued in accordance with the lower-of-cost-or-market value principle. Debt securities acquired with the intention of holding to maturity are subject to the accrual method, i.e. any premium or discount is discounted or compounded over the tenor to maturity. In the event of an early sale or an early redemption, interest components are also accrued over the residual tenor of these securities in the same way. Any ratings-based value adjustments are recognised in the income item 'Changes in value adjustments for default risk and losses from interest operations'. Physical precious metals held under financial assets to hedge holdings in the metal accounts of banks and clients are measured at fair value.

All debt securities in the form of convertible and warrant bonds, debt securities held with the intention of selling as well as all equity securities including investment funds are valued in accordance with the lower-of-cost-or-market principle, i.e. at the lower of acquisition cost or market price. Market-related value adjustments and hedging results are recognised under 'Other ordinary income or expenses'. Any payments received as a result of nominal capital reductions on equity securities are used to reduce the acquisition costs and therefore are not recognised as income. Properties acquired through the lending business and intended for resale are valued in accordance with the lower-of-cost-or-market principle (acquisition cost or, where applicable, a conservatively estimated lower liquidation value). Any necessary adjustments in the value of financial assets valued under the lower-of-cost-or-market principle are recognised under 'Other ordinary income or expenses', with a maximum of one write-up up to the cost of acquisition.

For the treatment of own debt securities and equity securities, please refer to the corresponding Section '[Own debt and equity securities](#)'.

Non-consolidated participations

Significant non-controlling interests with holdings of 20 % to 50 % are recognised in the consolidated annual financial statements at proportionate equity on the balance sheet date in accordance with the equity method (see also the '[Consolidation method](#)' section). Income from investments accounted for using the equity method is recognised in the income statement under 'Income from participations accounted for using the equity method', while negative value adjustments are charged to 'Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets'. Companies in which LUKB holds a stake of less than 20 % or the size of which does not have a material impact on the consolidated annual financial statements are carried at the lower of cost or market value. This category includes, in particular, investments in joint institutions of banks and in local institutions in the Canton of Lucerne.

Investments in smaller, local institutions are generally written down immediately to a nominal value of one Swiss franc. Value adjustments relating to this are recognised under 'Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets'. Realised gains and losses from the sale of investments are recognised under 'Extraordinary income' or 'Extraordinary expenses'.

Non-consolidated participations are listed - where material - in the Section '[Disclosures on significant participations](#)'.

Tangible fixed assets – real estate

Bank buildings and other properties recognised under 'Tangible fixed assets' are carried at no more than acquisition cost less straight-line depreciation over their useful life down to a residual value. The respective estimated useful lives within the Group are as follows:

- Land: n/a, no depreciation
- Building or envelope: 33 years
- Interior fittings: 20 years

- Technical installations: 10 years

The residual value corresponds to the land value and a maximum supplement of 25 % of the investment amount in the building envelope. A potentially lower market value, measured individually for each property, always constitutes the upper limit for recognition in the balance sheet, i.e. additional depreciation is recognised down to the market value in this case. Where there are indications of impairment, a review is carried out at each balance sheet date to determine whether the value of the properties has been impaired.

IT software

One-off licences for IT software are capitalised under 'Tangible fixed assets' if the threshold of 100,000 Swiss francs is exceeded and the software is used for more than one accounting period. Depreciation is recognised on a straight-line basis over the conservatively estimated useful life from the actual commencement of operational use as follows:

- Core banking software: maximum 5 years
- Special software: maximum 3 years

Investment volumes of less than 5 million Swiss francs are usually written down immediately. If there are indications of impairment, the value in use must be assessed and, if necessary, an additional write-down is recognised.

Other tangible fixed assets

Other tangible fixed assets are capitalised if they are used for more than one accounting period and exceed the capitalisation threshold of 100,000 Swiss francs. Depreciation is recognised immediately or on a straight-line basis over the useful life. The respective estimated useful lives within the Group are as follows:

- Operating equipment incl. client safes: maximum 10 years
- Office furniture: maximum 5 years
- Office machines: maximum 4 years
- Telecommunications / workplace technology: maximum 4 years
- IT hardware: maximum 4 years
- Software integration costs: maximum 4 years

The effective depreciation period is defined at the start of each project. Ordinary depreciation is recognised on a straight-line basis over the fixed useful life. Investment volumes of less than 5 million Swiss francs are usually written down immediately. If there are indications of impairment, the value in use must be assessed and, if necessary, an additional write-down is recognised.

Write-ups are made when the reason for extraordinary depreciation ceases to exist. Realised gains and losses are recognised in the income statement under 'Extraordinary income' or 'Extraordinary expenses'.

Intangible assets

For the treatment of any goodwill arising from the initial consolidation of a company, please see the Section 'Consolidation method'. Other acquired intangible assets are capitalised if they provide a benefit over several accounting periods and exceed the capitalisation threshold of 100,000 Swiss francs. The effective depreciation period is defined at the time of initial capitalisation. Ordinary depreciation is recognised on a straight-line basis over the fixed useful life. If there are indications of impairment, the value in use must be assessed and, if necessary, an additional write-down is recognised. Realised gains and losses are recognised in the income statement under 'Extraordinary income' or 'Extraordinary expenses'.

For the categories [Tangible fixed assets – real estate](#), [IT software](#), [Other tangible fixed assets](#) and [Intangible assets](#), ordinary and extraordinary depreciation is recognised under ‘Value adjustments of participations and depreciation and amortisation of tangible fixed assets and intangible assets’.

LUKB had not capitalised any intangible assets as at 31 December 2025.

Provisions

Corresponding value adjustments and provisions are formed for all risks identified on the balance sheet date in accordance with the Section [‘General principles’](#). Provisions no longer required for business purposes are reversed through profit or loss. The creation and release of pension provisions are recognised under ‘Personnel expenses’, while other provisions are recognised under ‘Changes to provisions and other value adjustments and losses’. Provisions are recognised for inherent default risks on unimpaired contingent liabilities. The methods used for determining the corresponding provisions are described in Section 4 [‘Methods used for identifying default risks and determining the need for value adjustments and provisions’](#). For deferred taxes, please see the Section [‘Taxes’](#).

Pension obligations

The employees of the LUKB Group are insured with the pension fund of Luzerner Kantonalbank. A management insurance scheme (affiliation to a collective foundation) also exists. As at 31 December 2025, five employees were covered by this management insurance.

LUKB bears the employer's costs of occupational pension schemes for employees and their surviving dependants in accordance with statutory and regulatory provisions. All pension plans are defined contribution plans. The pension obligations and the assets serving as collateral are placed in legally independent foundations. Employer contributions from these pension plans are recognised in ‘Personnel expenses’ on an accrual basis.

Each year, an assessment is made for each pension plan as to whether, from the perspective of LUKB, a pension institution represents an economic benefit or an economic obligation. This economic benefit (under ‘Other assets’) or the economic obligation (under ‘Provisions’) of the individual pension plans are recognised in the balance sheet (however, an obligation only exists if the conditions for recognising a provision are met). The difference compared with the prior-period value is recognised in ‘Personnel expenses’. The annual financial statements of the pension institutions, which are prepared in accordance with Swiss GAAP FER 26, serve as the basis for determining the benefit or obligation. These present the financial situation as well as the existing surplus or deficit in accordance with the actual circumstances of the respective pension institution. Further information can be found in the ‘Provisions from pension obligations’ section below and Section 8.11 [‘Economic situation of own pension institutions’](#).

Provisions from pension obligations

For members of senior management promoted before 1986 and for members of the Executive Board promoted before 1990, an internal pension fund is maintained for fixed-salary components that were not insured by the pension fund. The benefits are based on the last insured salary before retirement and comprise old-age pensions and survivors' pensions. Instead of a pension benefit, the beneficiary was able to opt for a one-off lump-sum payment upon retirement.

This internal pension fund was discontinued in connection with the change in the pension plan of Luzerner Kantonalbank (a defined contribution plan has been in force since 1 January 2002). As at 31 December 2025, it still had five beneficiaries. In prior years, the necessary provisions for the beneficiaries' old-age and survivors' pensions were recognised in the income statement. Since 2010, no additional interest has been credited to the pension capital.

Reserves for general banking risks

The reserves for general banking risks are allocated to a separate account and counted as equity capital. They are disclosed accordingly in the 'Consolidated statement of changes in equity' section and in Section 8.14 'Value adjustments and provisions / reserves for general banking risks'.

Own debt and equity securities

Own bonds and cash bonds are offset against the corresponding items reported under liabilities. Interest income from own bonds and cash bonds is offset against interest expenses without affecting profit or loss. Own shares are deducted from equity at acquisition cost under 'Own shares'. Own shares held for hedging purposes for self-issued trackers are also included in this balance sheet item. Any payments received from a nominal capital reduction for own shares are used to reduce the acquisition costs. Dividend payments and gains from disposals are allocated to the 'Capital reserve'.

Participation programmes

Part of the variable compensation of the Executive Board and senior management is paid out via a share participation programme. In addition, the Bank may periodically grant all employees the right to acquire a limited number of employee shares. Expenses resulting from the participation programmes are based on valuations at market prices without taking into account any deduction for vesting periods and are included in 'Personnel expenses'. Further information on the structure of the programmes can be found in the [Compensation Report](#).

Contingent liabilities, irrevocable commitments, liabilities for calls on shares and other equity, credit commitments

Off-balance-sheet transactions are disclosed at nominal value. Provisions are recognised in the balance sheet for foreseeable risks. Regarding the methodology used to determine these provisions, see Section 4 'Methods used for identifying default risks and determining the need for value adjustments and provisions'.

Securities and fiduciary investments

Securities and uncertificated securities, coins and precious metals, exchange-traded derivative financial instruments and structured products as well as cryptocurrencies in open client custody accounts are included under this item.

Cryptocurrencies are assigned to a collective pool in accordance with Art. 16 para. 1^{bis} letter b of the Swiss Banking Act and it can be seen which share of the collective assets is attributable to each custody-account client. Cryptocurrencies can therefore be segregated in the event of the bank's bankruptcy. Fiduciary transactions are investments or loans executed or granted by Group companies in their own name but for the account and risk of the client.

Taxes

Tax expenses comprise current and deferred taxes. Current taxes are determined in accordance with the relevant tax laws and are charged to the income statement in the reporting period in which the respective profits arise. Deferred tax assets and liabilities are calculated for temporal differences between the carrying amounts of assets and liabilities recognised in the 'Consolidated balance sheet' and the carrying amounts recognised by the tax authorities. These are determined separately for each business period and for each taxable entity. Deferred tax assets are only recognised if they can be realised in the short term. Changes in deferred taxes are recognised in the income statement and disclosed in Section 10.12 'Taxes and tax rate'. Both the current income and capital tax expenses and the change in deferred taxes within 'Provisions' are recognised under 'Taxes'.

Changes in accounting and valuation principles

In the 2025 financial year, LUKB made the following changes to its accounting and valuation principles:

- From the 2025 financial year onwards, provisions for inherent default risks on off-balance-sheet items (contingent liabilities) are now recognised. For further details, see Section 4 '[Methods used for identifying default risks and determining the need for value adjustments and provisions](#)'
- Positive and negative replacement values of derivative financial instruments and cash collaterals for each counterparty deposited in this context are now also offset against each other in the balance sheet, provided that recognised and legally enforceable netting agreements exist. The previous year's figures have been restated as follows for comparison purposes:

Amounts in 1,000 Swiss francs	31.12.2024 previously	31.12.2024 new	Change	
			absolute	in %
Assets				
Amounts due from banks	383,621	346,240	- 37,381	- 9.7
Loans to customers	43,402,869	43,374,016	- 28,853	- 0.1
Amounts due from clients	5,167,446	5,138,593	- 28,853	- 0.6
Positive replacement values of derivative financial instruments	416,540	174,381	- 242,159	- 58.1
Total assets	59,462,485	59,154,092	- 308,393	- 0.5
Liabilities				
Amounts due to banks	4,120,147	4,102,377	- 17,770	- 0.4
Amounts due in respect of customer deposits	29,101,723	29,101,601	- 122	- 0.0
Negative replacement values of derivative financial instruments	480,946	190,445	- 290,501	- 60.4
Total liabilities	59,462,485	59,154,092	- 308,393	- 0.5

- From the 2025 financial year onwards, brokerage commissions for loans paid to brokers and platforms are no longer recognised in the commission and service business, but rather are offset directly against the corresponding interest income. In the 2024 financial year, the corresponding commission expenses amounted to 1.0 million Swiss francs.
- In addition, the dedicated reserves for general banking risks were combined with the reserves for general banking risks not intended for a specific purpose as at 31 December 2025. Accordingly, the total amount of the reserves for general banking risks is now without purpose-specific allocation.

Recognition of transactions

All transactions concluded are recognised on the trade date and valued in accordance with the provisions in the Sections '[Foreign-currency translation](#)' and '[Detailed provisions](#)'. Accordingly, the net income is also included in the income statement from the trade date onwards. Derivative financial instruments (with the exception of transactions settled via the continuous linked settlement system [CLS]) are derecognised two days before maturity on accounts opened in the name of the counterparty. CLS-eligible foreign exchange transactions are derecognised on the settlement date.

Treatment of past due interest

Unpaid interest and commissions overdue by more than 90 days are not included in 'Interest and discount income' but allocated directly to value adjustments. Likewise, the accrued interest on these items is not included in 'Gross result

from interest operations'. In addition, loans are placed interest-free if it appears unlikely that the interest can be collected.

Foreign-currency translation

Receivables and liabilities in foreign currencies and precious metals as well as foreign currency holdings for the foreign exchange business are valued in the individual financial statements of the Group companies at the average exchange rates applicable on the balance sheet date and applied uniformly throughout the Group. The exchange-rate gains and losses resulting from this valuation practice are reported under 'Result from trading activities and the fair value option'. Transactions in foreign currencies are translated at the prevailing exchange rate and any resulting gains and losses are recognised in the income statement. The exchange rates applied uniformly across the LUKB Group as at the reporting date were:

Unit	Currency code	31.12.2025	31.12.2024
1 US-Dollar	USD	0.793	0.906
1 pound sterling	GBP	1.067	1.134
1 Euro	EUR	0.931	0.938
100 Japanese yen	JPY	0.506	0.576

Refinancing of positions in trading business

Interest and dividend income from trading activities is disclosed under 'Result from trading activities and the fair value option'. By contrast, the refinancing result for trading activities (funding), which is calculated on the basis of the tom/next interest rate, is recognised under 'Result from trading activities and the fair value option' and under 'Refinancing result from trading positions' within 'Interest and discount income'.

3 Risk management

Risk policy

As a financial institution, LUKB is confronted with various bank-specific risks: these include default, market, liquidity, operational, compliance, strategic and reputational risks. Sustainability risks (ESG) as well as climate risks and other nature-related financial risks are not a separate risk category, but rather drivers of the risk categories listed above.

Dealing with risks is one of LUKB's core activities. The appropriate management of risk is of great importance. The risk policy adopted by the Board of Directors defines the framework concept for bank-wide risk management in accordance with FINMA Circular 2017/01 'Corporate governance - banks'.

In line with its corporate strategy, LUKB endeavours to handle risks prudently. To this end, LUKB defines sustainable risk policy requirements, even if that means it does not follow all the trends. Accordingly, LUKB only engages in transactions for which it can be ensured that the bank has the basis for controlling the associated risks. In doing so, LUKB aims not only to protect its financial strength, but also to preserve its reputation. LUKB continuously develops its staff through regular training sessions so that all employees attach great importance to risk management.

The following information takes into account the qualitative information required by the FINMA Ordinance on Disclosure Obligations of Banks and Securities Firms (DisO-FINMA). Explanations of the credit, market and operational risk approaches applied to the calculation of capital adequacy, as well as information on quantity, can be found in the separate [Disclosure Report 2025](#).

The Board of Directors is the highest governing body in the risk management organisation. It determines the risk policy and defines the risk strategy, risk identification, risk measurement, risk assessment, risk management and risk monitoring as well as the principles of the risk management organisation with regard to the independent Compliance and independent Risk Control functions. It also determines risk tolerance and approves strategic limits for the individual risks within the various risk categories, based on LUKB's risk-bearing capacity. When setting the strategic risk limits, care is taken to ensure that the legally required capital is maintained even if various negative events occur. Risk monitoring and compliance with the risk policy by the highest governing body are ensured by means of periodic and standardised reporting at the appropriate level and by providing immediate information in exceptional cases (for further information, please refer to the explanations in the section on corporate governance '[Internal organisation](#)'). The Board of Directors reviews the risk policy periodically - at least once a year - and adjusts it if necessary.

The Risk and Strategy Committee of the Board of Directors prepares the basis for decisions to be made on risk policy (principles and structure of the internal control system as well as determining the risk profile, risk-bearing capacity and risk appetite). It also assesses LUKB's overall risk situation and monitors the appropriateness of the risk policy and its implementation. The Risk and Strategy Committee of the Board of Directors defines the risk policy requirements in further detail in corresponding risk sub-policies. These are reviewed periodically - at least every two years - by the Risk and Strategy Committee of the Board of Directors and adjusted if necessary.

The Audit and Finance Committee of the Board of Directors forms an independent opinion on the internal audit, the external auditors, the internal control system (ICS) and the annual financial statements. It monitors compliance with legal and regulatory requirements.

The Group Executive Board is responsible for implementing the risk policy and risk sub-policies and thus for developing adequate systems and suitable processes for identifying, measuring, assessing, managing and monitoring the risks assumed by the Group. This also includes allocating the risk limits approved by the Board of Directors to the individual business areas, delegating the corresponding competencies and specifying the activities of the Risk Control and Compliance functions. The Group Executive Board regularly reviews the appropriateness of the internal control system and thus also the effectiveness of risk management.

Risk Control function

LUKB has a centrally managed risk function that is independent of income-oriented business activities and also performs the Risk Control function. It is responsible for all risks in the Group and has the following duties:

- Concept: Design of the risk system, the ICS measures in the processes in terms of methodology, principles and requirements as well as the risk-bearing capacity, risk tolerance and risk limits
- Independent risk control: Control of limits in accordance with risk policy and associated rules. Approval of management instruments and risk models as well as risk assessment of bank changes for the attention of the decision-making body
- Risk reporting: Reporting on the risk situation and compliance with limits in accordance with the risk policy and associated rules.

Risk Control reports directly to the CEO. It reports quarterly by means of a risk report covering all risk categories to the Group Executive Board, the Risk and Strategy Committee of the Board of Directors as well as to the Board of Directors. A risk assessment and a comparison of the current situation with the corresponding limits are carried out for each risk category. In the event of extraordinary events or limits being exceeded, an extraordinary report (exception report) is sent immediately to the responsible decision makers.

Compliance function

LUKB has a centrally managed Compliance function for the Group that is independent of income-oriented business activities. This supports the Group Executive Board and employees in enforcing and monitoring compliance. The

Compliance function identifies and assesses compliance risk and reports on changes in compliance risk as well as on serious compliance breaches. The Compliance function reports directly to the CEO. It reports annually to the Group Executive Board, the Audit and Finance Committee of the Board of Directors as well as the Board of Directors on its activities in the previous reporting period and on the assessment of compliance risk. In the event of extraordinary events, an exception report is sent immediately to the responsible competence levels.

Internal audit

The internal auditors report to the Board of Directors. The Board of Directors approves the risk-oriented annual budget and the annual activity report of Internal Audit. The Audit and Finance Committee of the Board of Directors is responsible for managing Internal Audit. Internal Audit regularly audits the ICS. The audit reports of Internal Audit are considered by the Audit and Finance Committee of the Board of Directors, which, if necessary, initiates additional measures in addition to the measures provided for in the reports.

Internal control system (ICS)

LUKB's ICS, which is defined in its risk policy, encompasses all tasks and processes that ensure the achievement of business policy objectives and proper operations.

The LUKB ICS consists of three levels:

- First and foremost, the ICS ensures appropriate risk management in all banking processes by systematically identifying, measuring, evaluating, managing and controlling risks.
- Secondly, the Risk Control and Compliance functions, which are independent of the income-oriented business activities, control the business processes.
- Thirdly, Internal Audit performs the audit of the entire bank.

Outside the bank's actual risk organisation, an audit firm audits the institution.

Managing risks

Default risks

Default risk (credit risk) refers to the risk of financial loss if a counterparty is unable or unwilling to meet its contractually agreed obligations temporarily or permanently. Default risks can be caused by counterparty-specific factors, disruptions to the settlement process (settlement risk, e.g. settlement risk in foreign exchange transactions) or economic and political difficulties in a country (country risk).

Default risks exist both in the actual lending business (loans, fixed loan commitments and contingent liabilities) and in the interbank and trading business (derivatives such as forward transactions, options and swaps, financial assets and repo transactions).

Methodology and instruments

The lending business is based on the risk sub-policies for non-banks, banks and countries adopted by the Risk and Strategy Committee of the Board of Directors and reviewed if necessary (at least every two years), as well as the accompanying detailed directives. This sets out the target client segments, the main products and their principles, the credit approval and monitoring process, standards and restrictions as well as limits for positions entered into and the ratings applied (for commercial clients, banks and countries).

Default risks in relation to loans to customers

The approval authority for all transactions is determined by the definition of areas of responsibility for the lending business. Depending on the structure of the business, certain loans can be approved directly within the market area (e.g. by client advisors). These transactions are subsequently audited by Central Credit Risk Management on the basis of

random checks in order to assess compliance with risk and authority (second opinion). All other lending transactions are only approved after review by Central Credit Risk Management, or Credit Risk Management prepares the lending transactions for approval by the authority level (e.g. for the Credit Committee consisting of the heads of department).

Central Credit Production, which is independent of the client advisors and Credit Risk Management, is responsible for correctly recording data, checking collateral and contracts, suspending limits, the final checking of limit availability and disbursement. In doing so, it ensures that the loan processing also complies with the loan approval requirements.

Companies subject to the obligation to keep accounts are also subject to a rating process by the CreditMaster system (RSN Risk Solution Network AG). In the case of large companies, the key financial figures are supplemented with qualitative assessments of strategy and management. Five rating systems are available, for large companies (production and trading/services), for small companies (production and trading/services), and one for real estate companies. For the purposes of risk assessment and early detection, commercial client credit ratings are periodically updated and assessed on the basis of the annual financial statements to be submitted.

Overdue, impaired or non-performing loans/receivables are (co-)managed by specialists from Special Financing. The aim is to minimise the risk of default. Lending transactions outside the usual standard (exception to policy transactions) require increased attention and a special definition of areas of responsibility as part of the approval process. The Group Executive Board and the Risk and Strategy Committee of the Board of Directors receive a corresponding quarterly report on new business. Exception to policy (EtP) includes loans that do not comply with one or more of the following requirements upon their granting:

- Loan-to-value ratio outside defined limits (e.g. residential investment properties >75 %, building land >60 %)
- Affordability outside of defined thresholds (e.g. home financing: imputed costs exceed 34 % to 40 % of net income [depending on the level of net income])
- Amortisation is below the defined target in accordance with the risk sub-policy for non-banks. The individual property is considered in each case, even if no amortisation would be necessary in a portfolio analysis.

Default risks in interbank business

In interbank business, a multi-level, system-supported limit system is used to manage counterparty risks. This system differentiates between del credere and settlement risks. The amount of the limit depends on the rating of the counterparty and its capital adequacy. The limit system is structured in such a way that adequate diversification of counterparties is taken into account. Depending on the risk situation of the counterparty and the market situation, interbank transactions are settled selectively against collateral (repo). In addition, collateral agreements (Credit Support Annex - CSA) are concluded with the counterparties as part of the ISDA agreements. Compliance with the limits is checked daily.

Country risks

Foreign exposures comprise all assets with a foreign risk domicile at their carrying amount or, in the case of derivatives, at their replacement value plus add-ons. Based on country ratings, management is carried out using a multi-stage limit system that takes account of adequate diversification. Compliance with limits is checked on a monthly basis.

Market risks

'Market risk' refers to the loss potential resulting from unfavourable changes in interest rates, share prices, foreign exchange and cryptocurrency rates and real estate prices as well as other relevant market parameters such as volatilities. Market risks are present in both the banking and trading books.

Methodology and instruments

Market risks are managed via the modified duration of the present value of equity (banking book), value-at-risk limits (banking and trading books) and other limits. These are supplemented by periodic scenario analyses and stress tests.

Market risk management is essentially based on the risk sub-policies on asset & liability management (ALM) and trading adopted by the Risk and Strategy Committee of the Board of Directors and reviewed if necessary (but at least every two years), as well as the associated detailed directives.

Market risks in the banking book

Due to LUKB's strong positioning in the interest margin business, interest rate risk represents a significant risk. Interest-rate risks may arise due to temporal mismatches in the fixed-interest period or the interest rate restatement of assets, liabilities and off-balance-sheet items (interest rate restatement risk) or from changes in the balance sheet structure as well as changes in the interest rates for instruments that have a similar tenor but are valued on the basis of different interest rates (basic risk). Interest-rate risk is managed by the Asset & Liability Committee (ALCO), consisting of the heads of department, at the request of the ALCO preparatory committee. As part of the monitoring activities performed by the Finance department, the interest-rate risk metrics and the draw-down of the defined limits are determined monthly and reviewed by the independent Risk Control function. Callable positions or positions that are due on demand are taken into account in the individual parameters using a replication model that is to be reviewed annually. In addition, a dynamic analysis of the income effect is carried out quarterly based on various scenarios. The results of regular stress tests round off the decision-making basis for managing interest-rate risk. Derivative financial instruments are also used as part of asset & liability management (ALM) to manage and hedge interest-rate risks. For further information on the management of interest rate-risks, please refer to the ['Interest-rate risks in the banking book'](#) section of the 2025 Disclosure Report.

In addition to interest-rate risk, other market risks must be managed in the banking book. The foreign currency risk of balance sheet items in the banking book is part of the trading book and is limited by the value-at-risk limits of the trading book (see the following Section 'Market risks in the trading book'). The risks arising from financial investments and real estate are managed using a limit system (position and loss limits as well as risk spread limits). Financial investments mainly comprise good-quality listed securities traded on recognised markets. The vast majority are interest-bearing securities (see Section 8.5 ['Financial investments'](#)).

Market risks in the trading book

LUKB maintains a trading book with holdings of securities, foreign currencies, cryptocurrencies, interest-bearing securities and the respective derivatives that are subject to price fluctuations or their volatility. The derivative components and the corresponding hedges of the structured products issued by LUKB also form an integral part of the trading book. In addition, the foreign currency risk of balance sheet items in the banking book is managed via the trading book.

Market risks in the trading book are managed in the Trading & Treasury Services and Structured Products Trading organisational units, while limits are monitored by the independent Risk Control function. The limits are checked daily to ensure they are being adhered to. In addition to volume and sensitivity limits, value-at-risk limits are applied at the level of total trading and at the level of individual trading desks (securities and money trading, foreign exchange trading and structured products) at a confidence level of 99 % with a holding period of one day. The forecasting quality of the value-at-risk model is checked with a daily backtest.

Liquidity risks

Liquidity risk refers to the risk that the bank will be unable to refinance its assets (and increases thereof) or meet its obligations on prevailing market terms. Liquidity risks may arise for the bank as a result of unexpected events. Examples

include the unscheduled use of credit limits by clients, outflows of client funds and the cancellation of refinancing limits by counterparties.

Methodology and instruments

Liquidity risks are managed as part of asset & liability management (ALM). Liquidity risk management is essentially based on the ALM risk sub-policy and internal directives adopted by the Risk and Strategy Committee of the Board of Directors and reviewed if necessary (but at least every two years). While the short-term management of liquidity on the money market is the responsibility of Trading, long-term refinancing is carried out in Treasury.

The Finance department periodically determines the utilisation of the limits and targets set by the Board of Directors for liquidity management with regard to the liquidity coverage ratio and net stable funding ratio as well as other liquidity risk parameters and reports these to the ALCO preparatory committee, ALCO, Trading and the independent Risk Control function. The independent Risk Control function reviews the information and reports it to the Group Executive Board, the Risk and Strategy Committee of the Board of Directors as well as the Board of Directors as part of the quarterly risk report. In addition, Risk Control regularly conducts liquidity stress tests together with the Finance department. A contingency plan is in place for unexpected liquidity events.

Short-term and structural liquidity

Through prudent liquidity management, LUKB aims to maintain a solid liquidity position to ensure that it is always able to meet its payment obligations on time. With regard to the development of the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), we refer to the [2025 Disclosure Report](#) (see Section 'LIQ1: Information on the liquidity coverage ratio (LCR)' and 'LIQ2: Information on the net stable funding ratio (NSFR)').

In addition to the aforementioned minimum regulatory requirements, the liquidity risk is managed via internal limits and target values.

Operational risks

An operational risk is the risk of financial losses incurred as a result of the inadequacy or failure of internal processes or systems, improper actions or errors made by employees, or as a result of external events.

Methodology and instruments

The operational risks sub-policy, which is reviewed by the Risk and Strategy Committee of the Board of Directors as required (but at least every two years), and the associated guidelines essentially form the basis for managing operational risks.

Operational risks are identified and quantified by means of a structured self-diagnosis carried out by Risk Control with the process owners. They are classified according to loss event categories in accordance with the framework of the Basel Committee on Banking Supervision or FINMA. In order to measure the risks, the potential extent of damage must be determined both under normal circumstances (95 % of the possible risks that can occur in the normal course of business) and in the event of the occurrence of extreme cases (risks with a very high potential for damage and a low probability of an event occurring). Risk Control also maintains a claims database of losses that have occurred.

In order to manage the risk, the possible loss events are divided into four different risk zones. Based on this risk assessment, appropriate measures are then defined to mitigate the identified potential losses.

In accordance with the Operational Risks sub-policy, authority for approving operational risks and their management measures is derived from the risk assessment and, depending on the risk zone, lies with the process owners, the Group Executive Board or the Board of Directors.

Operational risks are managed and the risks and ICS are documented in a specialised GRC tool for which Risk Control is responsible. The persons responsible for performing the controls also send control reports from the inventoried downstream controls directly to Risk Control via the GRC tool.

As part of the risk report, Risk Control reports quarterly on operational risks to the Group Executive Board, the Risk and Strategy Committee of the Board of Directors and the Board of Directors. In addition to the development of operational risks, this includes, in particular, claims and incidents that occur, summary reporting on downstream control activities and key controls as well as other specific aspects of operational risk management such as the measures taken in BCM, operational resilience, cyber risks and model risk management.

Every year, Risk Control also submits all of the risks identified as part of the structured self-diagnosis in a report on operational risks to the relevant competence levels for approval.

Procedures, processes and people

LUKB makes great efforts to implement risk-reducing measures in the areas of process and quality management, information security and internal controls. To this end, a high level of risk awareness, among other things, is promoted at all levels and LUKB employees receive targeted training and development. In addition, all risk-relevant aspects are checked before new products and services are introduced, the development of an efficient early warning system is promoted and the smooth operation of the business is ensured, including in the event of infrastructure failures and disasters. In addition, specialists in independent Risk Control deal with ICT security as well as building and personal security (physical security).

Business continuity management (BCM)

BCM refers to the institution-wide approach for restoring the operation of critical processes in the event of a significant disruption or interruption beyond incident management. It defines the response to significant faults or interruptions.

An annual business impact analysis is used to identify the criticality of the business processes and their underlying critical resources (facilities, personnel, ICT, information and external parties). Based on this, appropriate business continuity plans (BCP) are drawn up for critical processes. The BCP define the necessary procedures, recovery options and replacement resources for ensuring continuity and restoring critical processes. The BCPs are documented in a crisis and BCP manual.

The functionality of the BCM is tested annually and improved if deficiencies are identified.

Operational resilience

Operational resilience refers to the bank's ability to restore its critical functions in the event of interruptions within the interruption tolerance. This means LUKB's ability to identify, protect against and react to internal or external risks and possible outages, to restore normal business operations in the event of disruptions and to learn from them in order to minimise the impact of disruptions on the provision of critical functions.

The independent Risk Control function maintains an inventory of the bank's critical functions and their interruption tolerances as well as the connections and dependencies between the critical processes required and their resources to perform the critical functions. Compliance with the defined interruption tolerances is regularly tested using scenario-based tests and exercises. Any weaknesses identified must be assessed and, if possible, remedied by means of additional improvement measures.

The Board of Directors approves the identified critical functions and their interruption tolerances on an annual basis. It also approves and monitors the procedure for ensuring operational resilience by means of an annual report on operational resilience by the independent Risk Control function.

Compliance risks

Compliance risk is defined as the risk of breaches of legal, regulatory and internal regulations, market standards and codes of conduct, as well as the risk of corresponding legal and regulatory sanctions and financial damage.

Implementing compliance is one of the management tasks of all line managers. The central Compliance function supports the Group Executive Board and employees in this task.

As part of its risk policy, the Board of Directors determines the Group-wide compliance organisation and compliance risk policy. The Audit and Finance Committee of the Board of Directors assesses and monitors the functionality and appropriateness of the compliance organisation and compliance risk management.

LUKB is involved in individual legal disputes and legal proceedings as part of its ordinary business activities. Adequate provisions are made for these cases. All legal cases are handled in-house by the central Legal department.

Strategy risks

The strategic objectives and orientations are set by the Board of Directors. A strategy risk is defined as the risk of

- not addressing the strategy process or addressing it in a unstructured manner,
- pursuing the wrong strategy, or
- being unable to implement the defined strategy.

Strategy risks are monitored by means of a periodic review of the strategy as part of rolling corporate planning and the corresponding key performance indicators (KPIs) defined in the strategy. The independent Risk Control function reports on strategy risks as part of its quarterly risk report to the Group Executive Board, the Risk and Strategy Committee of the Board of Directors and the Board of Directors.

Reputational risks

Reputational risk refers to the risk that the perceived behaviour of LUKB does not meet the expectations of its stakeholders, resulting in a loss. Reputational risk is identified and assessed on a quarterly basis. If necessary, risk-reducing measures are defined and their implementation monitored. The risk management and control mechanisms mentioned above serve to protect against reputational losses. Key elements include, in particular:

- the consistent implementation of the mission statement,
- business conduct that does not result in damage to the good reputation, and
- open internal and external communication.

The independent Risk Control function reports on reputational risks as part of its quarterly risk report to the Group Executive Board, the Risk and Strategy Committee of the Board of Directors and the Board of Directors.

Stress testing

In addition to the methods and instruments for dealing with risks described above, LUKB periodically conducts overall bank stress tests under the direction of the independent Risk Control function. Scenario analyses are used to determine the impact of changes in various macroeconomic factors. This involves simulating the development of the balance sheet and income statement as well as the main financial indicators over a period of five to ten years. The results of the overall bank stress tests are taken into account in capital planning, among other things.

Based on the overall bank stress tests, a liquidity stress test is also carried out over a period of eight quarters. Intraday stress analyses are also carried out.

The independent Risk Control function reports the results of the stress testing annually to the Group Executive Board, the Risk and Strategy Committee of the Board of Directors and the Board of Directors.

4 Methods used for identifying default risks and determining the need for value adjustments and provisions

Loans with a total obligation of more than 100,000 Swiss francs must be specifically monitored (watch list) and checked for value adjustments/provisions in the following cases:

- Breach of contract (outstanding interest and amortisation for more than 90 days, persistent credit overruns longer than 90 days, loan positions terminated by LUKB)
- Disruptions in the relationship of trust with borrowers (e.g. overdue documentation)
- Borrower in liquidation
- Negative deviations of the underlying factors from the initial credit assessment:
 - Rating levels 9 and 10 for insufficient collateral or unsecured loans
 - Insufficient earnings/economic viability issues
 - Declining income values of investment properties
 - Unregulated, but pending successor
 - Other reasons (for example criminal investigation proceedings/criminal charges against the borrower, risk assessments by the client advisor or expert)

Value adjustments and provisions for default risks on impaired loans/receivables and off-balance-sheet transactions

The specific value adjustment or provision is calculated as the difference between the exposure (credit limit or higher debt, including contingent liabilities) and the realisation value of any collateral. The realisation value of the collateral is the liquidation value (estimated realisable value less holding and liquidation costs). The entire exposure of the customer or economic unit must always be taken into account.

Impaired loans/receivables are (co-)managed by Special Financing, which also determines the amount of the specific value adjustment/provision.

Specific value adjustments are recognised for impaired loans/receivables if the underfunding according to the impairment test is higher than 100,000 Swiss francs. For non-performing loans that do not reach this threshold, lump-sum individual value adjustments are calculated based on empirical values. Non-performing loans are:

- Loans/receivables with outstanding interest/amortisation or credit breaches for longer than 90 days (if outstanding interest/amortisation arises from a basic claim [e.g. mortgage], the basic claim is also deemed to be non-performing)
- Loans/receivables due from debtors in liquidation (judicial or out-of-court)
- Loans/receivables for which credit-related interest concessions were made below own refinancing costs

Value adjustments and provisions for inherent default risks on unimpaired loans/receivables and off-balance-sheet transactions

As a Category 3 bank within the meaning of Art. 25 para. 1 letter b FINMA AO, LUKB establishes value adjustments and provisions for inherent default risks (including country risks) on unimpaired loans/receivables from banks and loans to customers and off-balance-sheet transactions (contingent liabilities).

To calculate the value adjustments and provisions for inherent default risks, fixed value adjustment and provision rates are derived and reviewed for appropriateness in the first quarter of each year on the basis of experience with actual defaults in the lending business. The basis used is the actual credit losses recognised over the past 30 calendar years, supplemented by the losses expected for the planning period in accordance with the respective financial plan. A floor of 0.12 % is currently used for the value adjustment rate on loans to customers, as the average value over the past 30 years has now been below the floor.

Due to the historically low defaults and the resulting low value adjustment and provision rates, LUKB also applies a market adjustment factor of no more than 2.0 to determine the value adjustments and provisions portfolio. The actual determination takes into account the market situation and FINMA's expectations. As of 31 December 2025, a factor of 1.60 will continue to be applied.

Value adjustments for inherent default risks on non-impaired loans/receivables are calculated at the individual loan level, while they are subsequently posted on an aggregate basis to the respective balance sheet items. Value adjustments are distributed monthly across balance sheet items and recognised under 'Changes in value adjustments for default risk and losses from interest operations'.

Provisions for inherent default risks on unimpaired contingent liabilities are calculated at the overall position level in Swiss francs using a credit conversion factor (CCF) of 100 % and are recognised in the balance sheet or income statement item 'Provisions' or 'Changes to provisions and other value adjustments and losses'.

Appropriation for intended use

An existing value adjustment/provision is reversed through profit or loss when the loan is amortised or the realisation value and/or the customer's creditworthiness have increased or improved over the long term. Derecognition (appropriation for the intended purpose) takes place when the loss is definitively established.

The existing value adjustments and provisions for inherent default risks can be used to break the pro-cyclicality for the formation of specific value adjustments or provisions for impaired loans/receivables or off-balance-sheet transactions, particularly in a situation where there is an exceptionally high need for specific value adjustments and provisions for default risks (crisis situation). Requirements for specific value adjustments and provisions are considered to be exceptionally high if they exceed 1 % gross of eligible capital or 10 % of the Group's gross interest income (end of previous year level). The CFO decides on the appropriation and informs the Executive Board, the Audit and Finance Committee of the Board of Directors as well as the Board of Directors of the amount of appropriation (including the parameters selected for setting the amount) as well as the planned period for the reconstruction (maximum six years). As a result, the market adjustment factor is temporarily reduced and the resulting value adjustments are used for their intended purpose. After six years at the latest, the market adjustment factor must return to at least 1.0.

Value adjustments for inherent default risks were not used in the reporting year. There is also no shortfall as of 31 December 2025.

The accounting of value adjustments and provisions is governed by Section '[Detailed provisions](#)' (on the accounting and valuation principles).

5 Valuation of collateral / criteria for determining market value and loan-to-value

As part of risk limitation, collateral less a risk margin is taken into account as cover for loans/receivables and off-balance-sheet transactions (see Section 8.2 ‘Collateral for loans/receivables and off-balance-sheet transactions / impaired loans/receivables’). The calculation basis is determined by the marketability and liquidity of the collateral.

LUKB attaches great importance to ensuring that its loans are well secured. The recoverability of the collateral is reviewed at risk-appropriate intervals.

The following chart illustrates the lending values of the residential mortgages outstanding on the reporting date.

Loan to value 31 December 2025 Residential mortgages in % of the lending value

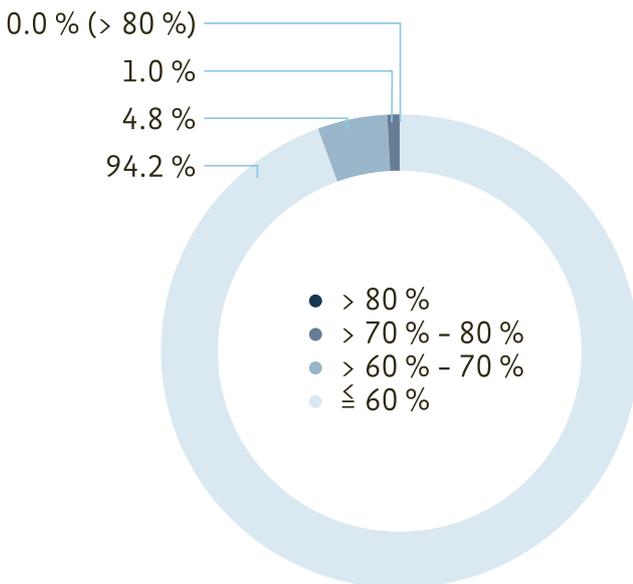


Figure: Loan-to-value for residential mortgages as of 31 December 2025

Mortgage-backed loans

There are binding rules for determining the market values (lending basis) of properties. The valuations are based on the respective use of the property (e.g. owner-occupied homes: hedonic model; investment properties: income capitalisation method). The lending basis for all valuations is the lower of cost or market value. The loans are to be amortised based on the type of property, loan-to-value ratio and purpose of use.

Other collateral

In particular, securities (such as shares, bonds or funds), financial investments and precious metals are accepted as collateral to cover Lombard loans and other secured loans. Depending on liquidity and tradability, LUKB applies haircuts to market or nominal values to cover the market risk associated with the collateral.

6 Use of derivative financial instruments / hedge accounting

Use of derivative financial instruments

Derivative financial instruments are used in both the trading and banking books (in the banking book for hedging purposes as part of asset & liability management and equity securities in financial investments). Transactions are also carried out for the account of clients. Derivative financial instruments are traded only by the two organisational units Trading & Treasury Services and Structured Products Trading. Proprietary and client trading (including on a commission basis) takes place with standardised exchange-traded and OTC instruments on interest rates, currencies, equity securities/indices, precious metals and commodities. Derivative financial instruments can also be used as parts of structured products (e.g. dual currency investments and discount certificates). Structured products within the meaning of Art. 18 para. 1 FINMA AO consist of an underlying instrument and an embedded derivative. In the case of self-issued structured products, the derivative is separated from the underlying instrument and valued and accounted for separately, provided that:

- there is no close connection between the economic characteristics and risks of the embedded derivative and the underlying instrument,
- the structured product as a whole does not meet the terms and conditions for recognition as a trading transaction or the fair value option is not selected, and
- the embedded derivative as a stand-alone instrument meets the definition of a derivative financial instrument.

The bonds (underlying instrument) are recognised at nominal value under 'Bond issues and central mortgage institution loans'. The derivative component is recognised at fair value in the balance sheet item 'Positive replacement values of derivative financial instruments' or 'Negative replacement values of derivative financial instruments'.

Income from self-issued structured products is recognised under 'Result from trading activities and the fair value option'.

Hedge accounting

Hedge accounting is used to hedge interest-rate risk positions in the banking book as part of asset & liability management and against fluctuations in the value of equity securities in financial investments.

Hedging interest-rate risks in the banking book

Derivative financial instruments are used to manage the impact of future interest rate changes. Interest rate risks of interest rate-sensitive positions in the banking book are hedged by interest rate swaps and interest rate futures.

The hedging relationship as well as the objectives and strategy for hedging instruments are documented when the transaction is concluded, while the effectiveness of the hedging is periodically reviewed. For this purpose, assets and liabilities are considered separately. Hedging is classified as 'effective' if the present value of the derivative financial instruments changes in the opposite direction to that of the hedged group of underlying transactions. If this is not the case, the hedges are classified as ineffective and the excess portion of the derivative instrument is recognised under 'Result from trading activities and the fair value option'.

Interest rate swaps are concluded between the trading book and the banking book to hedge interest rate risks. The treatment of these is described in Section '[Detailed provisions](#)' under 'Positive and negative replacement values of derivative financial instruments'.

Hedging of fluctuations in the value of equity securities in financial investments

Futures sold or put options purchased on the SMI, SLI or DAX indices on the stock exchange qualify as hedging instruments for equity securities denominated in Swiss francs or euros in financial investments. The ratio of the contract value of the hedging instruments (delta-weighted for options) to the market values of the hedged equities (adjusted by the ratio of book to market values calculated at the time of the hedging trigger as well as by the beta) must be between 50 % and 150 % during the tenor of the hedge. If the ratio moves outside this range, the hedging transaction is considered ineffective and is reclassified as a trading transaction.

Situation on the balance sheet date

As in the previous year, no hedging transactions had to be classified as ineffective on the balance sheet date.

7 Events after the balance sheet date

No extraordinary events that have a material effect on the assets, financial position or results of operations of Luzerner Kantonalbank AG occurred after the balance sheet date.

8 Information on the balance sheet

8.1 Securities financing transactions (assets and liabilities)

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions ¹⁾	0	0	0
Book value of obligations from cash collateral delivered in connection with securities lending and repurchase transactions ¹⁾	2,571,911	3,861,798	- 1,289,887
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	2,617,412	3,957,324	- 1,339,911
of which, with unrestricted right to resell or pledge	2,617,412	3,957,324	- 1,339,911
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or pledge	61,175	92,968	- 31,793
of which, repledged securities	0	0	0
of which, resold securities	55,948	88,166	- 32,219

¹⁾ Before taking into account any netting agreements

8.2 Collateral for loans/receivables and off-balance-sheet transactions / impaired loans/receivables

Collateral for loans/receivables and off-balance-sheet transactions

Amounts in 1,000 Swiss francs	Mortgage collateral	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from clients	490,263	2,263,058	2,804,781	5,558,102
Mortgage loans	40,996,311	0	6 417 ¹⁾	41,002,729
- Residential property	33,873,269	0	4,436	33,877,705
- Office and business premises	4,925,931	0	1,000	4,926,931
- Commercial and industrial premises	892,852	0	467	893,319
- Other	1,304,259	0	515	1,304,774
Total loans (before netting with value adjustments)	41,486,574	2,263,058	2,811,198	46,560,831
Share as %	89.1	4.9	6.0	100.0
Previous year	38,924,324	1,978,860	2,657,617	43,560,801
Share as %	89.4	4.5	6.1	100.0
Value adjustments	0	0	208,203	208,203
Total loans (after netting with value adjustments)	41,486,574	2,263,058	2,602,995	46,352,628
Share as %	89.5	4.9	5.6	100.0
Previous year	38,924,324	1,978,860	2,470,832	43,374,016
Share as %	89.7	4.6	5.7	100.0
Off-balance-sheet transactions				
Contingent liabilities	39,769	111,725	147,454	298,948
Irrevocable commitments	526,656	310,404	1,558,972	2,396,031
Obligations to pay up shares and make further contributions	0	0	101,691	101,691
Credit commitments	0	0	0	0
Total off-balance-sheet transactions	566,424	422,129	1,808,117	2,796,670
Previous year	476,733	429,317	1,522,850	2,428,901

¹⁾ These are value-adjusted items.

Impaired loans

Amounts in 1,000 Swiss francs	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Impaired loans	232,555	73,838	158,717	119,275
Previous year	192,797	75,720	117,077	103,537

Individual value adjustments do not fully cover the net amount owed if a portion of it is considered to still be recoverable.

Non-performing loans

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change
Loans to customers	79,684	55,585	24,099
Total non-performing receivables	79,684	55,585	24,099

For a definition of overdue receivables, see Section 4 ‘Methods used for identifying default risks and determining the need for value adjustments and provisions’. In particular, a distinction must be made between impaired loans/receivables and overdue loans/receivables. If a receivable is overdue, this may be an indication of a risk. However, if the amount of the loan/receivable is satisfactorily covered, no value adjustment is necessary.

8.3 Trading portfolios and other financial instruments at fair value (assets and liabilities)

Amounts in 1,000 Swiss francs	Book value		Change
	31.12.2025	31.12.2024	
Assets			
Debt securities, money market securities / transactions	308,625	326,089	- 17,465
of which, listed	303,920	316,262	- 12,342
Equity securities	1,266,542	1,096,569	169,974
Precious metals	1,809	1,238	570
Cryptocurrencies	0	0	0
Other trading portfolio assets	115,944	65,302	50,642
Total trading portfolio assets	1,692,920	1,489,198	203,722
Structured products	0	0	0
Total other financial instruments at fair value	0	0	0
Total assets	1,692,920	1,489,198	203,722
of which, determined using a valuation model	0	0	0
of which, securities eligible for repo transactions in accordance with liquidity requirements	166,369	242,985	- 76,616
Liabilities¹⁾			
Debt securities, money market securities / transactions	55,948	88,166	- 32,218
of which, listed	55,948	88,166	- 32,219
Equity securities	1	0	0
Precious metals and commodities	0	0	0
Cryptocurrencies	0	0	0
Other trading portfolio liabilities	0	0	0
Total trading portfolio liabilities	55,949	88,167	- 32,218
Structured products	927,691	695,172	232,519
Total liabilities from other financial instruments at fair value	927,691	695,172	232,519
Total liabilities	983,640	783,339	200,301
of which, determined using a valuation model	927,691	695,172	232,519

¹⁾ For short positions (posting according to the closing date principle)

8.4 Derivative financial instruments (assets and liabilities)

Breakdown by contract type

Amounts in 1,000 Swiss francs	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments	38,283	46,294	2,051,788	116,840	142,283	11,664,310
Forward contracts including FRAs	0	0	0	0	0	0
Swaps	38,283	46,294	2,030,803	116,840	142,283	11,664,310
Tom Next Indexed Swaps (TOIS)	0	0	0	0	0	0
Caps / Floors / Collars	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
Futures	0	0	20,985	0	0	0
Foreign exchange / precious metals	37,774	31,614	8,611,132	0	0	0
Forward contracts	36,238	30,831	8,397,563	0	0	0
Combined interest rate / currency swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	1,536	783	213,568	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
Equity securities / indices	65,888	175,107	3,211,996	0	0	0
Forward contracts	0	0	0	0	0	0
Swaps	0	0	0	0	0	0
Futures	0	0	2,082	0	0	0
Options (OTC)	57,696	40,087	1,827,380	0	0	0
Options (exchange-traded)	8,192	135,021	1,382,534	0	0	0
Credit derivatives	114	1,174	36,894	0	0	0
Credit default swaps	114	1,174	36,894	0	0	0
Total return swaps	0	0	0	0	0	0
First-to-default swaps	0	0	0	0	0	0
Other credit derivatives	0	0	0	0	0	0
Other derivative financial instruments	473	473	4,232	0	0	0
Forward contracts	0	0	0	0	0	0
Swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange-traded)	473	473	4,232	0	0	0
Total before netting agreements	142,532	254,662	13,916,041	116,840	142,283	11,664,310
of which, determined using a valuation model	133,867	119,168	-	116,840	142,283	-
Previous year	274,104	293,896	13,652,134	142,436	187,050	10,663,453
of which, determined using a valuation model	263,057	190,382	-	142,436	187,050	-
	Positive replacement values	Negative replacement values		Contract volume		
Total after netting agreements		89,613		176,627		25,580,351
Previous year		174,381		190,445		24,315,587

FRA = Forward rate agreement

OTC = Over the counter

RV = Replacement values

Breakdown by counterparty

Amounts in 1,000 Swiss francs	Central clearing houses	Banks and securities firms	Other customers
Positive replacement values (after netting agreements)	271	7,787	81,555
Previous year	0	54,489	119,891

8.5 Financial investments

Breakdown by contract type

Amounts in 1,000 Swiss francs	Book value		Fair value	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Debt securities	4,886,181	4,749,301	4,909,396	4,782,163
of which, intended to be held to maturity	4,868,666	4,730,490	4,890,493	4,762,470
of which, not intended to be held to maturity (available for sale)	17,515	18,811	18,903	19,693
Equity securities	403,920	404,386	462,615	447,101
of which, qualified participations ¹⁾	0	0	0	0
Money market securities	0	0	0	0
Precious metals	0	0	0	0
Real estate	0	0	0	0
Total financial investments	5,290,101	5,153,687	5,372,011	5,229,265
of which, securities eligible for repo transactions in accordance with liquidity requirements	4,727,180	4,624,854	-	-

¹⁾ At least 10% of the capital or votes

Breakdown of counterparties by rating

Amounts in 1,000 Swiss francs	Very good to good credit rating (AAA bis AA-)	Good to satisfactory credit rating (A+ bis A-)	Satisfactory credit rating (BBB+ bis BBB-)	Sufficient credit rating (BB+ bis BB-)	Deficient credit rating (B+ bis B-)	Insufficient credit rating (CCC+ bis CCC-)	Without rating
	Book values of debt securities¹⁾	4,550,959	270,523	42,067	0	0	750
Previous year	4,623,632	48,954	20,013	0	0	1,200	55,501

¹⁾ Incl. money market securities

The classification into the different rating classes was carried out using a model based on external ratings. The ratings classes corresponding to the ratings of Standard & Poor's are shown in brackets.

8.6 Participations

Overview of non-consolidated participations

Amounts in 1,000 Swiss francs	Cost value	Accumulated value adjustments / changes in book value (equity valuation)	Book value as of 31.12.2024	Additions	Disposals	Value adjustments	Changes in book value for participations using the equity method / depreciation reversals	Book value as of 31.12.2025
Participations without market value	35,523	- 6,478	29,045	481	0	- 1,423	240	28,343
of which, valued using the equity method	2,069	1,791	3,860	0	0	0	240	4,100
of which, other participations	33,454	- 8,269	25,185	481	0	- 1,423	0	24,243
Total non-consolidated participations	35,523	- 6,478	29,045	481	0	- 1,423	240	28,343

Participations sold in the previous year are no longer included in the cost of acquisition and in the value adjustments accumulated to date.

Disclosures on significant participations

Company name	Domicile	Business activity	Share capital in 1,000 Swiss francs	Share in %	
				Share capital 31.12.2025	Voting rights 31.12.2025
Fully consolidated participations					
LUKB Expert Fondsleitung AG	Lucerne	Fund management	5,000	100.0	100.0
Participations valued using the equity method					
RSN Risk Solution Network AG	Lucerne	Financial services	4,500	33.3	33.3
FG Next Holding AG	Zurich	Financial services	373	26.8	26.8
Participations in joint arrangements¹⁾					
Pfandbriefzentrale der schweizerischen Kantonalbanken AG	Lucerne	Pfandbrief institution	2 225 000 ²⁾	4.3	4.3
Viseca Payment Services AG	Zurich	Financial services	25,000	2.7	2.7

¹⁾ With an ownership stake $\geq 2\%$ and a capital interest of LUKB ≥ 0.5 million Swiss francs

²⁾ Of which paid-in: 20% i.e. 445 million Swiss francs

The shareholding also corresponds to the share of voting rights, as none of the listed companies holds voting shares. All votes are held directly. In addition to the significant parand ownership interests in joint ventures listed above, there are also investments in local assets.

8.7 Tangible fixed assets

Amounts in 1,000 Swiss francs	Cost value	Accumulated depreciation	Book value as of 31.12.2024	Reclassifications	Additions	Disposals	Depreciation	Reversals	Book value as of 31.12.2025
Real estate	405,345	- 186,808	218,537	0	3,988	0	- 8,762	0	213,763
of which, bank buildings	370,303	- 184,101	186,202	31	3,935	0	- 8,358	0	181,810
of which, other real estate	35,042	- 2,707	32,335	- 31	53	0	- 404	0	31,953
Other tangible fixed assets	33,920	- 33,920	0	0	20,164	0	- 20,164	0	0
Total tangible fixed assets	439,265	- 220,728	218,537	0	24,152	0	- 28,926	0	213,763
Liabilities:									
Leasing obligations not recognised in the balance sheet (Operating lease) ¹⁾									

¹⁾ There are lease agreements for business premises (branches) with remaining terms of more than one year, which the bank does not treat as operating leases.

Tangible fixed assets sold or liquidated in the previous year are no longer included in the acquisition value or the depreciation accumulated to date.

8.8 Other assets and liabilities

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024
Other assets		
Offset account	1,495	43,667
Indirect taxes	20,227	9,974
Settlement accounts	2,850	1,808
Other assets	2	0
Total other assets	24,574	55,449
Other liabilities		
Offset account	0	0
Indirect taxes	9,116	33,241
Settlement accounts	4,978	15,896
Unredeemed coupons, cash bonds and bond issues	3,130	3,126
Other liabilities	0	2
Total other liabilities	17,223	52,265

8.9 Assets pledged or assigned to secure own commitments / assets under reservation of ownership

Amounts in 1,000 Swiss francs	31.12.2025		31.12.2024	
	Book value	Effective commitment	Book value	Effective commitment
Liquid assets ¹⁾	69,097	69,097	68,992	68,992
Amounts due from banks	198,478	198,478	202,728	202,054
Amounts due from clients	505	505	29,872	31,539
Own securities	240,502	23,451	230,454	31,308
Pledged or assigned mortgage loans to secure central mortgage institution loans	11,190,068	8,525,000	11,271,419	7,821,000
Total pledged / assigned assets	11,698,651	8,816,531	11,803,465	8,154,894
Total assets under reservation of ownership	0	0	0	0

¹⁾ Pledged or assigned liquid funds to secure the 50% payment obligation to esisuisse in connection with deposit insurance.

Securities serving as collateral for which the right to resell or pledge has been granted as part of the securities financing transaction are shown in Section 8.1 'Securities financing transactions (assets and liabilities)'.

8.10 Commitments relating to own pension institutions / equity instruments of the bank held by own pension institutions

Commitments relating to own pension funds

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change
Amounts due in respect of customer deposits	18,363	22,722	- 4,359
Total commitments relating to Pension Fund of Luzerner Kantonalbank	18,363	22,722	- 4,359

These liabilities arise from investments within the Group by Luzerner Kantonalbank's pension fund.

Own shares with own pension institutions

Numbers of shares	31.12.2025	31.12.2024	Change
Pension Fund of Luzerner Kantonalbank	0	0	0

8.11 Economic situation of own pension institutions

Employer contribution reserves

Amounts in 1,000 Swiss francs	Nominal value	Waiver of use	Net amount		Effect of employer contribution reserves on personnel expenses	
			31.12.2025	31.12.2024	2025	2024
Pension funds	0	0	0	0	0	0
Total employer contribution reserves	0	0	0	0	0	0

Economic benefit/obligations and pension expenses

Amounts in 1,000 Swiss francs	Over- / underfunding	Economic interest of the bank		Change in economic interest versus previous year	Contributions paid	Pension expenses in personnel expenses	
		31.12.2025	31.12.2024			2025	2024
Pension plans without overfunding / underfunding ¹⁾	0	0	0	0	20,616	20,616	19,883
Total	0	0	0	0	20,616	20,616	19,883

¹⁾ In the financial statements of the Pension Fund of Luzerner Kantonalbank prepared in accordance with Swiss GAAP FER 26, the coverage ratio as of 31 December 2025 amounts to 128.1 % (previous year 127.4 %). Accordingly, the fluctuation reserves - unlike in the previous year - have reached the target value of 25.6 %. Careful assessment has shown that, despite the free capital, there are no economic effects for the bank.

8.12 Issued structured products

Amounts in 1,000 Swiss francs	Book value				Total
	Valued as a whole		Valued separately		
	Booked in trading portfolio	Booked in other financial instruments at fair value	Value of the underlying instrument	Value of the derivative	
Underlying risk of the embedded derivative					
Interest rate instruments					
with own debenture component (oDC)	-	0	0	0	0
without oDC	0	0	0	0	0
Equity securities					
with own debenture component (oDC)	-	927,691	1,164,123	49,656	2,141,470
without oDC	0	0	0	0	0
Foreign currencies					
with own debenture component (oDC)	-	0	29,848	117	29,965
without oDC	0	0	0	0	0
Commodities / precious metals					
with own debenture component (oDC)	-	0	104	0	104
without oDC	0	0	0	0	0
Total issued structured products	0	927,691	1,194,075	49,773	2,171,539
Previous year					
	0	695,172	1,022,212	71,825	1,789,209

8.13 Bonds / mandatory convertible bonds

Overview of outstanding bonds and central mortgage institution loans

Amounts in million Swiss francs	Amount outstanding	Weighted average interest rate	Maturities
Bond issues			
(Issuer: Luzerner Kantonalbank AG)	8,334		
of which, non-subordinated	6,774	1.015 %	2027 bis 2071
of which, subordinated without PONV clause ²⁾	-	-	-
of which, subordinated with PONV clause ²⁾	1,560	1.583 %	2031 bis unbefristet
of which, subordinated Additional Tier 1 bonds	960	2.208 %	unbefristet
of which, subordinated Tier 2 bonds	600	1.050 %	2031 bis 2037
Central mortgage institution loans	8,525	0.799 %	2026 - 2046
Funding component of structured products³⁾	1,194	0.340 %	2026 - 2029

¹⁾ Maturities refers to the contractual maturity date of the individual bonds, whereas the bank may have contractual rights to early termination for individual bonds.

²⁾ PONV clause = Point of no viability

³⁾ Value of the underlying instruments according to the table «Issued structured products»

Maturity structure of outstanding bonds and central mortgage institution loans

Amounts in million Swiss francs	2026	2027	2028	2029	2030	after 2030	Total
Bonds	-	475	450	100	475	6,834	8,334
Central mortgage institution loans	442	647	1,012	780	909	4,735	8,525
Funding component of structured products ¹⁾	924	238	31	0	-	-	1,194
Total	1,366	1,360	1,493	880	1,384	11,569	18,053

¹⁾ Value of the underlying instruments according to the table «Issued structured products»

8.14 Value adjustments and provisions / reserves for general banking risks

Amounts in 1,000 Swiss francs	Balance as of 31.12.2024	Use in conformity with designated purpose	Reclassifications	Past due interest, recoveries	Additions charged to income statement	Reversals credited to income statement	Balance as of 31.12.2025
Provisions for pension obligations	710	- 106	-	-	0	0	604
Provisions for default risks ¹⁾	16,649	0	- 2,948	0	615	- 805	13,511
of which, for probable liabilities (in accordance with Art. 28 para. 1 FINMA AO)	16,649	0	- 2,948	0	41	- 805	12,937
Specific provisions for customer loans	16,649	0	- 2,948	0	12	- 786	12,927
Lump-sum individual provisions	0	0	0	0	29	- 19	10
of which, for inherent risks of default	0	0	0	0	574	0	574
provisions for inherent risks of default	0	0	0	0	574	0	574
Provisions for restructuring	2,119	- 212	-	0	0	0	1,907
Other provisions	10,886	- 785	0	43	760	- 82	10,822
Total provisions	30,364	- 1,103	- 2,948	43	1,375	- 887	26,844
Reserves for general banking risks ²⁾	694,354	-	0	-	0	0	694,354
Value adjustments for default and country risks	194,224	- 5,820	2,948	1,663	34,287	- 16,773	210,530
of which, for default risks in respect of impaired loans / financial investments	110,923	- 5,820	2,948	1,663	28,639	- 16,773	121,581
Specific value adjustment - banks	0	0	0	0	0	0	0
Specific value adjustment - customer loans	102,728	- 1,803	2,948	1,280	27,894	- 14,446	118,602
Specific value adjustment - interest	631	0	0	384	0	- 477	538
Lump-sum individual value adjustment	177	- 256	0	0	295	- 82	135
Credit-related specific value adjustments - financial investments	7,386	- 3,761	0	0	450	- 1,769	2,306
of which, for inherent risks of default	83,301	0	0	0	5,648	0	88,949
Value adjustments for inherent risks of default	83,301	0	0	0	5,648	0	88,949

¹⁾ For potential cash outflows related to off-balance sheet transactions

²⁾ The reserves for general banking risks are subject to taxation.

8.15 Share capital

Amounts in 1,000 Swiss francs	31.12.2025			31.12.2024		
	Total par value	Quantity	Dividend-bearing capital	Total par value	Quantity	Dividend-bearing capital
Share capital, fully paid-in	183,458	49,583,333	183,458	183,458	49,583,333	183,458

8.16 Equity rights and options allocated to the Executive Board, the Board of Directors and employees

Amounts in 1,000 Swiss francs	2025		2024	
	Equity securities		Equity securities	
	Number	Amount	Number	Amount
Members of the Board of Directors ¹⁾	n.a. ²⁾	465,500	8,448	407,616 ³⁾
Executive Board members	19,354	1,222,786	26,534	1,191,642
Employees	188,296 ⁴⁾	10,601,588	22,848	1,321,781
Total	n.a.	12,289,873	57,830	2,921,039

¹⁾ The remunerations of the members of the Board of Directors relate to the periods AGM 2025 to AGM 2026 (14 April 2025 to 13 April 2026) and AGM 2024 to AGM 2025 (15 April 2024 to 14 April 2025).

²⁾ The Board of Directors receives 50% of the proposed remuneration (total remuneration for the term AGM 2025 to AGM 2026: 931,000 Swiss francs) in shares blocked for at least six years (blocking period until 30 April 2032). 50% of the Board's remuneration is paid in shares at the applicable tax value, with the number of shares rounded up to the nearest whole number. The relevant valuation for the equity rights recognised in the 2025 financial year is determined based on the volume-weighted average price for the period from 1 March 2026 to 13 April 2026. The exact number of allocated shares will be disclosed in the financial report 2026.

³⁾ The shares allocated to the Board of Directors last year as part of the remuneration after the AGM 2025 were determined based on the volume-weighted average price for the period from 1 March 2025 to 14 April 2025, with the number of shares at the applicable tax value rounded up to the nearest whole number. The exact number was not yet known at the time of publication of the financial report 2024. Consequently, there are minor differences compared with the figures reported last year.

⁴⁾ At periodic intervals, employees are offered the opportunity on a voluntary basis to acquire blocked registered shares of Luzerner Kantonalbank AG at preferential conditions. In 2025, 169,648 registered shares of Luzerner Kantonalbank AG with a price of 63.70 Swiss francs (average price for the month of december 2024) were purchased by employees at 45.00 Swiss francs. The discount of approximately 3.2 million Swiss francs is included in personnel expenses (partially accrued in previous years).

Members of the Board of Directors, the Executive Board and the second management level receive a defined portion of their compensation in the form of registered shares of Luzerner Kantonalbank AG that are blocked for several years.

Details can be found in the [Compensation Report](#).

8.17 Related parties

Amounts in 1,000 Swiss francs	Due from		Due to	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Holders of qualified participations ¹⁾	6,823	40,317	31,748	327
Linked companies ²⁾	194,790	208,408	209,491	208,542
Transactions with members of governing bodies	13,135	11,327	14,377	13,578
Other related parties ³⁾	26,350	25,156	2,844	2,751

¹⁾ Canton of Lucerne

²⁾ Public-law institutions of the Canton of Lucerne or mixed-economy enterprises in which the Canton of Lucerne holds a significant stake.

³⁾ These are receivables and obligations towards legal entities closely related to the bank's governing bodies.

Related parties include significant shareholders, the Executive Board, Board of Directors and auditors as well as associated companies and persons.

Transactions with related parties

Current and retired employees (including members of the Executive Board) and their family members living in the same household are eligible for generally-limited preferential conditions, as is customary in the industry. With the exception of the registered shares of Luzerner Kantonalbank AG deposited with LUKB without fees by the Canton, transactions are conducted for all related parties under the same terms that apply to third parties. Transactions include the granting of loans and credit, interest on deposits, account management, payments and securities transactions, etc.

Companies with close ties to members of the Board of Directors can participate in tenders for LUKB contracts. The member of the governing body concerned has no privileges when awarding the contract and is not represented in the decision-making process (abstention). During the reporting year and in the previous year, no contracts were awarded to related parties of members of the Board of Directors at terms other than what is customary in the market.

8.18 Significant shareholders

Amounts in 1,000 Swiss francs	31.12.2025		31.12.2024	
	Par value	Share as %	Par value	Share as %
Canton of Lucerne	112,786	61.5	112,786	61.5
Total significant shareholders	112,786	61.5	112,786	61.5

8.19 Own shares

Own shares (registered)	2025		2024	
	Quantity	Average transaction price in Swiss francs	Quantity	Average transaction price in Swiss francs
	Shares with nominal value 3.70 CHF		Shares with nominal value 3.70 CHF	
Number of shares as of 01.01.	263,496	-	273,104	-
+ Purchase of own shares	36,627	69.41	64,780	68.35
- Sale of own shares ^{1), 2)}	- 236,115	70.00	- 74,388	70.16
Number of shares as of 31.12.³⁾	64,008	-	263,496	-

¹⁾ Of which, 57,830 compulsory shares were associated with share-based compensation in 2025.

²⁾ In 2025, a loss of 13,153 Swiss francs was generated on the trading portfolio and 1,365,316 Swiss francs on the rest of the portfolio (likewise included in the capital reserve). In 2024, a profit of 72,265 Swiss francs was generated on the trading portfolio and 52,382 Swiss francs on the rest of the portfolio (likewise included in the capital reserve).

³⁾ On 31 December 2025, 27,062 own shares with a nominal value of 3.70 Swiss francs each (previous year: 30,595 own shares with a nominal value of 3.70 Swiss francs each) were held to hedge self-issued structured products (tracker certificates).

No options have been allocated for the 2024 and 2025 financial years, and there are no outstanding options.

8.2 Maturity structure of financial instruments

Amounts in millions Swiss francs	At sight	Cancellable	Due within 3 Months	Due within 3 to 12 months	Due within 12 months to 5 years	Due after 5 years	No maturity	Total
Current assets								
Liquid assets	7,728.8	69.1 ¹⁾	-	-	-	-	-	7,797.9
Amounts due from banks	475.5	0.0	78.1	70.0	35.0	0.0	-	658.6
Amounts due from clients	37.8	639.2	1,985.1	847.1	1,550.7	375.0	-	5,434.9
Mortgage loans	0.1	1,561.0	4,449.5	5,894.8	22,089.5	6,922.7	0.0	40,917.7
Trading portfolio assets	1,692.9	0.0	-	-	-	-	-	1,692.9
Positive replacement values of derivative financial instruments	89.6	0.0	-	-	-	-	-	89.6
Financial investments	421.4	0.0	45.2	253.0	2,136.3	2,434.2	0.0	5,290.1
Total current assets	10,446.2	2,269.3	6,557.9	7,064.9	25,811.5	9,731.9	0.0	61,881.7
Previous year	10,539.4	1,898.8	5,945.5	5,771.1	23,996.4	10,599.0	0.0	58,750.1
Debt capital								
Amounts due to banks	242.5	9.4	3,967.0	1,447.4	40.0	0.0	-	5,706.2
Amounts due to securities financing transactions	0.0	0.0	2,571.9	0.0	0.0	0.0	-	2,571.9
Amounts due in respect of customer deposits	15,991.8	9,741.5	2,528.4	1,141.9	550.5	55.5	-	30,009.6
Trading portfolio liabilities	55.9	0.0	-	-	-	-	-	55.9
Negative replacement values of derivative financial instruments	176.6	0.0	-	-	-	-	-	176.6
Liabilities from other financial instruments at fair value	927.7	0.0	-	-	-	-	-	927.7
Cash bonds	-	-	18.8	68.4	107.0	12.0	-	206.2
Bond issues and central mortgage institution loans	-	-	197.6	1,168.9	5,112.4	11,574.1	-	18,053.0
Total debt capital	17,394.6	9,750.8	9,283.7	3,826.7	5,809.9	11,641.7	-	57,707.3
Previous year	14,150.0	10,155.9	10,917.5	4,032.6	4,408.5	11,074.7	0.0	54,739.2

¹⁾ Relates to securing half of the payment obligation to esisuisse in connection with the deposit protection scheme.

8.21 Assets by credit rating of country groups (risk domicile)

Amounts in 1,000 Swiss francs

Rating ¹⁾	31.12.2025		31.12.2024	
	Amount	Share as %	Amount	Share as %
Switzerland	59,891,296	96.21	57,047,027	96.44
0 / «High Income»	2,275,294	3.66	2,043,273	3.45
1	-	n.a.	-	n.a.
2	40,269	0.06	29,459	0.05
3	22,816	0.04	21,654	0.04
4	2,872	0.00	717	0.00
5, 6	7,749	0.01	5,719	0.01
7	184	0.00	98	0.00
Not rated	8,650	0.01	6,141	0.01
Total foreign exposure	2,357,834	3.79	2,107,061	3.56
Not attributable to any country²⁾	0	0.00	4	0.00
Total assets	62,249,130	100.00	59,154,092	100.00

¹⁾ Ratings of SERV (Swiss Export Risk Insurance)

²⁾ These are assets in cryptocurrencies.

SERV deems rating to be the OECD's classification of countries in the SC 0 to SC 7 and 'high income' categories. SC 0 stands for the lowest risk and SC 7 for the highest risk. The 'high income' category includes the high-income OECD countries and the high-income eurozone countries that are not classified by their risk.

8.22 Assets and liabilities by main currencies

Amounts in millions Swiss francs	Currencies, translated in CHF				
	CHF	EUR	USD	Other	Total
Assets					
Liquid assets	7,790.9	6.4	0.3	0.3	7,797.9
Amounts due from banks	167.5	85.0	201.5	204.6	658.6
Amounts due from clients	4,848.4	451.4	128.6	6.5	5,434.9
Mortgage loans	40,860.6	42.3	14.7	0.0	40,917.7
Trading portfolio assets	1,136.1	204.1	264.8	87.9	1,692.9
Positive replacement values of derivative financial instruments	79.5	5.0	4.9	0.2	89.6
Financial investments	4,792.2	349.5	127.5	20.8	5,290.1
Accrued income and prepaid expenses	95.6	2.9	2.0	0.2	100.7
Non-consolidated participations	28.3	0.0	0.0	0.0	28.3
Tangible fixed assets	213.8	0.0	0.0	0.0	213.8
Other assets	24.7	- 0.3	0.1	0.1	24.6
Total assets shown in balance sheet	60,037.8	1,146.2	744.5	320.7	62,249.1
Delivery entitlements from spot exchange, forward forex and forex options (contract values delta-weighted)	2,111.3	2,563.2	3,403.8	358.0	8,436.2
Total assets	62,149.1	3,709.4	4,148.2	678.6	70,685.3
Liabilities					
Amounts due to banks	3,724.9	1,130.2	703.1	148.1	5,706.2
Amounts due to securities financing transactions	2,434.0	74.5	63.4	0.0	2,571.9
Amounts due in respect of customer deposits	27,846.8	1,421.5	501.1	240.2	30,009.6
Trading portfolio liabilities	55.9	0.0	0.0	0.0	55.9
Negative replacement values of derivative financial instruments	173.6	1.7	1.3	0.0	176.6
Liabilities from other financial instruments at fair value	618.6	182.1	127.0	0.0	927.7
Cash bonds	206.2	0.0	0.0	0.0	206.2
Bond issues and central mortgage institution loans	17,867.9	102.8	80.4	1.9	18,053.0
Accrued expenses and deferred income	260.5	5.7	6.6	0.3	273.2
Other liabilities	17.0	0.0	0.2	0.0	17.2
Provisions	26.6	0.3	0.0	0.0	26.8
Reserves for general banking risks	694.4	0.0	0.0	0.0	694.4
Share capital	183.5	0.0	0.0	0.0	183.5
Capital reserve	487.1	0.0	0.0	0.0	487.1
Retained earnings	2,568.8	0.0	0.0	0.0	2,568.8
Own shares	- 4.5	0.0	0.0	0.0	- 4.5
Consolidated profit	295.5	0.0	0.0	0.0	295.5
Total liabilities shown in balance sheet	57,456.6	2,918.9	1,483.1	390.5	62,249.1
Delivery obligations from spot exchange, forward forex, forex options and precious metal transactions	4,843.1	799.3	2,571.3	218.5	8,432.1
Total liabilities	62,299.7	3,718.1	4,054.5	608.9	70,681.3
Net position per currency	- 150.7	- 8.8	93.8	n.a.	4.1
Previous year	- 56.1	- 15.3	64.9	n.a.	55.7

9 Information on off-balance-sheet transactions

9.1 Contingent liabilities

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change
Guarantees to secure credits and similar	93,297	83,542	9,755
Performance guarantees and similar instruments	190,648	191,340	- 692
Irrevocable commitments arising from documentary letters of credit	15,003	42,391	- 27,388
Total contingent liabilities	298,948	317,273	- 18,325

9.2 Credit commitments

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change
Commitments arising from deferred payments	0	688	- 688
Total loan commitments	0	688	- 688

9.3 Securities and fiduciary investments

Amounts in 1,000 Swiss francs	31.12.2025	As % of total	31.12.2024	As % of total	Change
Money market securities	8,977.7	0.0	26,990.2	0.1	- 18,012.5
Medium-term notes	206,243.0	0.6	283,012.0	0.9	- 76,769.0
Bonds	3,126,035.1	8.9	3,080,661.6	10.2	45,373.5
Shares (incl. participation certificates PC / profit-sharing certificates PSC)	16,879,968.7	48.2	14,040,841.0	46.6	2,839,127.7
Own investment funds	6,389,323.8	18.2	5,594,507.5	18.6	794,816.3
Third-party investment funds	6,641,604.2	19.0	5,831,501.0	19.4	810,103.2
Structured products	634,434.1	1.8	526,184.8	1.7	108,249.4
Cryptocurrencies	50,830.9	0.1	37,091.3	0.1	13,739.6
Other securities	1,073,314.9	3.1	692,465.8	2.3	380,849.1
Securities in custody	35,010,732.4	100.0	30,113,255.2	100.0	4,897,477.2
Global custody	907,485.9		756,744.2		150,741.7
Managed securities	35,918,218.3		30,869,999.4		5,048,218.9
Fiduciary investments with third-party-companies	142,509.6		164,939.1		- 22,429.5
Total securities and fiduciary assets	36,060,728.0		31,034,938.6		5,025,789.4

PSC = Profit-sharing certificate

PC = Participation certificate

10 Information on the income statement

10.1 Result from interest operations

Interest and discount income

Amounts in 1,000 Swiss francs	2025	2024	Change
Interest income due from banks	6,066	4,977	1,089
Interest income from loans to customers	614,496	718,742	- 104,246
Other interest income	13,471	111,072	- 97,601
Credit commissions	5,463	6,024	- 561
Refinancing income from trading positions	1,708	4,097	- 2,388
Result from interest-rate hedging and other derivative transactions	80,465	116,820	- 36,354
Negative interest on lending business	- 14	0	- 14
Total interest and discount income	721,655	961,731	- 240,075

Interest and dividend income from financial investments

Amounts in 1,000 Swiss francs	2025	2024	Change
Interest income from financial investments	39,571	34,983	4,589
Dividend income from financial investments	13,165	11,390	1,775
Total interest and dividend income from financial investments	52,736	46,372	6,364

Interest expense

Amounts in 1,000 Swiss francs	2025	2024	Change
Interest expense due to banks	75,953	176,002	- 100,049
Interest expense due in respect of customer deposits	66,959	201,661	- 134,702
Interest expense due in cash bonds	2,464	3,181	- 717
Interest expense from bond issues and central mortgage institution loans ¹⁾	152,982	156,539	- 3,557
Other interest expense	1,169	11,620	- 10,450
Negative interest on deposit-taking business	- 747	0	- 747
Total interest expense	298,780	549,002	- 250,222

¹⁾ The interest expense from structured products recognised under 'Bond issues and central mortgage institution loans' is reported in the line 'Interest expense from bond issues and central mortgage institution loans'.

Changes in value adjustments for default risk and losses from interest operations

Amounts in 1,000 Swiss francs	2025	2024	Change
Specific value adjustment on customer loans	12,971	9,083	3,889
Specific value adjustment on banks	0	0	0
Lump-sum specific value adjustment	213	304	- 91
Credit-related specific value adjustment to financial investments	- 1,319	2,469	- 3,788
Losses	0	24	- 24
Total for default risks on impaired loans / financial investments	11,866	11,880	- 14
Value adjustments for inherent default risks	5,648	3,245	2,403
Total for inherent default risks	5,648	3,245	2,403
Total changes in value adjustments for default risk and losses from interest operations	17,514	15,125	2,389

10.2 Result from commission business and services

Amounts in 1,000 Swiss francs	2025	2024	Change
Fund business	41,619	37,813	3,806
Asset management	23,350	19,301	4,049
Investment advisory	27,957	24,829	3,128
Administration fee / custodian fee	15,349	15,140	210
Brokerage fees	13,282	10,992	2,290
Trust accounts	166	220	- 53
Other securities and investment business	2,770	2,926	- 156
Commission income from securities trading and investment activities	124,494	111,221	13,273
Commission income from lending activities	4,086	3,704	382
Card revenues	15,225	14,736	490
Account management fees	9,337	9,401	- 65
Safe deposit box rentals	1,197	1,157	41
Other service business	3,348	3,124	224
Commission income from other services	29,107	28,418	689
Commission expense	- 14,464	- 13,231	- 1,233
Total result from commission business and services	143,223	130,111	13,112

10.3 Result from trading activities and the fair value option

Result from trading activities, by sector

Amounts in 1,000 Swiss francs	2025	2024	Change
Client trading	27,811	26,015	1,796
Proprietary trading	48,165	30,488	17,677
Total result from trading activities and the fair value option	75,976	56,503	19,473

Result from trading activities, by risk

Amounts in 1,000 Swiss francs	2025	2024	Change
Foreign currencies / precious metals / cryptocurrencies	40,302	36,215	4,088
Equity securities (incl. funds)	27,453	27,679	- 226
Fixed income instruments (including funds)	9,929	- 3,294	13,223
Refinancing income	- 1,708	- 4,097	2,388
Total result from trading activities and the fair value option	75,976	56,503	19,473

Hedging transactions for self-issued structured products that are measured using the fair value option and entered under 'Liabilities from other financial instruments at fair value' are recognised at fair value on the assets side of the trading business. The corresponding result is included in the total 'Result from trading activities and the fair value option'. Separate recognition of income from applying the fair value option only to liabilities is not meaningful, which is why it is not used.

10.4 Personnel expenses

Amounts in 1,000 Swiss francs	2025	2024	Change
Salaries and benefits	176,115	167,867	8,248
of which: expenses related to share-based compensation	5,016	4,694	322
Social security contributions (OASI/IV/UI, etc.)	11,509	11,104	405
Pension expenses	20,619	19,885	735
Training and continuing education	2,179	2,100	79
Other personnel expenses	7,983	8,036	- 53
Total personnel expenses	218,405	208,991	9,414

10.5 General and administrative expenses

Amounts in 1,000 Swiss francs	2025	2024	Change
Office space expenses	6,504	5,868	636
Expenses for information and communications technology	49,531	46,535	2,996
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	883	971	- 87
Fees of audit firms	769	749	20
of which, for financial and regulatory audits	706	625	81
of which, for other services	62	124	- 62
Other operating expenses	39,083	32,647	6,436
Total general and administrative expenses	96,771	86,770	10,001

10.6 Value adjustments in participations and depreciation and amortisation of tangible fixed assets and intangible assets

Amounts in 1,000 Swiss francs	2025	2024	Change
Value adjustments on participations	1,423	720	703
Depreciation on bank buildings	8,358	8,435	- 77
Depreciation on other real estate	404	396	8
Depreciation on other tangible fixed assets	20,164	19,363	801
Total value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	30,349	28,913	1,436

10.7 Changes to provisions and other value adjustments

Amounts in 1,000 Swiss francs	2025	2024	Change
Provisions for default risks	- 189	- 3,345	3,156
of which for probable obligations (in accordance with Art. 28 para. 1 FINMA AO)	- 763	- 3,345	2,582
of which provisions for inherent default risks	574	0	574
Provisions for other risks	678	634	44
Total changes to provisions and other value adjustments and losses	488	- 2,711	3,199

10.8 Extraordinary income

Amounts in 1,000 Swiss francs	2025	2024	Change
Income from sale of participations	212	31,580	- 31,368
Total extraordinary income	212	31,580	- 31,368

10.9 Extraordinary expenses

Amounts in 1,000 Swiss francs	2025	2024	Change
Losses from disposal of participations	0	0	0
Total extraordinary expenses	0	0	0

10.10 Changes in reserves for general banking risks

Amounts in 1,000 Swiss francs	2025	2024	Change
Changes in reserves for general banking risks	0	25,000	- 25,000
Total changes in reserves for general banking risks	0	25,000	- 25,000

10.11 Taxes and tax rate

Amounts in 1,000 Swiss francs	2025	2024	Change
Current income taxes	35,127	30,860	4,268
Current capital taxes ¹⁾	3,364	6,852	- 3,488
Total current taxes	38,491	37,711	780
Deferred taxes	0	0	0
Total expenses for taxes	38,491	37,711	780
Provisions for deferred taxes	0	0	0
Weighted average tax rate (based on operating profit)	11.5 %	11.9 %	- 0.3 %

¹⁾ Due to the reduction of the ordinary capital tax rate in the Canton of Lucerne from 0.5 per mille to 0.25 per mille starting from tax year 2025, the respective tax expense decreased accordingly.

Deferred tax assets and liabilities are netted for each taxable entity. The predominant deferred tax assets of a tax entity are only capitalised if their realisation can be foreseen. However, predominantly deferred tax liabilities are always reported.

10.12 Earnings per share

Amounts in 1,000 Swiss francs	Registered shares	
	31.12.2025	31.12.2024
Consolidated profit	295,497	286,642
Net profit after taxes	295,497	311,642
Outstanding participation rights		
Average time-weighted number of shares	49,474,029	49,330,079
Earnings per share		
Consolidated profit undiluted / diluted	5.97	5.81
Net profit after taxes undiluted / diluted	5.97	6.32

11 Analysis of equal pay under the Gender Equality Act

At LUKB, fair and progressive working conditions form the basis for successful employment relationships. This includes ensuring that everyone is paid equally for doing the same work.

LUKB has participated voluntarily in the equal pay dialogue among Switzerland's social partners and the federal government since 2014 and was the first Swiss bank to successfully complete this process. LUKB meets its obligation to conduct an equal pay analysis, which came into effect on 1 July 2020, with a comprehensive analysis for the period from 1 July 2020 to 30 June 2021. The analysis was audited by PricewaterhouseCoopers AG (PwC). In its audit report of 15 June 2022, PwC confirmed that the analysis met the regulatory requirements. As has been the case without fail since 2014, the outcome shows that the gender pay gap at LUKB falls within the tolerance of 5 % and thus ensures wage equality.

LUKB believes in the importance of this issue and was thus awarded the 'We Pay Fair' certificate from the Competence Centre for Diversity & Inclusion (CCDI) of the University of St. Gallen in July 2023.

Report of the statutory auditor on the consolidated financial statements

The report of the statutory auditor on the consolidated financial statements relates to the original German version of this report and are therefore not included in this English translation. The German version shall prevail.

Further information

Segment reporting

LUKB's segment reporting includes the 'Private & Commercial Clients' (P&CC), 'Corporate Clients' (CC), 'Private Banking' (PB) and 'Corporate Centre' (CC) sections. Each customer is allocated to a segment. The first three segments form the sales segments. Proprietary trading is included in the 'Corporate Centre'. The volumes valid on the reference date provide the basis for the volume calculation.

In the interest business, the segment calculation is based on the market interest rate method, whereby the interest margin contributions are allocated to the sales segments and the structural contribution to the 'Corporate Centre'. If a segment provides services for another segment, it receives compensation for this as part of the process cost accounting shown under 'Internal cost allocation'. Due to increased fixed cost blocks, the rates for process costs and internal cost allocation were selectively increased for 2025.

Contrary to the presentation in the '[Consolidated income statement](#)', where value adjustments and losses from interest operations for default risks are included in interest income and provisions, other value adjustments and losses are included in the operating income, all value adjustments and provisions are included in operating income in the segment statement under 'Value adjustments and provisions'. In the sales segments, the expected standard risk costs and not the value adjustments/provisions for credit risks actually recognised are reported under this income item. The difference between the effective result and the sum of the calculated standard risks is shown in the 'Corporate Centre' column. A plus-sign indicates that the actual requirement for credit value adjustments and provisions was lower than the calculated sum of the standard risk costs. Other provisions are shifted to the segments as far as possible.

Amortisation including intangible assets (goodwill), any one-off services directly related to an acquisition and extraordinary income are always recognised in the 'Corporate Centre'.

Amounts in millions Swiss francs	Retail Clients (P&G)		Corporate Clients (F)		Private Banking (P)		Corporate Center (CC)		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Interest operations	200.8	194.9	150.9	132.7	57.3	57.8	66.6	73.7	475.6	459.1
Commission business	64.3	58.0	6.2	5.1	54.3	49.2	18.4	17.9	143.2	130.1
Other result	15.7	14.6	3.1	3.1	9.9	9.4	60.9	49.4	89.7	76.4
Operating income	280.8	267.5	160.3	140.9	121.5	116.4	145.9	140.9	708.5	665.6
Personnel expenses	- 58.5	- 57.1	- 14.2	- 13.3	- 20.1	- 19.4	- 125.6	- 119.2	- 218.4	- 209.0
General and administrative expenses	- 20.1	- 19.0	- 2.4	- 2.2	- 4.8	- 4.2	- 69.4	- 61.4	- 96.8	- 86.8
Process costs / internal cost allocation	- 86.5	- 72.0	- 4.4	- 3.5	- 18.1	- 17.4	109.0	92.9	0.0	0.0
Compensation for the state guarantee	- 3.7	- 3.8	- 4.2	- 3.9	- 2.0	- 1.9	- 1.3	- 1.2	- 11.2	- 10.8
Operating expenses	- 168.9	- 151.8	- 25.1	- 22.8	- 45.0	- 43.0	- 87.3	- 89.0	- 326.4	- 306.5
Gross profit	112.0	115.7	135.1	118.1	76.4	73.4	58.6	52.0	382.1	359.1
Depreciation and amortisation of tangible fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	- 30.3	- 28.9	- 30.3	- 28.9
Depreciation and amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Value adjustments and provisions	- 4.1	- 3.4	- 18.1	- 11.7	- 2.6	- 2.5	6.8	5.2	- 18.0	- 12.4
Operating result	107.9	112.3	117.0	106.3	73.9	70.9	35.0	28.2	333.8	317.8
Extraordinary income	0.0	0.0	0.0	0.0	0.0	0.0	0.2	31.6	0.2	31.6
Extraordinary expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 0.0	0.0	- 0.0
Result before taxes	107.9	112.3	117.0	106.3	73.9	70.9	35.2	59.8	334.0	349.4
Taxes	- 12.8	- 13.2	- 14.2	- 12.9	- 7.9	- 7.6	- 3.6	- 4.1	- 38.5	- 37.7
Net profit after taxes (company profit)	95.1	99.2	102.8	93.4	65.9	63.3	31.6	55.7	295.5	311.6
	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24
Interest-bearing assets	21,864	20,656	17,154	15,867	7,228	6,849	7,956	7,244	54,202	50,616
Interest-bearing liabilities	15,087	14,543	3,984	4,915	8,829	8,574	28,684	25,785	56,584	53,818
Securities and fiduciary investments	7,511	6,349	287	159	18,973	16,826	9,290	7,701	36,061	31,035

Assets under management

LUKB classifies all assets that are not held solely for safekeeping and transaction processing as client assets under management. These assets can be recognised under liabilities ('amounts due in respect of customer deposits') and shown as securities custody or fiduciary transactions in the off-balance sheet. Assets managed by LUKB form an integral part, even if the custody account is maintained by another bank.

Cash bonds, bonds and central mortgage institution loans reported under liabilities are not included under managed client assets unless they have been subscribed directly by clients of LUKB and are held accordingly in custody accounts.

Traditional transaction accounts, in particular those of legal entities, are also excluded, unless the client asks for additional support activities. The corresponding volumes can fluctuate greatly and amounted to as at 16.796 billions Swiss francs (previous year: 14.834 billions Swiss francs). Client assets under management likewise do not include custody account volumes with no significant income component, assets managed by external asset managers, as well as funds/custody accounts for which LUKB exercises functions similar to a custodian bank.

Client assets under management developed as follows in 2025:

Amounts in millions Swiss francs	31.12.2025	Performance 2025	Net new money 2025	31.12.2024
Assets under management (net of double-counts)	42,607.1	1,833.3	1,285.1	39,488.7

The above figures are calculated without the double counting of the volumes managed by LUKB Expert Fondsleitung AG.

Quarterly financial statements

Amounts in 1,000 Swiss francs	01.01. - 31.03.2025	01.01. - 30.06.2025	01.01. - 30.09.2025	01.01. - 31.12.2025
Interest and discount income	196,674	381,891	551,091	721,655
Interest and dividend income from financial investments	11,316	24,468	37,570	52,736
Interest expense	- 92,318	- 170,167	- 235,491	- 298,780
Gross result from interest operations	115,672	236,191	353,170	475,611
Changes in value adjustments for default risk and losses from interest operations	- 1,950	- 4,448	- 6,947	- 17,514
Net result from interest operations	113,722	231,744	346,223	458,097
Commission income from securities trading and investment activities	30,185	60,212	91,001	124,494
Commission income from lending activities	1,029	1,891	2,932	4,086
Commission income from other services	7,046	14,300	21,525	29,107
Commission expense	- 3,358	- 6,658	- 10,499	- 14,464
Result from commission business and services	34,903	69,744	104,959	143,223
Result from trading activities and the fair value option	24,683	40,643	55,844	75,976
Result from the disposal of financial investments	982	2,251	2,938	3,952
Income from participations	867	2,272	3,128	4,052
of which, participations valued using the equity method	204	947	1,140	1,334
of which, from other non-consolidated participations	663	1,325	1,988	2,718
Result from real estate	1,875	3,900	5,851	7,502
Other ordinary income	336	1,136	1,502	1,582
Other ordinary expenses	- 3,511	- 4,270	- 4,264	- 3,412
Other result from ordinary activities	549	5,289	9,155	13,676
Operating income	173,857	347,420	516,181	690,972
Personnel expenses	- 54,026	- 108,638	- 163,011	- 218,405
General and administrative expenses	- 22,399	- 47,345	- 70,048	- 96,771
Compensation for the state guarantee	- 2,866	- 5,670	- 8,429	- 11,183
Operating expenses	- 79,291	- 161,653	- 241,487	- 326,359
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	- 7,471	- 14,971	- 22,471	- 30,349
Changes to provisions and other value adjustments and losses	- 149	66	193	- 488
Operating result	86,945	170,863	252,416	333,776
Extraordinary income	208	208	212	212
Extraordinary expenses	0	0	0	0
Changes in reserves for general banking risks	0	0	0	0
Taxes	- 10,563	- 20,349	- 29,287	- 38,491
Consolidated profit	76,590	150,722	223,341	295,497

Key figures

Amounts in 1,000 Swiss francs resp. in %	2025	2024	Change
Return on equity¹⁾			
Equity: year-end total (before appropriation of profit)	4,224,643	4,045,258	179,385
Equity: average for the year	4,070,591	3,888,979	181,612
Consolidated profit	295,497	286,642	8,855
Return on equity	7.26 %	7.37 %	- 0.11 %
Consolidated profit / Share (Earnings per Share, EPS) in Swiss francs	5.97	5.81	0.16
Cost-income-ratio			
Cost-income-ratio in the narrow sense²⁾			
Operating expenses	326,359	306,541	19,818
Net operating income (adjusted for changes in value adjustments for default risk and losses from interest operations)	708,486	665,641	42,845
Cost-income-ratio in the narrow sense	46.1 %	46.1 %	0.0 %
Cost-income-ratio in the broad sense³⁾			
Operating expenses + value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets (excl. goodwill)	356,708	335,454	21,254
Net operating income (adjusted for changes in value adjustments for default risk and losses from interest operations)	708,486	665,641	42,845
Cost-income-ratio in the broad sense	50.3 %	50.4 %	- 0.0 %
Impaired loans			
Impaired loans (gross debt amount)	232,555	192,797	39,758
Loans to customers (before value adjustments)	46,560,831	43,560,801	3,000,030
Impaired loans / Loans to customers (before value adjustments)	0.5 %	0.4 %	0.1 %

¹⁾ Consolidated profit / average equity

²⁾ Operating expenses / operating income (adjusted for changes in value adjustments for default risk and losses from interest operations)

³⁾ (Operating expenses + depreciation and amortisation of fixed assets [excl. goodwill]) / operating income (adjusted for changes in value adjustments for default risk and losses from interest operations)

	2025	2024	Change
Employees (full-time equivalent, FTE)			
Total employees at year-end	1,206.2	1,181.0	25.2
Total employees (average for the year)	1,191.7	1,160.0	31.7
Branches			
Branches of LUKB in the Canton of Lucerne	22	22	0
Zurich branch (Private Banking and Structured Products)	1	1	0
Sales offices for structured products in French and Italian-speaking Switzerland (Lausanne and Lugano)	2	2	0

Financial statements of the parent company

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Income statement of the parent company

Amounts in 1,000 Swiss francs	2025	2024	Change	
			absolute	in %
Interest and discount income	721,655	961,730	- 240,075	- 25.0
Interest and dividend income from financial investments	52,736	46,372	6,364	13.7
Interest expense	- 298,780	- 549,008	250,228	- 45.6
Gross result from interest operations	475,611	459,095	16,516	3.6
Changes in value adjustments for default risk and losses from interest operations	- 17,514	- 15,125	- 2,389	15.8
Net result from interest operations	458,097	443,970	14,127	3.2
Commission income from securities trading and investment activities	91,415	81,500	9,915	12.2
Commission income from lending activities	4,086	3,704	382	10.3
Commission income from other services	29,107	28,345	762	2.7
Commission expense	- 14,263	- 13,067	- 1,196	9.2
Result from commission business and services	110,345	100,482	9,863	9.8
Result from trading activities and the fair value option	75,976	56,503	19,473	34.5
Result from the disposal of financial investments	3,952	16,472	- 12,519	- 76.0
Income from participations	24,812	23,605	1,207	5.1
Result from real estate	7,502	7,235	267	3.7
Other ordinary income	2,200	2,432	- 232	- 9.6
Other ordinary expenses	- 3,412	- 8,882	5,469	- 61.6
Other result from ordinary activities	35,054	40,863	- 5,808	- 14.2
Operating income	679,472	641,817	37,654	5.9
Personnel expenses	- 216,260	- 206,511	- 9,749	4.7
General and administrative expenses	- 95,840	- 85,734	- 10,107	11.8
Compensation for the state guarantee	- 11,183	- 10,779	- 404	3.7
Operating expenses	- 323,283	- 303,024	- 20,259	6.7
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	- 30,378	- 28,913	- 1,465	5.1
Changes to provisions and other value adjustments and losses	- 488	2,711	- 3,199	- 118.0
Operating result	325,322	312,591	12,731	4.1
Extraordinary income	287	10,167	- 9,880	- 97.2
Extraordinary expenses	0	- 0	0	- 100.0
Changes in reserves for general banking risks	0	0	0	n.a.
Taxes	- 35,017	- 34,605	- 413	1.2
Profit for the year	290,592	288,153	2,439	0.8

Balance sheet of the parent company (before appropriation of profit)

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change	
			absolute	in %
Assets				
Liquid assets	7,797,905	8,212,567	- 414,663	- 5.0
Amounts due from banks	658,229	345,908	312,321	90.3
Loans to customers	46,352,628	43,374,016	2,978,612	6.9
Amounts due from clients	5,434,950	5,138,593	296,357	5.8
Mortgage loans	40,917,678	38,235,423	2,682,255	7.0
Trading portfolio assets	1,692,920	1,489,198	203,722	13.7
Positive replacement values of derivative financial instruments	89,613	174,381	- 84,768	- 48.6
Financial investments	5,290,101	5,153,687	136,414	2.6
Accrued income and prepaid expenses	99,553	99,955	- 401	- 0.4
Participations	30,243	31,185	- 942	- 3.0
Tangible fixed assets	213,763	218,537	- 4,774	- 2.2
Other assets	24,574	55,446	- 30,871	- 55.7
Total assets	62,249,529	59,154,879	3,094,650	5.2
Total subordinated claims	11,069	8,234	2,835	34.4
of which, subject to conversion and/or debt waiver	6,465	3,796	2,670	70.3
Liabilities				
Amounts due to banks	5,706,212	4,102,377	1,603,835	39.1
Amounts due to securities financing transactions	2,571,911	3,861,798	- 1,289,887	- 33.4
Amounts due in respect of customer deposits	30,046,756	29,134,012	912,744	3.1
Trading portfolio liabilities	55,949	88,167	- 32,218	- 36.5
Negative replacement values of derivative financial instruments	176,627	190,445	- 13,819	- 7.3
Liabilities from other financial instruments at fair value	927,691	695,172	232,519	33.4
Cash bonds	206,221	282,512	- 76,291	- 27.0
Bond issues and central mortgage institution loans	18,053,005	16,417,127	1,635,878	10.0
Accrued expenses and deferred income	270,421	284,454	- 14,032	- 4.9
Other liabilities	17,223	52,263	- 35,040	- 67.0
Provisions	59,844	63,364	- 3,520	- 5.6
Reserves for general banking risks	630,600	630,600	0	0.0
Share capital	183,458	183,458	0	0.0
Statutory capital reserve	390,777	455,136	- 64,360	- 14.1
of which, reserve from tax-exempt capital contributions	390,777	455,136	- 64,360	- 14.1
Statutory retained earnings reserve	341,834	343,212	- 1,378	- 0.4
Voluntary retained earnings reserve	2,324,253	2,100,253	224,000	10.7
Own shares	- 4,548	- 18,534	13,986	- 75.5
Profit carried forward	702	909	- 207	- 22.7
Profit for the year	290,592	288,153	2,439	0.8
Total liabilities	62,249,529	59,154,879	3,094,650	5.2
Total subordinated liabilities	1,572,671	1,219,454	353,217	29.0
of which, subject to conversion and/or debt waiver	1,572,671	1,219,454	353,217	29.0
Off-balance-sheet transactions				
Contingent liabilities	298,948	317,273	- 18,325	- 5.8
Irrevocable commitments	2,396,031	2,034,885	361,147	17.7
Liabilities for calls on shares and other equity	101,691	76,056	25,635	33.7
Credit commitments	0	688	- 688	- 100.0
Contract volume of derivative financial instruments	25,580,351	24,315,587	1,264,764	5.2
Securities and fiduciary investments	36,060,728	31,034,939	5,025,789	16.2

Appropriation of profit

Proposal of the Board of Directors to the Annual General Meeting of 13 April 2026

Amounts in Swiss francs	2025	2024
Profit for the year	290,591,921	288,153,102
Profit carried forward from previous year	702,383	908,900
Total distributable profit	291,294,303	289,062,001
Withdrawal from statutory capital reserves	66,937,500	64,359,619
Total available for distribution by the Annual General Meeting	358,231,803	353,421,620

The Board of Directors proposes to the Annual General Meeting that the above amount be appropriated as follows:

Allocation to statutory retained earnings reserve	0	0
Allocation to voluntary retained earnings reserve	224,000,000	224,000,000
Distribution of 2.70 Swiss francs per share (previous year: 2.60 Swiss francs per share) ¹⁾	133,874,999	128,719,237
of which dividend of 1.35 Swiss francs per share (previous year: 1.30 Swiss francs per share)	66,937,500	64,359,619
of which distribution from statutory capital reserves of 1.35 Swiss francs per share (previous year: 1.30 Swiss francs per share)	66,937,500	64,359,619
Profit carried forward to new account	356,804	702,383
Total	358,231,803	353,421,620

¹⁾ Shares owned by Luzerner Kantonalbank AG at the time of payment are not entitled to distribution. As a result, the reported distribution amount may be reduced accordingly. For this reason, the dividend payment for the previous year is 594,353 Swiss francs lower than in last year's financial report (although the profit carried forward has increased).

Distribution

If the proposal is approved, the distribution will be paid out as follows:¹⁾

Amounts in Swiss francs	2025			2024		
	Gross	35 % withholding tax	Net	Gross	35 % withholding tax	Net
Dividend	1.350	0.473	0.878	1.300	0.455	0.845
Distribution from statutory capital reserves	1.350	0.000	1.350	1.300	0.000	1.300
Total	2.700	0.473	2.228	2.600	0.455	2.145

¹⁾ The last trading day for entitlement to receive the distribution is Wednesday, 15 April 2026. From Thursday, 16 April 2026, the shares are traded ex-distribution. The record date is Friday, 17 April 2026. If approved by the Annual General Meeting, the distribution of 2.70 Swiss francs per registered share will be credited to shareholders on Monday, 20 April 2026.

Statement of changes in equity of the parent company

Amounts in 1,000 Swiss francs	Share capital	Statutory capital reserve	Statutory retained earnings reserve	Reserves for general banking risks	Voluntary profit reserves and profit carried forward	Own shares	Profit for the year	Total
Equity as of 31.12.2024	183,458	455,136	343,212	630,600	2,101,162	- 18,534	288,153	3,983,189
Purchase of own shares	0	0	0	0	0	- 2,542	0	- 2,542
Sale of own shares relating to employee participation programme	0	0	0	0	0	15,887	0	15,887
Sale of own shares (other)	0	0	0	0	0	641	0	641
Gain (loss) on sale of own shares	0	0	- 1,378	0	0	0	0	- 1,378
of which, financial investments	0	0	- 1,365	0	0	0	0	- 1,365
of which, trading portfolio assets	0	0	- 13	0	0	0	0	- 13
Dividends and other distributions	0	- 64,360	0	0	0	0	- 64,360	- 128,719
Allocations to (Transfers from) the reserves for general banking risks	0	0	0	0	0	0	0	0
Other allocations to (transfers from) the retained earnings reserve	0	0	0	0	223,793	0	- 223,793	0
Profit for the year	0	0	0	0	0	0	290,592	290,592
Equity as of 31.12.2025	183,458	390,777	341,834	630,600	2,324,956	- 4,548	290,592	4,157,669

Notes to the financial statements of the parent company

1 Accounting and valuation principles

Principles that differ from those used in the consolidated financial statements are listed below.

General principles

The accounting and valuation principles of the parent company of Luzerner Kantonalbank AG are largely in line with those of the Group. In contrast to the consolidated financial statements, which are based on the 'true and fair view' principle, the statutory individual financial statements capture the bank's economic situation reliably, enabling third parties to form an accurate opinion. The statutory separate financial statements may be influenced by hidden reserves.

Investments

The shares and other securities of companies held as long-term investments shown under investments are carried at the acquisition value, less necessary operational and precautionary value adjustments.

Value adjustments and provisions

Value adjustments that have been released are transferred to 'Other provisions' as hidden reserves or reversed to 'Changes in value adjustments for default risk and losses from interest operations'. 'Other provisions' can include hidden reserves. Value adjustments and provisions that are released (except tax and pension provisions) can be used in the same accounting period to form necessary operational value adjustments and provisions for other similar requirements as originally intended, as shown in Section 6.11 '[Value adjustments and provisions / reserves for general banking risks](#)'.

Reserves for general banking risks

The reserves for general banking risks are taxed.

Statutory capital reserve

Premiums from capital increases and non-repayable grants are recognised under the 'statutory capital reserve'. The 'Reserve from tax-exempt capital contributions' is reported separately ('of which' item). This reserve includes amounts that can be distributed to shareholders without tax consequences in accordance with the capital contribution principle.

Statutory retained earnings

The 'statutory retained earnings' accrue in accordance with the provisions of the Swiss Code of Obligations. This means that the legally required allocations are accounted for here. The gain on disposal from trading in own shares and the dividend income thereof are allocated to 'statutory retained earnings'. Here, a distinction is made between own shares held for trading and other own shares (see also the following Section '[Own shares](#)').

Voluntary retained earnings

'Voluntary retained earnings' include all reserves that have the character of reserves formed as a precautionary measure to hedge latent future risks in the course of business of the bank and that are not accumulated within the scope of the statutory provisions on the appropriation of profits.

Own shares

A distinction is made between treasury shares held for trading and other own shares.

2 Changes in accounting and valuation principles

In the 2025 financial year, LUKB made the following changes to the accounting and valuation principles (see also the corresponding [section](#) in the Notes to the consolidated financial statements):

- Starting in the 2025 financial year, provisions for inherent default risks on off-balance-sheet items (contingent liabilities) will now be recognised. For further details, see Section 4 '[Methods used for identifying default risks and determining the need for value adjustments and provisions](#)'.
- Positive and negative replacement values of derivative financial instruments and cash collaterals for each counterparty deposited in this context are now also offset against each other in the balance sheet, provided that recognised and legally enforceable netting agreements exist. The previous year's figures have been restated as follows for comparison purposes:

Amounts in 1,000 Swiss francs	31.12.2024 previously	31.12.2024 new	Change	
			absolute	in %
Assets				
Amounts due from banks	383,289	345,908	- 37,381	- 9.8
Loans to customers	43,402,869	43,374,016	- 28,853	- 0.1
Amounts due from clients	5,167,446	5,138,593	- 28,853	- 0.6
Positive replacement values of derivative financial instruments	416,540	174,381	- 242,159	- 58.1
Total assets	59,463,272	59,154,879	- 308,393	- 0.5
Liabilities				
Amounts due to banks	4,120,147	4,102,377	- 17,770	- 0.4
Amounts due in respect of customer deposits	29,134,134	29,134,012	- 122	- 0.0
Negative replacement values of derivative financial instruments	480,946	190,445	- 290,501	- 60.4
Total liabilities	59,463,272	59,154,879	- 308,393	- 0.5

- From the 2025 financial year onwards, brokerage commissions for loans paid to brokers and platforms are no longer recognised in the commission and service business, but rather are offset directly against the corresponding interest income. In the 2024 financial year, the corresponding commission expenses amounted to 1.0 million Swiss francs.
- In addition, the dedicated reserves for general banking risks were combined with the reserves for general banking risks not intended for a specific purpose as at 31 December 2025. Accordingly, the total amount of the reserves for general banking risks is now without purpose-specific allocation.

3 Other areas in which the accounting and valuation principles apply

The Sections 'Recognition of transactions', 'Treatment of past due interest', 'Foreign-currency translation' and 'Refinancing of positions in trading business' of the consolidated financial statements also apply identically to the financial statements of the parent company.

4 Risk management

Risk management is identical for the parent company and the Group. For these reasons, please refer to Section 3 'Risk management' and Section 4 'Methods used for identifying default risks and determining the need for value adjustments and provisions', Section 5 'Valuation of collateral / criteria for determining market value and loan-to-value' and Section 6 'Use of derivative financial instruments / hedge accounting' of the consolidated financial statements.

5 Events after the balance sheet date

No extraordinary events that have a material effect on the assets, financial position or results of operations of Luzerner Kantonalbank AG occurred after the balance sheet date.

6 Information on the balance sheet

6.1 Securities financing transactions (assets and liabilities)

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions ¹⁾	0	0	0
Book value of obligations from cash collateral delivered in connection with securities lending and repurchase transactions ¹⁾	2,571,911	3,861,798	- 1,289,887
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	2,617,412	3,957,324	- 1,339,911
of which, with unrestricted right to resell or pledge	2,617,412	3,957,324	- 1,339,911
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or pledge	61,175	92,968	- 31,793
of which, repledged securities	0	0	0
of which, resold securities	55,948	88,166	- 32,219

¹⁾ Before taking into account any netting agreements

6.2 Collateral for loans/receivables and off-balance-sheet transactions / impaired loans/receivables

Collateral for loans/receivables and off-balance-sheet transactions

Amounts in 1,000 Swiss francs	Mortgage collateral	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from clients	490,263	2,263,058	2,804,781	5,558,102
Mortgage loans	40,996,311	0	6 417 ¹⁾	41,002,729
- Residential property	33,873,269	0	4,436	33,877,705
- Office and business premises	4,925,931	0	1,000	4,926,931
- Commercial and industrial premises	892,852	0	467	893,319
- Other	1,304,259	0	515	1,304,774
Total loans (before netting with value adjustments)	41,486,574	2,263,058	2,811,198	46,560,831
Share in %	89.1	4.9	6.0	100.0
Previous year	38,924,324	1,978,860	2,657,617	43,560,801
Share in %	89.4	4.5	6.1	100.0
Value adjustments	0	0	208,203	208,203
Total loans (after netting with value adjustments)	41,486,574	2,263,058	2,602,995	46,352,628
Share in %	89.5	4.9	5.6	100.0
Previous year	38,924,324	1,978,860	2,470,832	43,374,016
Share in %	89.7	4.6	5.7	100.0
Off-balance-sheet transactions				
Contingent liabilities	39,769	111,725	147,454	298,948
Irrevocable commitments	526,656	310,404	1,558,972	2,396,031
Obligations to pay up shares and make further contributions	0	0	101,691	101,691
Credit commitments	0	0	0	0
Total off-balance-sheet transactions	566,424	422,129	1,808,117	2,796,670
Previous year	476,733	429,317	1,522,850	2,428,901

¹⁾ These are value-adjusted items.

Impaired loans

Amounts in 1,000 Swiss francs	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Impaired loans	232,555	73,838	158,717	119,275
Previous year	192,797	75,720	117,077	103,537

Individual value adjustments do not fully cover the net amount owed if a portion of it is considered to still be recoverable.

6.3 Trading portfolios and other financial instruments at fair value (assets and liabilities)

Amounts in 1,000 Swiss francs	Book value		Change
	31.12.2025	31.12.2024	
Assets			
Debt securities, money market securities / transactions	308,625	326,089	- 17,465
of which, listed	303,920	316,262	- 12,342
Equity securities	1,266,542	1,096,569	169,974
Precious metals	1,809	1,238	570
Cryptocurrencies	0	0	0
Other trading portfolio assets	115,944	65,302	50,642
Total trading portfolio assets	1,692,920	1,489,198	203,722
Structured products	0	0	0
Total other financial instruments at fair value	0	0	0
Total assets	1,692,920	1,489,198	203,722
of which, determined using a valuation model	0	0	0
of which, securities eligible for repo transactions in accordance with liquidity requirements	166,369	242,985	- 76,616
Liabilities¹⁾			
Debt securities, money market securities / transactions	55,948	88,166	- 32,218
of which, listed	55,948	88,166	- 32,219
Equity securities	1	0	0
Precious metals and commodities	0	0	0
Cryptocurrencies	0	0	0
Other trading portfolio liabilities	0	0	0
Total trading portfolio liabilities	55,949	88,167	- 32,218
Structured products	927,691	695,172	232,519
Total liabilities from other financial instruments at fair value	927,691	695,172	232,519
Total liabilities	983,640	783,339	200,301
of which, determined using a valuation model	927,691	695,172	232,519

¹⁾ For short positions (posting according to the closing date principle)

6.4 Derivative financial instruments (assets and liabilities)

Breakdown by contract type

	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Amounts in 1,000 Swiss francs						
Interest rate instruments	38,283	46,294	2,051,788	116,840	142,283	11,664,310
Forward contracts including FRAs	0	0	0	0	0	0
Swaps	38,283	46,294	2,030,803	116,840	142,283	11,664,310
Tom Next Indexed Swaps (TOIS)	0	0	0	0	0	0
Caps / Floors / Collars	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
Futures	0	0	20,985	0	0	0
Foreign exchange / precious metals	37,774	31,614	8,611,132	0	0	0
Forward contracts	36,238	30,831	8,397,563	0	0	0
Combined interest rate / currency swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	1,536	783	213,568	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
Equity securities / indices	65,888	175,107	3,211,996	0	0	0
Forward contracts	0	0	0	0	0	0
Swaps	0	0	0	0	0	0
Futures	0	0	2,082	0	0	0
Options (OTC)	57,696	40,087	1,827,380	0	0	0
Options (exchange-traded)	8,192	135,021	1,382,534	0	0	0
Credit derivatives	114	1,174	36,894	0	0	0
Credit default swaps	114	1,174	36,894	0	0	0
Total return swaps	0	0	0	0	0	0
First-to-default swaps	0	0	0	0	0	0
Other credit derivatives	0	0	0	0	0	0
Other derivative financial instruments	473	473	4,232	0	0	0
Forward contracts	0	0	0	0	0	0
Swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange-traded)	473	473	4,232	0	0	0
Total before netting agreements	142,532	254,662	13,916,041	116,840	142,283	11,664,310
of which, determined using a valuation model	133,867	119,168	-	116,840	142,283	-
Previous year	274,104	293,896	13,652,134	142,436	187,050	10,663,453
of which, determined using a valuation model	263,057	190,382	-	142,436	187,050	-
	Positive replacement values	Negative replacement values	Contract volume			
Total after netting agreements		89,613		176,627		25,580,351
Previous year		174,381		190,445		24,315,587

FRA = Forward rate agreement

OTC = Over the counter

RV = Replacement values

Breakdown by counterparty

Amounts in 1,000 Swiss francs	Central clearing houses	Banks and securities firms	Other customers
Positive replacement values (after netting agreements)	271	7,787	81,555
Previous year	0	54,489	119,891

6.5 Financial investments

Breakdown by contract type

Amounts in 1,000 Swiss francs	Book value		Fair value	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Debt securities	4,886,181	4,749,301	4,909,396	4,782,163
of which, intended to be held to maturity	4,868,666	4,730,490	4,890,493	4,762,470
of which, not intended to be held to maturity (available for sale)	17,515	18,811	18,903	19,693
Equity securities	403,920	404,386	462,615	447,101
of which, qualified participations ¹⁾	0	0	0	0
Money market securities	0	0	0	0
Precious metals	0	0	0	0
Real estate	0	0	0	0
Total financial investments	5,290,101	5,153,687	5,372,011	5,229,265
of which, securities eligible for repo transactions in accordance with liquidity requirements	4,727,180	4,624,854	-	-

¹⁾ At least 10% of the capital or votes

Breakdown of counterparties by rating

Amounts in 1,000 Swiss francs	Very good to good credit rating (AAA bis AA-)	Good to satisfactory credit rating (A+ bis A-)	Satisfactory credit rating (BBB+ bis BBB-)	Sufficient credit rating (BB+ bis BB-)	Deficient credit rating (B+ bis B-)	Insufficient credit rating (CCC+ bis CCC-)	Without rating
	Book values of debt securities¹⁾	4,550,959	270,523	42,067	0	0	750
Previous year	4,623,632	48,954	20,013	0	0	1,200	55,501

¹⁾ Incl. money market securities

The classification into the different rating classes was carried out using a model based on external ratings. The ratings classes corresponding to the ratings of Standard & Poor's are shown in brackets.

6.6 Other assets and liabilities

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024
Other assets		
Offset account	1,495	43,667
Indirect taxes	20,227	9,971
Settlement accounts	2,850	1,808
Other assets	2	0
Total other assets	24,574	55,446
Other liabilities		
Offset account	0	0
Indirect taxes	9,116	33,239
Settlement accounts	4,978	15,896
Unredeemed coupons, cash bonds and bond issues	3,130	3,126
Other liabilities	0	2
Total other liabilities	17,223	52,263

6.7 Assets pledged or assigned to secure own commitments / assets under reservation of ownership

Amounts in 1,000 Swiss francs	31.12.2025		31.12.2024	
	Book value	Effective commitment	Book value	Effective commitment
Liquid assets ¹⁾	69,097	69,097	68,992	68,992
Amounts due from banks	198,478	198,478	202,728	202,054
Amounts due from clients	505	505	29,872	31,539
Own securities	240,502	23,451	230,454	31,308
Pledged or assigned mortgage loans to secure central mortgage institution loans	11,190,068	8,525,000	11,271,419	7,821,000
Total pledged / assigned assets	11,698,651	8,816,531	11,803,465	8,154,894
Total assets under reservation of ownership	0	0	0	0

¹⁾ Pledged or assigned liquid funds to secure the 50% payment obligation to esisuisse in connection with deposit insurance.

Securities serving as collateral for which the right to resell or pledge has been granted as part of the securities financing transaction are shown in Section 6.1 'Securities financing transactions (assets and liabilities)'.

6.8 Commitments relating to own pension institutions / equity instruments of the bank held by own pension institutions

Commitments relating to own pension institutions

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024	Change
Amounts due in respect of customer deposits	18,363	22,722	- 4,359
Total commitments relating to Pension Fund of Luzerner Kantonalbank	18,363	22,722	- 4,359

These liabilities arise from investments within the Group by Luzerner Kantonalbank's pension fund.

Own shares with own pension institutions

Numbers of shares	31.12.2025	31.12.2024	Change
Pension Fund of Luzerner Kantonalbank	0	0	0

6.9 Economic situation of own pension institutions

Employer contribution reserves

Amounts in 1,000 Swiss francs	Nominal value	Waiver of use	Net amount		Effect of employer contribution reserves on personnel expenses	
			31.12.2025	31.12.2024	2025	2024
Pension fund	0	0	0	0	0	0
Total employer contribution reserves	0	0	0	0	0	0

Economic benefit/obligations and pension expenses

Amounts in 1,000 Swiss francs	Over- / underfunding	Economic interest of the bank		Change in economic interest versus previous year	Contributions paid	Pension expenses in personnel expenses	
		31.12.2025	31.12.2024			2025	2024
Pension plans without overfunding / underfunding ¹⁾	0	0	0	0	20,372	20,372	19,602
Total	0	0	0	0	20,372	20,372	19,602

¹⁾ In the financial statements of the Pension Fund of Luzerner Kantonalbank prepared in accordance with Swiss GAAP FER 26, the coverage ratio as of 31 December 2025 amounts to 128.1 % (previous year 127.4 %). Accordingly, the fluctuation reserves - unlike in the previous year - have reached the target value of 25.6 %. Careful assessment has shown that, despite the free capital, there are no economic effects for the bank.

6.10 Issued structured products

Amounts in 1,000 Swiss francs Underlying risk of the embedded derivative	Book value				Total
	Valued as a whole		Valued separately		
	Booked in trading portfolio	Booked in other financial instruments at fair value	Value of the underlying instrument	Value of the derivative	
Interest rate instruments					
with own debenture component (oDC)	-	0	0	0	0
without oDC	0	0	0	0	0
Equity securities					
with own debenture component (oDC)	-	927,691	1,164,123	49,656	2,141,470
without oDC	0	0	0	0	0
Foreign currencies					
with own debenture component (oDC)	-	0	29,848	117	29,965
without oDC	0	0	0	0	0
Commodities / precious metals					
with own debenture component (oDC)	-	0	104	0	104
without oDC	0	0	0	0	0
Total issued structured products	0	927,691	1,194,075	49,773	2,171,539
Previous year	0	695,172	1,022,212	71,825	1,789,209

6.11 Value adjustments and provisions / reserves for general banking risks

Amounts in 1,000 Swiss francs	Balance as of 31.12.2024	Use in conformity with designated purpose	Reclassifications	Past due interest, recoveries	Additions charged to income statement	Reversals credited to income statement	Balance as of 31.12.2025
Provisions for pension benefit obligations	710	- 106	-	-	0	0	604
Provisions for default risks ¹⁾	16,649	0	- 2,948	0	615	- 805	13,511
of which, for probable liabilities (in accordance with Art. 28 para. 1 FINMA AO)	16,649	0	- 2,948	0	41	- 805	12,937
Specific provisions for customer loans	16,649	0	- 2,948	0	12	- 786	12,927
Lump-sum individual provisions	0	0	0	0	29	- 19	10
of which, for inherent risks of default	0	0	0	0	574	0	574
provisions for inherent risks of default	0	0	0	0	574	0	574
Provisions for restructuring	2,119	- 212	-	0	0	0	1,907
Other provisions	43,886	- 785	0	43	760	- 82	43,822
Total provisions	63,364	- 1,103	- 2,948	43	1,375	- 887	59,844
Reserves for general banking risks ²⁾	630,600	0	0	0	0	0	630,600
Value adjustments for default and country risks	194,224	- 5,820	2,948	1,663	34,287	- 16,773	210,530
of which, for default risks in respect of impaired loans / financial investments	110,923	- 5,820	2,948	1,663	28,639	- 16,773	121,581
Specific value adjustment - banks	0	0	0	0	0	0	0
Specific value adjustment - customer loans	102,728	- 1,803	2,948	1,280	27,894	- 14,446	118,602
Specific value adjustment - interest	631	0	0	384	0	- 477	538
Lump-sum individual value adjustment	177	- 256	0	0	295	- 82	135
Credit-related specific value adjustments - financial investments	7,386	- 3,761	0	0	450	- 1,769	2,306
of which, for inherent risks of default	83,301	0	0	0	5,648	0	88,949
Value adjustments for inherent risks of default	83,301	0	0	0	5,648	0	88,949

¹⁾ For potential cash outflows related to off-balance sheet transactions

²⁾ The reserves for general banking risks are subject to taxation.

6.12 Share capital

Amounts in 1,000 Swiss francs	31.12.2025			31.12.2024		
	Total par value	Quantity	Dividend-bearing capital	Total par value	Quantity	Dividend-bearing capital
Share capital, fully paid-in	183,458	49,583,333	183,458	183,458	49,583,333	183,458

6.13 Equity rights and options allocated to the Executive Board, the Board of Directors and employees

Amounts in 1,000 Swiss francs	2025		2024	
	Equity securities		Equity securities	
	Number	Amount	Number	Amount
Members of the Board of Directors ¹⁾	n.a. ²⁾	465,500	8,448	407 616 ³⁾
Executive Board members	19,354	1,222,786	26,534	1,191,642
Employees	188 296 ⁴⁾	10,601,588	22 848	1,321,781
Total	n.a.	12,289,873	57,830	2,921,039

¹⁾ The remunerations of the members of the Board of Directors relate to the periods AGM 2025 to AGM 2026 (14 April 2025 to 13 April 2026) and AGM 2024 to AGM 2025 (15 April 2024 to 14 April 2025).

²⁾ The Board of Directors receives 50% of the proposed remuneration (total remuneration for the term AGM 2025 to AGM 2026: 931,000 Swiss francs) in shares blocked for at least six years (blocking period until 30 April 2032). 50% of the Board's remuneration is paid in shares at the applicable tax value, with the number of shares rounded up to the nearest whole number. The relevant valuation for the equity rights recognised in the 2025 financial year is determined based on the volume-weighted average price for the period from 1 March 2026 to 13 April 2026. The exact number of allocated shares will be disclosed in the financial report 2026.

³⁾ The shares allocated to the Board of Directors last year as part of the remuneration after the AGM 2025 were determined based on the volume-weighted average price for the period from 1 March 2025 to 14 April 2025, with the number of shares at the applicable tax value rounded up to the nearest whole number. The exact number was not yet known at the time of publication of the financial report 2024. Consequently, there are minor differences compared with the figures reported last year.

⁴⁾ At periodic intervals, employees are offered the opportunity on a voluntary basis to acquire blocked registered shares of Luzerner Kantonalbank AG at preferential conditions. In 2025, 169,648 registered shares of Luzerner Kantonalbank AG with a price of 63.70 Swiss francs (average price for the month of december 2024) were purchased by employees at 45.00 Swiss francs. The discount of approximately 3.2 million Swiss francs is included in personnel expenses (partially accrued in previous years).

Members of the Board of Directors, the Executive Board and the second management level receive a defined portion of their compensation in the form of registered shares of Luzerner Kantonalbank AG that are blocked for several years. Details can be found in the [Compensation Report](#).

6.14 Related parties

Amounts in 1,000 Swiss francs	Due from		Due to	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Holders of qualified participations ¹⁾	6,823	40,317	31,748	327
Group companies	0	0	37,108	32,411
Linked companies ²⁾	194,790	208,408	209,491	208,542
Transactions with members of governing bodies	13,135	11,327	14,377	13,578
Other related parties ³⁾	26,350	25,156	2,844	2,751

¹⁾ Canton of Lucerne

²⁾ Public-law institutions of the Canton of Lucerne or mixed-economy enterprises in which the Canton of Lucerne holds a significant stake.

³⁾ These are receivables and obligations towards legal entities closely related to the bank's governing bodies.

Related parties include significant shareholders, the Executive Board, Board of Directors and auditors as well as associated companies and persons.

Transactions with related parties

Current and retired employees (including members of the Executive Board) and their family members living in the same household are eligible for generally-limited preferential conditions, as is customary in the industry. With the exception of the registered shares of Luzerner Kantonalbank AG deposited with LUKB without fees by the Canton, transactions are conducted for all related parties under the same terms that apply to third parties. Transactions include the granting of loans and credit, interest on deposits, account management, payments and securities transactions, etc.

Companies with close ties to members of the Board of Directors can participate in tenders for LUKB contracts. The member of the governing body concerned has no privileges when awarding the contract and is not represented in the decision-making process (abstention). During the reporting year and in the previous year, no contracts were awarded to related parties of members of the Board of Directors at terms other than what is customary in the market.

6.15 Significant shareholders

Amounts in 1,000 Swiss francs	31.12.2025		31.12.2024	
	Par value	Share as %	Par value	Share as %
Canton of Lucerne	112,786	61.5	112,786	61.5
Total significant shareholders	112,786	61.5	112,786	61.5

6.16 Own shares and composition of equity

Own shares

Own shares (registered)	2025		2024	
	Quantity	Average transaction price in Swiss francs	Quantity	Average transaction price in Swiss francs
	Shares with nominal value 3.70 CHF		Shares with nominal value 3.70 CHF	
Number of shares as of 01.01.	263,496	-	273,104	-
+ Purchase of own shares	36,627	69.41	64,780	68.35
- Sale of own shares ^{1), 2)}	- 236,115	70.00	- 74,388	70.16
Number of shares as of 31.12. ³⁾	64,008	-	263,496	-

¹⁾ Of which, 57,830 compulsory shares were associated with share-based compensation in 2025.

²⁾ In 2025, a loss of 13,153 Swiss francs was generated on the trading portfolio and 1,365,316 Swiss francs on the rest of the portfolio (likewise included in the capital reserve). In 2024, a profit of 72,265 Swiss francs was generated on the trading portfolio and 52,382 Swiss francs on the rest of the portfolio (likewise included in the capital reserve).

³⁾ On 31 December 2025, 27,062 own shares with a nominal value of 3.70 Swiss francs each (previous year: 30,595 own shares with a nominal value of 3.70 Swiss francs each) were held to hedge self-issued structured products (tracker certificates).

No options have been allocated for the 2024 and 2025 financial years, and there are no outstanding options.

Non-distributable statutory reserves

Amounts in 1,000 Swiss francs	31.12.2025	31.12.2024
Non-distributable statutory reserves	91,729	91,729
Total non-distributable statutory reserves	91,729	91,729

Within the meaning of Art. 671 para. 2 and Art. 672 para. 2 CO, the statutory capital reserves and retained earnings may not be distributed if together they do not exceed half of the share capital entered in the Commercial Register.

6.17 Shareholdings of members of LUKB's Board of Directors and Executive Board

LUKB prepares a Compensation Report in accordance with Articles 732 to 735c CO. The Compensation Report provides detailed information for the Board of Directors and the Executive Board pursuant to Article 734d CO for banks with listed shareholdings.

7 Information on off-balance-sheet transactions

Securities and fiduciary investments

Amounts in 1,000 Swiss francs	31.12.2025	As % of total	31.12.2024	As % of total	Change
Money market securities	8,977.7	0.0	26,990.2	0.1	- 18,012.5
Medium-term notes	206,243.0	0.6	283,012.0	0.9	- 76,769.0
Bonds	3,126,035.1	8.9	3,080,661.6	10.2	45,373.5
Shares (incl. participation certificates PC / profit-sharing certificates PSC)	16,879,968.7	48.2	14,040,841.0	46.6	2,839,127.7
Own investment funds	6,389,323.8	18.2	5,594,507.5	18.6	794,816.3
Third-party investment funds	6,641,604.2	19.0	5,831,501.0	19.4	810,103.2
Structured products	634,434.1	1.8	526,184.8	1.7	108,249.4
Cryptocurrencies	50,830.9	0.1	37,091.3	0.1	13,739.6
Other securities	1,073,314.9	3.1	692,465.8	2.3	380,849.1
Securities in custody	35,010,732.4	100.0	30,113,255.2	100.0	4,897,477.2
Global custody	907,485.9		756,744.2		150,741.7
Managed securities	35,918,218.3		30,869,999.4		5,048,218.9
Fiduciary investments with third-party-companies	142,509.6		164,939.1		- 22,429.5
Total securities and fiduciary assets	36,060,728.0		31,034,938.6		5,025,789.4

PSC = Profit-sharing certificate

PC = Participation certificate

8 Information on the income statement

8.1 Result from the interest operations

Interest and discount income

Amounts in 1,000 Swiss francs	2025	2024	Change
Interest income due from banks	6,066	4,976	1,090
Interest income from loans to customers	614,496	718,742	- 104,246
Other interest income	13,471	111,072	- 97,601
Credit commissions	5,463	6,024	- 561
Refinancing income from trading positions	1,708	4,097	- 2,388
Result from interest-rate hedging and other derivative transactions	80,465	116,820	- 36,354
Negative interest on lending business	- 14	0	- 14
Total interest and discount income	721,655	961,730	- 240,075

Interest and dividend income from financial investments

Amounts in 1,000 Swiss francs	2025	2024	Change
Interest income from financial investments	39,571	34,983	4,589
Dividend income from financial investments	13,165	11,390	1,775
Total interest and dividend income from financial investments	52,736	46,372	6,364

Interest expense

Amounts in 1,000 Swiss francs	2025	2024	Change
Interest expense due to banks	75,953	176,002	- 100,049
Interest expense due in respect of customer deposits	66,959	201,666	- 134,707
Interest expense due in cash bonds	2,464	3,181	- 717
Interest expense due in bond issues and central mortgage institution loans ¹⁾	152,982	156,539	- 3,557
Other interest expense	1,169	11,620	- 10,450
Negative interest on deposit-taking business	- 747	0	- 747
Total interest expense	298,780	549,008	- 250,228

¹⁾ The interest expense from structured products recognised under 'Bond issues and central mortgage institution loans' is reported in the line 'Interest expense from bond issues and central mortgage institution loans'.

Changes in value adjustments for default risk and losses from interest operations

Amounts in 1,000 Swiss francs	2025	2024	Change
Specific value adjustment on customer loans	12,971	9,083	3,889
Specific value adjustment on banks	0	0	0
Lump-sum specific value adjustment	213	304	- 91
Credit-related specific value adjustment to financial investments	- 1,319	2,469	- 3,788
Losses	0	24	- 24
Total for default risks on impaired loans / financial investments	11,866	11,880	- 14
Value adjustments for inherent default risks	5,648	3,245	2,403
Total for inherent default risks	5,648	3,245	2,403
Total changes in value adjustments for default risk and losses from interest operations	17,514	15,125	2,389

8.2 Result from commission business and services

Amounts in 1,000 Swiss francs	2025	2024	Change
Fund business	1,190	1,538	- 348
Asset management	23,350	19,301	4,049
Investment advisory	27,957	24,829	3,128
Administration fee / custodian fee	22,354	21,447	906
Brokerage fees	13,282	10,992	2,290
Trust accounts	166	220	- 53
Other securities and investment business	3,116	3,174	- 57
Commission income from securities trading and investment activities	91,415	81,500	9,915
Commission income from lending activities	4,086	3,704	382
Card revenues	15,225	14,736	490
Account management fees	9,337	9,401	- 65
Safe deposit box rentals	1,197	1,157	41
Other service business	3,348	3,051	297
Commission income from other services	29,107	28,345	762
Commission expense	- 14,263	- 13,067	- 1,196
Total result from commission business and services	110,345	100,482	9,863

8.3 Result from trading activities and the fair value option

Result from trading activities, by sector

Amounts in 1,000 Swiss francs	2025	2024	Change
Client trading	27,811	26,015	1,796
Proprietary trading	48,165	30,488	17,677
Total result from trading activities and the fair value option	75,976	56,503	19,473

Result from trading activities, by risk

Amounts in 1,000 Swiss francs	2025	2024	Change
Foreign currencies / precious metals / cryptocurrencies	40,302	36,215	4,088
Equity securities (funds and structured products)	27,453	27,679	- 226
Fixed income instruments (including funds and credit derivatives)	9,929	- 3,294	13,223
Refinancing income	- 1,708	- 4,097	2,388
Total result from trading activities and the fair value option	75,976	56,503	19,473

Hedging transactions for self-issued structured products that are measured using the fair value option and entered under 'Liabilities from other financial instruments at fair value' are recognised at fair value on the assets side of the trading business. The corresponding result is included in the total 'Result from trading activities and the fair value option'. Separate recognition of income from applying the fair value option only to liabilities is not meaningful, which is why it is not used.

8.4 Personnel expenses

Amounts in 1,000 Swiss francs	2025	2024	Change
Salaries and benefits	174,394	165,882	8,511
of which: expenses related to share-based compensation	5,016	4,684	332
Social security contributions (OASI, IV, UI, etc.)	11,390	10,968	422
Pension expenses	20,372	19,602	770
Training and continuing education	2,170	2,086	84
Other personnel expenses	7,934	7,973	- 39
Total personnel expenses	216,260	206,511	9,749

8.5 General and administrative expenses

Amounts in 1,000 Swiss francs	2025	2024	Change
Office space expenses	6,504	5,817	688
Expenses for information and communications technology	49,004	45,986	3,018
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	883	971	- 87
Fees of audit firms	606	580	26
of which, for financial and regulatory audits	544	456	88
of which, for other services	62	124	- 62
Other operating expenses	38,843	32,380	6,463
Total general and administrative expenses	95,840	85,734	10,107

8.6 Extraordinary income

Amounts in 1,000 Swiss francs	2025	2024	Change
Gain on mergers ¹⁾	75	0	75
Income from sale of participations	212	10,167	- 9,955
Total extraordinary income	287	10,167	- 9,880

¹⁾ In 2025, the former subsidiary Refinum AG was merged into the parent company with effect from 1 January 2025.

8.7 Extraordinary expenses

Amounts in 1,000 Swiss francs	2025	2024	Change
Losses from disposal of participations	0	0	0
Total extraordinary expenses	0	0	0

8.8 Changes in reserves for general banking risks

Amounts in 1,000 Swiss francs	2025	2024	Change
Changes in reserves for general banking risks	0	0	0
Total changes in reserves for general banking risks	0	0	0

8.9 Taxes and tax rate

Amounts in 1,000 Swiss francs	2025	2024	Change
Current income taxes	31,662	27,821	3,841
Current capital taxes ¹⁾	3,355	6,784	- 3,429
Total expenses for taxes	35,017	34,605	413
Weighted average tax rate (based on operating profit)	10.8 %	11.1 %	- 0.3 %

¹⁾ Due to the reduction of the ordinary capital tax rate in the Canton of Lucerne from 0.5 per mille to 0.25 per mille starting from tax year 2025, the respective tax expense decreased accordingly.

Report of the statutory auditor on the financial statements of the parent company

The report of the statutory auditor on the financial statements of the parent company relates to the original German version of this report and are therefore not included in this English translation. The German version shall prevail.

Corporate governance

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Group structure and shareholders

Group structure

As of 31 December 2025, the LUKB Group comprises the following companies: Luzerner Kantonalbank AG (LUKB parent company) and LUKB Expert Fondsleitung AG. These companies form the scope of consolidation. Refinum AG ceased operating activities in 2024 and was integrated into the parent company in the course of 2025 as part of an absorption merger.

The parent company Luzerner Kantonalbank AG, headquartered at Pilatusstrasse 12 in 6003 Lucerne, is a public limited company under private law and listed on the SIX Swiss Exchange (Valor: 125 293 061, ISIN number: CH1252930610).

Management structure

Organisational chart of the parent company

As of 1 March 2026

Board of Directors Markus Hongler, Chairman	Nomination and Compensation Committee Dr Martha Scheiber, Chairwoman	Audit and Finance Committee Andreas Emmenegger, Chairman	Risk and Strategy Committee Prof. Dr Andreas Dietrich, Chairman		
Internal Audit Konrad Fausch					
Executive Board Daniel Salzmann, CEO	Office of the President Daniel Salzmann	Private & Commercial Clients Department Stefan Studer	Corporate Clients & Private Banking Department Désirée von Michaelis	Technology & Services Department Dr Simon Kauth	Finance & Investment Department Marcel Hurschler, CFO
	Corporate Development & General Secretariat Dr Michael Girsberger	South Lucerne Market Area Adrian Lupart	Private Banking Beat Steinmann	Marketing & Sponsoring Dr Lena Martschenko	Finance Christoph Weidmann
	Personnel Silvana Leasi	Central Lucerne Market Area René Arnold	Private Banking Professionals Marcel Sigrist	Product & Channel Management Stefan Lüthy	Trading & Treasury Services Daniel Bommer
	Corporate Communications Sibylle Umiker	North Lucerne Market Area Urs Birrer	Private Banking Entrepreneurs & Executives (E & E) Mathias Röthlin	Specialist Division & Processes Anton Brunner	Structured Products Competence Centre Claudio Topatigh
	Legal & Compliance Peter Felder	Advisory Centre Remo Ambühl	Entrepreneur Bank Fabian Fischer	Operations Mauro Eicher	Asset Management Stefan Angele
	Credit Risk Management Ralf Schmücker	Sales & Segment Management Thomas Vogel	Real Estate Bank Flavio Ciglia	Information Technology Philipp Keist	Real Estate Urs Renold
	Risk Control Raffael Stocker		Specialist Advisory Daniela Bühlmann	Innovation & Project Management Eric Fehlmann	CDB Final Check & International Taxes Pius Peter
			Sales & Segment Management Manuel Hodel	Leadership Support Joëlle Bürki	Data & Analytics Tamara Hofer
					Leadership Support Carlos Palomanes

Figure: Organisational chart of the LUKB parent company, as at 1 March 2026

Significant shareholders

As of 31 December 2025, the Canton of Lucerne holds 61.5 % of the shares of Luzerner Kantonalbank AG. In accordance with the [Act on the Conversion](#)¹⁾ of 8 May 2000, it is obliged to hold at least 51 % of the capital of Luzerner Kantonalbank AG. According to the Swiss Financial Market Infrastructure Act, any natural or legal person holding shares of a company listed in Switzerland is obliged to notify the company and the stock exchange if their participation reaches, falls below or exceeds the following thresholds: 3 %, 5 %, 10 %, 20 %, 33⅓ %, 50 % or 66⅔ % of the voting rights, irrespective of their exercisability. In 2025, the amount of treasury shares held by LUKB fluctuated between 0.07 % and 0.53 %. At the end of 2025, it corresponded to 0.07 % (end of 2024: 0.53 %) of the total share capital.

¹⁾ https://srl.lu.ch/app/de/texts_of_law/690/versions/2356

Cross-shareholdings

Luzerner Kantonalbank has no cross-shareholdings of more than 5 %.

Capital structure

Capital

As at 31 December 2025, the share capital of Luzerner Kantonalbank AG amounts to 183.5 million Swiss francs, divided into 49,583,333 registered shares with a nominal value of 3.70 Swiss francs each.

In recent years, equity (before the appropriation of profit) developed as follows based on the applicable accounting rules:

Values in CHF millions	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Share capital	183.5	183.5	183.5	157.3	157.3
Reserves/treasury shares	3,745.7	3,575.2	3,407.2	2,844.9	2,703.2
Consolidated profit	295.5	286.6	265.4	226.6	221.4
Total equity	4,224.7	4,045.3	3,856.1	3,228.8	3,081.9

Authorised and conditional capital in particular

Luzerner Kantonalbank AG currently has no authorised or conditional capital.

Changes in capital

As at 31 December 2025, the share capital of Luzerner Kantonalbank AG was as at the end of the previous year 183.5 million Swiss francs, divided into 49,583,333 registered shares with a nominal value of 3.70 Swiss francs each. On 31 May 2023, LUKB successfully completed the capital increase approved by the Annual General Meeting on 17 April 2023. Prior to the capital increase, a 1:5 share split was carried out on 25 April 2023, which was also approved by the Annual General Meeting on 17 April 2023. As a result of these two measures, the share denomination increased in 2023 from 8,500,000 registered shares with a nominal value of 18.50 Swiss francs each to 49,583,333 registered shares with a nominal value of 3.70 Swiss francs each. Almost 100 % of the issued subscription rights were exercised as part of the capital increase. The issue of 7,083,333 new registered shares at a subscription price of 69.00 Swiss francs each generated gross proceeds of 488.8 million Swiss francs in total.

Shares and participation certificates

The share capital is divided into 49,583,333 registered shares with a nominal value of 3.70 Swiss francs each. The registered shares are fully paid up and are not subject to any further payment or contribution obligations. There are also no preferential rights. All registered shares issued are entitled to dividends. Each registered share entered in the share register entitles the holder to one vote.

The shares are held only in book-entry form. Shareholders are not entitled to the printing and delivery of share certificates (suspended printing of share certificates). However, they may request Luzerner Kantonalbank AG to issue a certificate of ownership of the shares at any time. According to the Articles of Association, the uncertificated shares and the resulting uncertificated rights may only be transferred by the shareholders by way of assignment, whereby the assignment must be notified to the company in order to be valid.

In addition, uncertificated shares and the resulting rights may only be pledged in favour of the bank at which they are held as book entries by means of a written pledge agreement. The restrictions on voting rights set out in the Articles of Association are explained in more detail in the Section '[Restrictions on voting rights and proxy representation](#)'. No participation certificates have been issued since the change of legal form in 2001.

Profit-participation certificates

Luzerner Kantonalbank AG has not issued any profit-participation certificates.

Restrictions on transferability

The voting rights associated with shares and other rights associated with the voting rights may only be exercised by persons who have been entered into the share register as 'shareholders with voting rights'. A shareholder may directly or indirectly together cast votes pertaining to their own shares or to their represented shares in respect of no more than 10 % of all shares. Legal entities and associations of persons that are unified with one another in terms of capital and voting rights by common management or in a similar manner shall be deemed to be one shareholder for the purposes of voting. Pursuant to Article 13 of the [Articles of Association](#)¹⁾, the Canton of Lucerne is exempt from this percentage voting limit.

The transfer of the registered shares and the entry of the purchaser in the company's share register require the approval of the Board of Directors. After shares have been purchased, the purchaser shall be deemed to be a 'shareholder without voting rights' until the company has recognised the affected persons as a 'shareholder with voting rights' on the basis of an application for recognition. The affected persons shall be recognised as 'shareholders with voting rights' unless the Board of Directors rejects the application for recognition within 20 days.

The Board of Directors denies applications for recognition as a shareholder with voting rights:

- if an individual shareholder would hold more than 10 % of the share capital, whereby legal entities and partnerships, other associations of persons or joint ownership arrangements linked by way of capital or voting rights through a single management or in any other way, as well as individuals and legal entities acting with a view to circumventing a registration restriction, shall be deemed to be individual shareholders;
- if a shareholder does not expressly declare, upon request, that the shares have been acquired in their own name and for their own account (e.g. if the applicant is a nominee), that no agreement has been concluded concerning the redemption or return of the shares in question and that they bear the economic risk associated with the shares;
- to the extent that and for as long as registration could prevent the company from providing evidence of shareholder composition as required by federal law.

In accordance with the [Articles of Association](#)¹⁾, the Board of Directors is also entitled to revoke any approval and entry into the share register that was obtained using false information, after hearing the person concerned, with retroactive effect from the date of the entry.

If natural persons or legal entities breach the reporting obligation pursuant to the [Financial Market Infrastructure Act](#)²⁾ with regard to the disclosure of significant shareholdings, FINMA may in particular suspend the voting rights associated with the shares in question. The above provision may only be amended via an amendment of the Articles of Association with a quorum of two-thirds of the votes represented and an absolute majority of the par value of the shares represented.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ <https://www.sif.admin.ch/de/finanzmarktinfrastrukturgesetz-finfrag>

Convertible bond and options

Luzerner Kantonalbank AG had no convertible bond or options outstanding as at 31 December 2025.

Board of Directors

The Board of Directors is LUKB's highest governing body. Furthermore, the standing committees of the Board of Directors and the Executive Board are among LUKB's most senior management bodies.

The duties of the Board of Directors of a Swiss bank organised as a public limited company are governed by the [Swiss Code of Obligations](#)¹⁾, the [Banking Act](#)²⁾ and FINMA Circular [2017/01 'Corporate governance - banks'](#)³⁾. The Board of Directors must delegate management of the company to the Executive Board, and the Board of Directors of a bank must concern itself with overall management, supervision and control.

All members of the Board of Directors are non-executive members. In the three financial years preceding the reporting period, none of the members of the Board of Directors belonged to the Executive Board of Luzerner Kantonalbank or the Executive Board of any Group company. No member of the Board of Directors has a significant business relationship of a contractual nature with LUKB. In addition, all members of the Board of Directors are independent of LUKB's majority shareholder, the Canton of Lucerne. All members of the Board of Directors meet the independence requirements set out in FINMA Circular [2017/01 'Corporate governance - banks'](#)³⁾ and the [Swiss Code of Best Practice for Corporate Governance](#)⁴⁾.

All relationships and transactions with the independent members of the Board of Directors of LUKB are conducted within the ordinary course of business and under the same terms and conditions as comparable transactions with unaffiliated persons. All relationships and transactions with affiliates of the members of the Board of Directors are conducted under normal market conditions.

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

²⁾ https://www.fedlex.admin.ch/eli/cc/51/117_121_129/en

³⁾ <https://www.finma.ch/en/documentation/circulars/>

⁴⁾ <https://www.economiesuisse.ch/en/publikationen/swiss-code>

Members, activities and vested interests

(valid as at 31 December 2025)

The members of the Board of Directors are elected for a term of office of one year. The term of office expires at the Annual General Meeting on 13 April 2026. All members of the Board of Directors are standing for re-election.



Markus Hongler

Chair of the Board of Directors and member of the Nomination and Compensation Committee

Election to the Board of Directors in 2018 (Chair since the 2021 AGM)

Born in 1957, Swiss, resident in Zurich

Current main professional activity

Member of the Board of Directors

Education

- Federally Certified Insurance Expert, Zurich
- IMEA, University of St. Gallen

Professional experience

- 2011-2020 CEO of the Mobiliar Group
- 2009-2011 Member of the Extended Executive Committee and CEO for Western Europe, Zurich Insurance Group
- 2006-2008 CEO of Zurich Switzerland
- 2004-2005 CEO of Zurich Global Corporate in Europe
- 2001-2004 CEO of Zurich Continental Europe Corp.
- 1997-2001 Member of the Executive Board of Zurich Switzerland and Head of Direct Business

Significant appointments at other companies

- Member of the Board of Directors of Nomoko AG, Zurich (in liquidation)
- Chair of the Board of Trustees of Lucerne Festival, Lucerne
- Chair of the Board of Trustees of the Lucerne Festival Friends Foundation, Lucerne



Dr Martha Scheiber

Vice Chair of the Board of Directors and Chair of the Nomination and Compensation Committee

Elected to the Board of Directors in 2014

Born in 1965, Swiss, resident in Uitikon Waldegg (Canton of Zurich)

Current main professional activity

Board of Directors

Education

- Dr oec. University of St. Gallen
- Degree in Environmental Physics, ETH Zurich

Professional experience

- 2010-2019 Member of the Executive Board, Head of Asset Management at PAX Versicherung, Basel
- 2015-2019 Chair of the Board of Directors/CEO of PAX Verwaltungen AG, Basel
- 2015-2017 Chair of the Board of Directors of PAX Anlagen AG, Basel
- 2000-2009 Various roles in asset management and advisory services for institutional clients at UBS and Credit Suisse
- 1998-2000 Research Associate in Risk Management at the Swiss National Bank
- 1994-1998 Assistant at the Mathematics/Statistics Division, HSG
- 1991-1992 Environmental Physicist at Suselectra, Basel

Significant appointments at other companies

- Member of the Board of Directors
 - Clean Energy Infrastructure Switzerland 3GP AG, Basel
 - Clean Energy Infrastructure Switzerland 3 KmGK, Basel
 - Mobimo Holding AG, Lucerne
 - Schweizerische Gesellschaft für Hotelkredit SGH, Zurich
- Vice Chair of the Board of Trustees
 - Sympany Foundation and all subsidiaries, Basel
- Member of the Board of Trustees
 - Pension Fund of the City of Lucerne, Lucerne
 - Member of the Investment Committee of the Decommissioning Fund for Nuclear Facilities and Waste Disposal Fund for Nuclear Power Plants STENFO, Bern



Prof. Dr Andreas Dietrich
**Member of the Board of Directors and Chair of
the Risk and Strategy Committee**

Elected to the Board of Directors in 2015

Born in 1976, Swiss, resident in Richterswil (Canton of Zurich)

Current main professional activity

Head of the Institute and Head of the Financial Services Management Competence Centre and Professor of Banking and Finance at the Institute of Financial Services at the Lucerne University of Applied Sciences and Arts (IFZ HSLU)

Education

- Dr oec. University of St. Gallen
- Professor of Banking and Finance

Professional experience

- Since 2008 Lecturer/Professor at the Lucerne School of Business
- 2006-2007 Visiting researcher at DePaul University, Finance Department, Chicago
- 2003-2006 Assistant at the Swiss Institute of Banking and Finance, HSG
- 2001-2003 Management Consultant in the Financial Services Sector at Deloitte Consulting

Significant appointments at other companies

- Head of the IFZ at the Lucerne School of Business, Zug
- Managing Director of the Verein IFZ Institut für Finanzdienstleistungen Zug (VIFZ), Zug
- Member of the Board of swissVR, Zug
- Shareholder of Dietrich BaBe GmbH, Richterswil
- Board of Directors of the Swiss National Bank (SNB)



Dr Erica Dubach Spiegler
Member of the Board of Directors and member
of the Risk and Strategy Committee

Elected to the Board of Directors in 2023

Born in 1969, Swiss, resident in Zurich

Current professional activity

Head of the Business Solutions Department at the Office of Information Technology of the Canton of Zurich, Zurich (from 1 January 2026)

Department Head of Digital Transformation and ICT Steering of the Federal Chancellery, Bern (until 31 December 2025)

Education

- Dr sc. Information Management, ETH Zurich
- Master of Science in Software Engineering, DePaul University, Chicago
- Bachelor of Science in Computer Science, University of Iowa

Professional experience

From 2026	Head of the Business Solutions Department at the Office of Information Technology of the Canton of Zurich, Zurich
2021-2025	Department Head of Digital Transformation and ICT Steering at the Federal Chancellery, Bern
2019-2020	Member of the Executive Board of Republik, Zurich
2015-2020	Member of the Bank Council of Basellandschaftliche Kantonalbank, Liestal
2012-2021	Founder of Dubach Digital Strategy, Zurich

Significant appointments at other companies

- Member of the Board of Directors of Schweizerische Mobiliar Genossenschaft, Bern
- Owner of Dubach Spiegler Digital Strategy, Zurich



Andreas Emmenegger
 Member of the Board of Directors and Chair of
 the Audit and Finance Committee

Elected to the Board of Directors in 2016

Born in 1966, Swiss, resident in Lucerne

Current professional activity

CFO and CBO of Swiss Rockets AG, Basel

Education

- Business Economist at the Lucerne School of Business
- Global Executive MBA from IESE Business School, Barcelona

Professional experience

Since 2024	CFO and CBO, Swiss Rockets AG, Basel
2023–2024	CFO and member of the Executive Board, Owkin (Switzerland) Sàrl, Geneva
2006–2022	CFO of Molecular Partners AG, Schlieren-Zurich
2006–2007	Head of Finance Strategic Alliance, F. Hoffmann-La Roche Ltd, Basel
2005–2006	CFO and member of the Executive Board, Glycart biotechnology AG, Schlieren-Zurich
2000–2003	CFO and member of the Executive Board, The Fantastic Corporation, Zug
1997–2000	CFO and member of the Group Executive Board, Interroll Holding AG, S. Antonino TI
1992–1996	Controller and M&A, Dräger Beteiligungen AG, Zug
1987–1989	Stock exchange trading, Banque Privée Ferrier-Lullin & Cie SA, Geneva

Significant appointments at other companies

- Co-owner and co-founder of TargImmune Therapeutics AG, Basel
- Co-owner, member of the Board of Directors and member of the Executive Board (CFO and CBO) of Swiss Rockets AG and its subsidiaries, Basel



Marc Gläser

Member of the Board of Directors, member of the Audit and Finance Committee and the Nomination and Compensation Committee

Elected to the Board of Directors in 2023

Born in 1968, Swiss, resident in Cham (Canton of Zug)

Current professional activity

CEO of Stöckli Swiss Sports AG, Malters (Canton of Lucerne)

Education

lic. oec. HSG (specialisation in Finance and Accounting)

Professional experience

Since 2014	CEO of Stöckli Swiss Sports AG, Malters
2012-2014	Managing Director of Maurice Lacroix SA, Biel/Saignelégier
2008-2012	International Sales Director, Maurice Lacroix SA, Biel/Saignelégier
2005-2007	CEO of WOGG AG, Baden
2001-2004	International Marketing Director, Maurice Lacroix SA, Biel/Saignelégier
1997-2001	Marketing at Unilever and Feldschlösschen

Significant appointments at other companies

- CEO and co-owner of Stöckli Swiss Sports AG, Malters
- Member of the Executive Board of the Central Switzerland Chamber of Industry and Commerce (IHZ), Lucerne
- Member of the Board of Trustees of gfm Schweizerische Gesellschaft für Marketing
- Member of the Advisory Board of the Executive School at the University of St. Gallen



Roger Studer

Member of the Board of Directors and member of the Risk and Strategy Committee

Elected to the Board of Directors in 2021

Born in 1967, Swiss, resident in Pfäffikon (Canton of Schwyz)

Current professional activity

Entrepreneur and member of the Board of Directors

Education

- MBA from the University of Bern, Institute for Financial Management, and University of Rochester, N.Y., USA
- Federally Certified Financial and Investment Expert/Certified International Wealth Manager (CIWM), AZEK
- European and Federally Certified Financial Analyst and Asset Manager/Certified International Investment Analyst (CIIA), IFA
- Certified Business Economist of the Canton of Zurich (KSZ)

Professional experience

- | | |
|-----------|---|
| 2000–2019 | Bank Vontobel AG, Zurich, from 2008 Head of Investment Banking and member of Group Executive Management of the Vontobel Group |
| 1999 | Head of Quantitative Asset Allocation, Rentenanstalt/Swiss Life, Zurich |
| 1997–1999 | Group Leader with Market Responsibility, member of the Investment Committee, DG-Bank (Schweiz) AG, Zurich |
| 1984–1996 | Various positions, securities trading, derivatives, asset management, Bank J. Vontobel & Co. AG, Zurich |

Significant appointments at other companies

- Chair of the Board of Directors and owner/co-owner of the following companies:
 - Studer Family Office AG, Freienbach (Canton of Schwyz)
 - SFOA AG, Freienbach (Canton of Schwyz)
 - SFOT AG, Freienbach (Canton of Schwyz)
 - SFOG AG, Freienbach (Canton of Schwyz)
 - Helveteq AG, Freienbach (Canton of Schwyz)
 - Createq AG, Freienbach (Canton of Schwyz)
 - Seven Roses GmbH, Freienbach (Canton of Schwyz)



Nicole Willimann Vyskocil
Member of the Board of Directors and member
of the Audit and Finance Committee

Elected to the Board of Directors in 2021

Born in 1968, Swiss, resident in Meggen (Canton of Lucerne)

Current main professional activity

Independent Attorney, ADLEGEM Rechtsanwälte, Lucerne

Chair of the Executive Board of Ernst von Siemens Music Foundation, Zug

Education

- lic. iur. University of Fribourg
- Admitted to the bar
- Trust and Estate Practitioner (TEP)

Professional experience

Since 2020 Independent Lawyer, ADLEGEM Rechtsanwälte, Lucerne

Since 2020 Chief Executive Officer, Ernst von Siemens Music Foundation, Zug

2013–2020 Member of the Executive Board, Ernst von Siemens Music Foundation, Zug

1998–2020 Various positions (Partner from 2008; Head of Legal Advice for Central Switzerland from 2012), KPMG AG, Zug and Lucerne

Significant appointments at other companies

- Owner and Chair of the Board of Directors of Orfist AG, Zug
- Shareholder of EWO Kanzlei GmbH, Lucerne
- Member of the Board of Trustees of the Central Switzerland Swiss Transfusion (SRC), Lucerne
- Joint commission member of the HEV at the Arbitration Authority for Rent and Leasing of the Canton of Lucerne, Lucerne

Rules of the Articles of Association regarding permissible activities

Pursuant to Article 18 Para. 2 of the [Articles of Association](#)¹⁾, the maximum number of further mandates of members of the Board of Directors is:

- Five mandates at listed companies; and
- Ten mandates at unlisted companies or other legal entities

Any mandates in comparable positions at other companies with a commercial purpose shall be treated as separate mandates. Any mandates in different legal entities under common control or that have the same beneficial ownership shall be treated as one single mandate.

There shall be no restrictions on the number of mandates at legal entities controlled by Luzerner Kantonalbank, as well as mandates at associations, foundations, non-economic family foundations and employee benefits foundations. All members of the Board of Directors comply with the rules laid down in the Articles of Association. At LUKB, there are currently no reciprocal appointments for the members of the Board of Directors at listed companies.

¹⁾ <https://www.lukb.ch/statuten>

Nomination and selection

The Board of Directors defines the necessary competencies in detailed requirements profiles for the Board of Directors seats. In addition to specific specialist knowledge, the requirements also include other skills and personality criteria such as gender and professional experience. Other mandatory requirements include availability, an impeccable reputation and compliance with all independence criteria.

In accordance with the [Articles of Association](#)¹⁾ of Luzerner Kantonalbank, the following criteria apply to the nomination and selection of members of the Board of Directors:

- Minority shareholders shall be entitled to appropriate representation on the Board of Directors.
- The members of the Board of Directors must have initiative, independence, expertise relating to economic matters and general knowledge of the banking business.

LUKB also specifies the requirements as follows:

- The Board of Directors must demonstrate the necessary requirements laid down within regulations for the performance of its duties, including in particular expertise, experience and availability.
- In particular, the Board of Directors committee should have sufficient knowledge of the financial sector, as well as experience in corporate management and political affairs.
- The majority of the Board of Directors should be sufficiently familiar with the economic and political conditions as well as with the business environment and population of the Canton of Lucerne.
- The interests of minority shareholders must be adequately represented.

- It is expected that both genders have at least 30 % representation on the Board of Directors of LUKB, failing which the Board of Directors must justify the discrepancy.

The search process for members of the Board of Directors is conducted by the Nomination and Compensation Committee, which may be supported by an external executive search company. Potential candidates are evaluated in a multi-stage process. The focus of the selection process is on fulfilling the requirements profile. The Nomination and Compensation Committee proposes to the Board of Directors one or more persons for election, who will introduce themselves personally to the Board of Directors.

The nomination of members of the Board of Directors also requires the approval of the Swiss Financial Market Supervisory Authority (FINMA) in accordance with Article 3 Para. 2 of the [Banking Act](#)²⁾ in conjunction with Article 8a Para. 2 of the [Banking Ordinance](#)³⁾. The members of the Board of Directors are elected by the Annual General Meeting.

With regard to the nomination and selection procedures for the committees of the Board of Directors, the Nomination and Compensation Committee also has the following duties:

- Nomination of the members of the committees of the Board of Directors for the attention of the Board of Directors
- Preparation of the motions of the Board of Directors to the Annual General Meeting regarding the election and dismissal of the Chair and the other members of the Board of Directors, the members of the Nomination and Compensation Committee and the independent proxy

¹⁾ <https://www.lukb.ch/statuten>

²⁾ https://www.fedlex.admin.ch/eli/cc/51/117_121_129/de

³⁾ <https://www.fedlex.admin.ch/eli/oc/2022/804/de>

Election and term of office

According to Article 17 of the [Articles of Association](#)¹⁾ of Luzerner Kantonalbank, the Board of Directors consists of seven to nine members. Members of the Board of Directors are elected for a term of office of one year, whereby one year covers the period from one ordinary Annual General Meeting to the next.

The [Articles of Association](#)¹⁾ do not specify whether the members of the Board of Directors are elected individually or collectively at the Annual General Meeting. Members are eligible for re-election and the maximum term of office is 15 years. In any case, any member who has reached the age of 72 shall resign from the Board of Directors at the next Annual General Meeting.

The rules set out in the [Articles of Association](#)¹⁾ concerning the appointment of the Chair, the members of the Nomination and Compensation Committee and the independent proxy comply with the statutory provisions.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Internal organisation

Duties of the Board of Directors

The Board of Directors of Luzerner Kantonalbank is responsible for the corporate strategy. It determines the principles of strategy, organisation and financial planning and approves the framework concept for institution-wide risk management (risk policy). Among other things, the Board of Directors appoints and supervises the Executive Board of the company. It also prepares the Annual General Meeting and implements its resolutions. For this purpose, there are [organisational and business regulations](#)¹⁾ and a delineation of powers, whereby the relevant points in connection with [stock corporation law](#)²⁾, the 'Directive on Information Relating to Corporate Governance' (DCG)³⁾ of the Swiss Stock Exchange and FINMA Circular [2017/01 'Corporate governance - banks'](#)⁴⁾ are included in this report.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

³⁾ <https://www.ser-ag.com/en/topics/corporate-reporting.html>

⁴⁾ <https://www.finma.ch/en/documentation/circulars/>

Functioning of the Board of Directors

The Board of Directors meets as often as is required by business. The Board of Directors may pass resolutions: (a) at a meeting held at a specific location; (b) by electronic means; (c) in writing, on paper or in electronic form, unless a member requests that the matter be discussed verbally. No signature shall be required if resolutions are passed electronically. The Board of Directors reserves the right to specify otherwise. The Board of Directors is only quorate a majority of its members are in attendance. The Board of Directors passes resolutions and conducts elections by an absolute majority of the members present at the meeting. In the event of a tie, the Chair has the casting vote. Voting and elections are generally conducted by a show of hands, unless a member requests a secret ballot. The Chair determines whether voting and elections be conducted by a show of hands, in writing or electronically. Resolutions of the Board of Directors passed in writing or electronically are validly passed if approved by a majority of its members (circular resolutions). As a rule, the Executive Board participates as a whole or with individual members in the meetings of the Board of Directors in an advisory capacity. For some agenda items, the Board of Directors meets without the Executive Board being present. Depending on the items on the agenda, the Board of Directors may invite other persons or experts to attend the meetings. Each year, LUKB conducts training sessions for its members of the Board of Directors on relevant topics where necessary.

Chair of the Board of Directors

The Board of Directors is headed by:

- Markus Hongler, Chair
- Dr Martha Scheiber, Vice Chair

The Chair of the Board of Directors chairs the entire Board and represents the governing body internally and externally. In particular:

- Convening, organising and chairing the Annual General Meeting and chairing the meetings of the Board of Directors
- Participating as a guest in committee meetings at their discretion and in compliance with regulatory requirements
- Coordinating and monitoring resolutions of the Board of Directors and ensuring the flow of information within the Board of Directors
- As a direct superior, the Chair maintains regular dialogue with the CEO and is also their primary point of contact
- Maintaining regular dialogue with the Finance Director of the Canton of Lucerne and the Government Council of the Canton of Lucerne

The Vice Chair is elected by the Board of Directors and acts as a deputy to the Chair of the Board of Directors. There are no specific tasks assigned to the Vice Chair.

Meetings of the Board of Directors in 2025

The Board of Directors met a total of ten times in 2025 (including one extraordinary meeting) and passed nine circular resolutions.

The average meeting duration was 4.75 hours. The Secretary of the Board of Directors kept the minutes of the meetings.

Participation of members of the Board of Directors in BoD meetings

	Ordinary meetings		Extraordinary meetings	
Markus Hongler (Chairman of the Board of Directors)	9/9	100 %	1/1	100 %
Dr Martha Scheiber (Vice Chairwoman of the Board of Directors)	8/9	88 %	0/1	0 %
Prof. Dr Andreas Dietrich	9/9	100 %	1/1	100 %
Dr Erica Dubach Spiegler	9/9	100 %	1/1	100 %
Andreas Emmenegger	8/9	88 %	1/1	100 %
Marc Gläser	9/9	100 %	1/1	100 %
Roger Studer	9/9	100 %	1/1	100 %
Nicole Willimann Vyskocil	8/9	88 %	1/1	100 %

Committees of the Board of Directors

Committees of the Board of Directors may be formed in accordance with the Articles of Association. There is currently a Nomination and Compensation Committee, an Audit and Finance Committee and a Risk and Strategy Committee. There are separate regulations for each committee. The following table summarises the relevant information.

Duties of Board of Directors committees

	Nomination and Compensation Committee (NCC-BoD)	Audit and Finance Committee (AFC-BoD)	Risk and Strategy Committee (RSC-BoD)
Legal requirements	The committees support the Board of Directors in its non-transferable and inalienable duties pursuant to Article 716a para. 2 of the Swiss Code of Obligations ¹⁾ . They perform their duties for the entire LUKB Group.		
Duties within the framework of the allocated competencies	<ul style="list-style-type: none"> - Preparing resolutions of the Board of Directors and making implementation decisions - Supporting the Board of Directors in determining and reviewing the compensation system for the Board of Directors and the Executive Board - Preparing the proposals of the Board of Directors to the Annual General Meeting on the compensation of the Board of Directors and the Executive Board as well as on the election and dismissal of the Chair and the other members of the Board of Directors, the members of the NCC-BoD and the independent proxy - Supporting the Board of Directors in preparing the Compensation Report - Determining the salary policy for LUKB staff annually in the form of an implementation decision - Preparing functional specifications for functions of the Board of Directors and Executive Board and selecting members of the Board of Directors and Executive Board - Selecting and nominating new members of the Board of Directors (subject to FINMA approval) - Dismissing the Chair and other members of the Board of Directors - Nominating BoD members for election to the individual Board of Directors' committees - Supporting the Board of Directors in appointing and dismissing the CEO and other members of the Executive Board - Defining the strategic personnel policy for the Bank's employees - Issuing and monitoring rules on proprietary transactions and conflicts of interest for the Board of Directors and the Executive Board 	<ul style="list-style-type: none"> - Preparing resolutions of the Board of Directors and making implementation decisions - Assessing budget and financial planning - Fulfilling the auditing tasks of an audit committee in accordance with the corporate governance recommendations of the 'Swiss Code of Best Practice²⁾ and FINMA Circular 2017/01 "Corporate Governance - Banks"³⁾ - Submitting proposals to the Board of Directors for the accounting and valuation principles as the basis for financial reporting - Conducting a critical assessment of the financial reporting and submitting proposals to the Board of Directors - Reviewing compliance with statutory and internal accounting and reporting requirements - Discussing the financial statements and the quality of the underlying accounting processes with the CEO and CFO and, if necessary, with the audit firm and the Head of Internal Audit - Monitoring and assessing the functionality and appropriateness of the internal control system (ICS) in the area of financial reporting and the compliance function - Monitoring and evaluating the activities of Internal Audit - Assessing the appropriateness and effectiveness of the activities of the audit firm and its cooperation with Internal Audit - Preparing the award of audit mandates and the election and dismissal of the audit firm 	<ul style="list-style-type: none"> - Preparing resolutions of the Board of Directors and making implementation decisions - Fulfilling preparatory tasks delegated by the Board of Directors in the area of the framework concept for institution-wide risk management (risk policy) and monitoring activities in the area of risk control - Specifying risk policy requirements and adopting corresponding sub-policies - Critically assessing the risk exposure of the parent company and the Group; monitoring the implementation of risk strategies, in particular with regard to risk tolerance and risk limits. This also includes monitoring the management of cyber risks. - Monitoring and assessing the functionality and appropriateness of the internal control system (ICS) with the exception of financial reporting and the compliance function - Periodically assessing capital and liquidity planning - Conducting periodic discussions with the CEO, the CFO, the Head of Risk, Internal Audit and the audit firm - Preparing the basis for decision-making on corporate strategy for the attention of the Board of Directors and monitoring strategic risks

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

²⁾ <https://economiesuisse.ch/de/publikationen/swiss-code>

³⁾ <https://www.economiesuisse.ch/en/publikationen/swiss-code>

Composition and functioning of the Board of Directors committees

	Nomination and Compensation Committee (NCC-BoD)	Audit and Finance Committee (AFC-BoD)	Risk and Strategy Committee (RSC-BoD)
Requirements for the composition of committees	<ul style="list-style-type: none"> - Three independent members of the Board of Directors elected by the Annual General Meeting - The Board of Directors appoints the Chair. - The Chair of the Board of Directors cannot preside. 	<ul style="list-style-type: none"> - Three independent members of the Board of Directors appointed by the Board of Directors - The Board of Directors appoints the Chair. - The Chair of the Board of Directors cannot be a member. 	<ul style="list-style-type: none"> - Three independent members of the Board of Directors appointed by the Board of Directors - The Board of Directors appoints the Chair. - The Chair of the Board of Directors cannot be a member.
Composition	<ul style="list-style-type: none"> - Dr Martha Scheiber, Chair - Marc Gläser, Member - Markus Hongler, Member 	<ul style="list-style-type: none"> - Andreas Emmenegger, Chair - Marc Gläser, Member - Nicole Willmann Vyskocil, Member 	<ul style="list-style-type: none"> - Prof. Dr Andreas Dietrich, Chair - Dr Erica Dubach Spiegler, Member - Roger Studer, Member
Quorum	<ul style="list-style-type: none"> - At least two members must be present, normally in person. - As an exception, the meeting may also be held in the form of a telephone or video conference. 		
Passing of resolutions	<ul style="list-style-type: none"> - Resolutions are passed by a majority of the members present. - An open vote is held. - Unanimity is required if only two members are present. - The committees of the Board of Directors may pass their resolutions at a meeting held at a specific location by using electronic means or in writing on paper or electronically, unless a member requests that the matter be discussed verbally. No signature shall be required if resolutions are passed electronically. The Board of Directors reserves the right to determine otherwise. - Resolutions of the committees of the Board of Directors in writing on paper or in electronic form are passed by a majority of their members. 		
Minutes	<ul style="list-style-type: none"> - The Chair appoints the Secretary. - The minutes of the individual committees are available to all members of the Board of Directors. 		
Information	<ul style="list-style-type: none"> - The Chairs of the individual committees provide information on significant events at the meetings of the Board of Directors. - In cases of particular importance or urgency, the Chairs of the committees shall inform the Chair of the Board of Directors and the other members of the Board of Directors immediately. 		
Other meeting participants (in an advisory capacity)	<ul style="list-style-type: none"> - Usually the CEO and Head of Human Resources - Depending on the items on the agenda, additional persons or external experts may be invited to the meetings. 	<ul style="list-style-type: none"> - Usually the CEO, CFO and Head of Internal Audit - Depending on the items on the agenda, the audit firm as well as other persons or external experts may be invited to the meetings. 	<ul style="list-style-type: none"> - Usually the CEO, CFO and Head of Risk Function - Depending on the items on the agenda, additional persons or external experts may be invited to the meetings.

Board of Directors committee meetings in 2025

In 2025, the committees of the Board of Directors met a total of 27 times and a total of 35 circular resolutions were passed.

Overview of Board of Directors committee meetings

	Nomination and Compensation Committee (NCC-BoD)	Audit and Finance Committee (AFC-BoD)	Risk and Strategy Committee (RSC-BoD)
Minimum number of meetings per year	At least four meetings	At least four meetings, of which at least one per quarter	At least four meetings, of which at least one per quarter
Total meetings in 2025	10	10	7
Average duration of ordinary meetings in 2025 in hours	3	3	4
Number of circular resolutions	12	4	19
Involvement of external experts; topics in 2025	Yes (subjects: BoD and MEB recruitment as well as BoD and EB salary benchmark)	No	Yes (subject: strategy)

Participation of the members of the Board of Directors in BoD committee meetings

NCC-BoD	Ordinary meetings		Extraordinary meetings	
	Meetings	Participation %	Meetings	Participation %
Dr Martha Scheiber (Chair)	5/5	100 %	4/5	80 %
Markus Hongler	5/5	100 %	5/5	100 %
Marc Gläser	5/5	100 %	5/5	100 %
AFC-BoD	Ordinary meetings		Extraordinary meetings	
	Meetings	Participation %	Meetings	Participation %
Andreas Emmenegger (Chairman)	7/7	100 %	3/3	100 %
Marc Gläser	7/7	100 %	3/3	100 %
Nicole Willimann Vyskocil	7/7	100 %	3/3	100 %
RSC-BoD	Ordinary meetings		Extraordinary meetings	
	Meetings	Participation %	Meetings	Participation %
Prof. Dr Andreas Dietrich (Chair)	7/7	100 %	0/0	0 %
Dr Erica Dubach Spiegler	7/7	100 %	0/0	0 %
Roger Studer	7/7	100 %	0/0	0 %

Performance assessment of the Board of Directors and its committees

In order to assess its activities, the Board of Directors conducts an annual self-evaluation at the level of the Board as a whole and the respective committees. It assesses the organisation and functioning of the Board of Directors and its committees as well as cooperation with the Executive Board. In addition, the self-assessment focuses on the effectiveness of monitoring and control (including in relation to the management of sustainability and sustainability risks).

The assessment is based on an electronic questionnaire completed by each member of the Board of Directors. The views of the Executive Board are also collected by means of a separate electronic questionnaire. The results of the surveys are recorded internally in writing and discussed by the Board of Directors and the relevant committees. If necessary, measures are derived with deadlines and responsibilities for their implementation. Pending issues are dealt with by placing the corresponding topics on the agenda as part of the work of the Board of Directors.

The self-evaluation carried out in 2025 led to no measures.

Definition of areas of responsibility between the Board of Directors and the Executive Board

The [organisational and business regulations](#)¹⁾ set out the organisational structure of the governing bodies, their responsibilities and competencies as well as the principles of business activities as a bank. There are also detailed delineations of powers for the Group and the parent company as well as separate regulations for the Executive Board, whereby the relevant information in connection with [stock corporation law](#)²⁾, the DCG³⁾ of the Swiss Stock Exchange as well as FINMA Circular [2017/01 'Corporate governance - banks'](#)⁴⁾ and the FINMA Ordinance on Disclosure Obligations of Banks and Securities Dealers (DisO-FINMA) is contained in this report. Operational management authority is delegated to the Executive Board in accordance with the provisions set out in the [Banking Act](#)⁵⁾ for the Group and the parent company of Luzerner Kantonalbank.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

³⁾ <https://www.ser-ag.com/en/topics/corporate-reporting.html>

⁴⁾ <https://www.finma.ch/en/documentation/circulars/>

⁵⁾ https://www.fedlex.admin.ch/eli/cc/51/117_121_129/de

Information and control instruments vis-à-vis the Executive Board

Internal management and control of the Bank

LUKB has an expanded and standardised management information system (MIS), which helps the Board of Directors to fulfil its supervisory duty and review the powers transferred to the Executive Board. Every quarter, the Board of Directors receives an abridged version of the consolidated financial statements with a comparison of the budget and the previous year as well as the risk reports. As part of this process, the current situation is compared with the corresponding limits. The systems and methods used in this connection are described in the notes to the 2025 Financial Report in the Section 'Risk management'. The Audit and Finance Committee and the Chair of the Board of Directors receive the monthly financial statements of the Group and the parent company as well as a detailed quarterly report with budget and prior-period comparisons for the Group and the individual divisions. LUKB also has an internal control system (ICS) that serves to safeguard its ordinary operations. The Board of Directors receives regular updates on relevant facts, events and developments based on the systems and processes implemented.

The CEO and the other members of the Executive Board report to the meetings of the Board of Directors on the operational performance of their departments. When extraordinary events occur, the Board of Directors is notified via the Chair of the Board of Directors without delay.

LUKB has the independent functions of Risk Control and Compliance. Based on the organisational structure defined by the Board of Directors, the Audit and Finance Committee and the Risk and Strategy Committee regularly enquire with the internal function holders about the functionality and appropriateness of the internal control system and compliance with regulatory requirements. The Compliance function is authorised to report directly to the Audit and Finance Committee. In addition, it can be contacted directly at any time by all employees under the duty of discretion (e.g. as a whistleblower) in the event of conflicts of interest that cannot be resolved with their line managers.

The Risk Control and Compliance functions periodically prepare comprehensive reports on the results of their work for the Risk and Strategy Committee and the Audit and Finance Committee of the Board of Directors as well as for the Board of Directors as a whole.

Internal audit

The Board of Directors and, in particular, the Audit and Finance Committee are supported in their work by the independent internal auditors and the audit firm. The internal auditors report to the Board of Directors. An ongoing dialogue is maintained between the internal auditors and the audit firm with regard to the risk assessment and situation. Both the internal auditors and the audit firm conduct an independent risk analysis. The Board of Directors approves the plans of the internal auditors. The auditing services performed by the internal auditors and the audit firm are coordinated while performing their respective duties. The Audit and Finance Committee of the Board of Directors monitors the activities of the internal auditors. The functioning of the internal auditors is set out in separate regulations. The results of the internal audit are discussed on an ongoing basis at the meetings of the Audit and Finance Committee. The AFC-BoD also ensures that any necessary corrections of the internal audit have been implemented by the Executive Board. The internal auditors prepare an annual activity report for the attention of the Board of Directors.

External audit firm

The audit firm prepares the comprehensive report of the statutory auditor and the group auditor (in accordance with Article 728b Para. 1 of the [Swiss Code of Obligations](#)¹⁾ as well as the report on the regulatory basic audit. The comprehensive report covers the financial year and is addressed to the Board of Directors. The report on the supervisory audit covers the calendar year and is addressed to the Swiss Financial Market Supervisory Authority (FINMA). Both reports are considered by the Audit and Finance Committee of the Board of Directors in the presence of the audit firm.

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

Executive Board

Group Executive Board of Luzerner Kantonalbank

In accordance with the company's [Articles of Association](#)¹⁾ and the provisions of banking law, the Executive Board, as a collective body, is responsible for managing the entire business of Luzerner Kantonalbank. The members of the Executive Board also form the Group Executive Board.

The Executive Board consists of the CEO and four other members reporting to the CEO. The heads of the independent Risk Control and Compliance functions report directly to the CEO. All members of the Executive Board are heads of a department. In addition to the [organisational and business regulations](#)²⁾, there are separate regulations for the Executive Board, whereby the relevant points in connection with the [stock corporation law](#)³⁾, the [DCG of the Swiss Stock Exchange](#)⁴⁾ as well as FINMA Circular [2017/01 'Corporate governance - banks'](#)⁵⁾ and the FINMA Ordinance on Disclosure Obligations of Banks and Securities Dealers (DisO-FINMA) are included in this report.

There were no significant changes to LUKB's organisational structure in 2025. The composition of the Executive Board also remained unchanged.

Beat Hodel, Head of the Corporate Clients & Private Banking department, retired at the end of February 2026. His successor, Désirée von Michaelis, has been a member of the Executive Board and head of the department that has been renamed 'Private Banking & Corporate Clients' since 1 March 2026.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

³⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

⁴⁾ <https://www.ser-ag.com/en/topics/corporate-reporting.html>

⁵⁾ <https://www.finma.ch/en/documentation/circulars/>

Members, activities and vested interests

(valid as at 31 December 2025)



Daniel Salzmann

CEO, Head of the Office of the President

Member of the Executive Board since 2004 (CEO since 2014)

Born in 1964, Swiss, resident in Meggen (Canton of Lucerne)

Education

- Advanced Management Programme at INSEAD, Fontainebleau (France)
- Advanced Executive Programme, Kellogg School of Management, Evanston/Chicago (USA)
- Executive MBA at the Lucerne School of Business

Professional experience

- 2004-2014 Head of the Private and Commercial Clients (Retail Banking) Department at Luzerner Kantonalbank
- 2003 Member of the Executive Board of Bank Coop
- From 1993 Various management positions in retail banking at the former SBC (now UBS) and Credit Suisse
- 1990-1993 Head of Accounting/Controlling at Ascom Telematic AG

Significant appointments at other companies

- Member of the Board of Directors
 - Belvédère Asset Management AG, Glarus
 - FG Next Holding AG, Zug
 - Swiss Bankers Association - Swiss Banking, Basel
 - Association of Swiss Cantonal Banks (ASCB), Basel
 - Management of St. Niklausen Schiffgesellschaft Genossenschaft (SNG), Lucerne
- Vice Chair of Viseca Payment Services AG, Zurich
- Member of the Board of Trustees of the Lucerne Economic Development Foundation, Lucerne
- Member of the Executive Board
 - Central Switzerland Chamber of Industry and Commerce (IHZ), Lucerne



Stefan Studer
**Head of the Private & Commercial Clients
Department**

Member of the Executive Board since 2015

Born in 1974, Swiss, resident in Meggen (Canton of Lucerne)

Education

- Advanced Management Programme at INSEAD, Fontainebleau (France)
- lic. rer. pol., University of Fribourg

Professional experience

- 2011-2014 Head of Corporate Client Business for the LU/NW/OW/UR market region at Credit Suisse, Lucerne
- 2009-2011 Vice President of Product Management at Credit Suisse, Zurich
- 2007-2008 Partner and founder of Sidus Capital AG, Zug
- From 2001 Various management positions at Unilever Switzerland, Thayngen

Significant appointments at other companies

- Member of the Board of Directors
 - BES Holding AG, St. Gallen
 - NNH Holding AG, Zurich
 - newhome.ch AG, Zurich
- Chair of the Board of Trustees of Fürsorgestiftung Trägerverein Luzerner Sinfonieorchester (LSO), Lucerne
- Member of the Board of Trustees of the Pension Fund of Luzerner Kantonalbank, Lucerne
- Member of the Board of Trustees of Stiftung Konzerthaus Luzern, Lucerne
- Member of the Board of Trustees of GSW Gemeinnützige Stiftung für preisgünstiges Wohnen, Lucerne
- Member of the Investment Committee of the Pension Fund of Luzerner Kantonalbank, Lucerne



Beat Hodel

Head of the Corporate Clients & Private Banking Department

member of the Executive Board from 2009 to 28 February 2026

(from 1 March 2026: Désirée von Michaelis)

Born in 1966, Swiss, resident in Oberkirch (Canton of Lucerne)

Education

- Advanced Management Programme at INSEAD, Fontainebleau (France)
- lic. oec. publ. University of Zurich

Professional experience

2016–2022 Head of the Market Services Department at Luzerner Kantonalbank

2009–2016 Head of the Corporate Clients Department at Luzerner Kantonalbank

From 1993 Various management positions at the Swiss Bank Corporation and UBS in Zurich, Basel and New York – mainly in the Corporate Clients division

Significant appointments at other companies

- Vice Chair of the Board of Directors of RSN Risk Solution Network AG, Zurich
- Member of the Executive Board and Chair of the Finance Commission of GEFA Wohnbaugenossenschaft, Lucerne



Simon Kauth

Head of the Technology & Services Department

Member of the Executive Board since 2023

Born in 1968, Swiss, resident in Zollikon (Canton of Zurich)

Education

- Dr oec. University of St. Gallen

Professional experience

- 2015-2022 Member of the Executive Board of finnova AG Bankware, Lenzburg
Head of Product Management (December 2016 to 2022)
Head of Development (2015 to May 2017)
- 2009-2015 BPO Business Architect (2014 to 2015) at Avaloq Group AG, Zurich
Managing Director (2012 to 2014) at Avaloq Innovation Ltd., Edinburgh
Head of Innovation Development (2009 to 2012) at Avaloq Evolution AG, Zurich
- 2000-2009 Head of Front Applications at Bank Vontobel AG, Zurich
- 1995-2000 Head of Development at Almafin AG, St. Gallen

Significant appointments at other companies

- Member of the Executive Board of Büchler Lernberatung GmbH, Zurich



Marcel Hurschler

Head of the Finance & Investment Department /
CFO, Deputy CEO

Member of the Executive Board since 2008

Born in 1967, Swiss, resident in Sempach (Canton of Lucerne)

Education

- lic. oec. publ. University of Zurich

Professional experience

Since 2001 Chief Financial Officer (CFO) at Luzerner Kantonalbank

1996–2001 Head of Controlling/Risk Management at Luzerner Kantonalbank

From 1993 Various roles in accounting, controlling and risk management at Luzerner Kantonalbank

Significant appointments at other companies

- Member of the Board of Directors of Musegg Parking AG, Lucerne (Finance Committee)
- Member of the Investment Committee of the Pension Fund of Luzerner Kantonalbank, Lucerne
- Member of the Sempach City Council (Executive, Planning, Environment and Energy Department), Sempach

Rules of the Articles of Association regarding permissible activities

Pursuant to Article 24 Para. 12 of the [Articles of Association](#)¹⁾, the maximum number of additional mandates of members of the Executive Board is:

- one mandate at a listed company; and
- five mandates at unlisted companies or other legal entities

Any mandates in comparable positions at other companies with a commercial purpose shall be treated as separate mandates. Any mandates in different legal entities under common control or that have the same beneficial ownership shall be treated as one single mandate.

There shall be no restrictions on the number of mandates at legal entities controlled by Luzerner Kantonalbank, as well as mandates at associations, foundations, non-economic family foundations and employee benefits foundations.

All members of the Executive Board comply with the rules laid down in the Articles of Association.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Management contracts

There are no management contracts between Group companies and non-Group companies or natural persons.

Compensations, shareholdings and loans

Information on LUKB's compensation policy and system, the compensation of LUKB's Board of Directors and Executive Board, and the shareholdings and loans to the members of LUKB's Board of Directors and Executive Board is available in the [Compensation Report](#).

Participation rights of shareholders

Restrictions on voting rights and proxy representation

In accordance with the [Articles of Association](#)¹⁾, voting rights are restricted to a limit of 10 %. This rule does not apply to the Canton of Lucerne, which, as the majority shareholder, is required by law to hold at least 51 %.

According to Article 13No. 3 of the [Articles of Association](#)¹⁾, a shareholder may only be represented at the General Meeting by their legal representative, another person with written authorisation who does not need to be a shareholder, or by an independent proxy. All of the shares held by a shareholder may only be represented by one single person. According to Article 13No. 4 of the [Articles of Association](#)¹⁾, LUKB also allows shareholders to issue powers of attorney and instructions to the independent proxy electronically. The Chair shall instruct that voting and elections be conducted by a show of hands, in writing or electronically. As a rule, voting and elections are held electronically.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Statutory quorums

Neither the Articles of Association nor Swiss law require a specific quorum for a General Meeting to have a quorum. The General Meeting passes its resolutions by an absolute majority of the share votes represented at a General Meeting (i.e. by a majority of the shares represented, with abstentions having the effect of votes against).

These resolutions of the General Meeting include, in particular, general amendments to the Articles of Association, the election of the members of the Board of Directors, the members of the Nomination and Compensation Committee and the statutory auditors, the approval of the Annual Review and the consolidated financial statements, the approval of the compensation of the Board of Directors and the Executive Board, the determination of the annual distribution, the discharge of the members of the Board of Directors and the Executive Board, and the appointment of a special auditor.

A resolution of the General Meeting that is passed by at least two-thirds of the votes represented at the General Meeting and an absolute majority of the nominal value of the shares represented is required for: Changes to the purpose of the company, the consolidation of shares unless the consent of all shareholders concerned is required, the introduction of voting shares, the restriction of the transferability of registered shares, the introduction of conditional capital, the introduction of a capital spread or the creation of reserve capital pursuant to Article 12 of the [Banking Act](#)¹⁾ of 8 November 1934, a capital increase from equity, against a contribution in kind or by offsetting against a claim and the granting of special benefits, the restriction or cancellation of subscription rights, a transfer of the company's registered office or the dissolution of the company without liquidation (e.g. by merger).

¹⁾ https://www.fedlex.admin.ch/eli/cc/51/117_121_129/de

Convocation of the General Meeting and inclusion of items on the agenda

Under Swiss law, an ordinary Annual General Meeting must be held annually within six months of the end of the financial year of Luzerner Kantonalbank AG (currently 31 December).

General Meetings may be convened by the Board of Directors or, if necessary, by the statutory auditor. One or more shareholders who together represent at least 5 % of the share capital or votes have the right to request that a General Meeting be convened. Any shareholder or shareholders who either individually or collectively represent(s) at least 0.1 % of the share capital or votes may request that an item be added to the agenda. They may also request that motions relating to agenda items be included in the notice calling the General Meeting. A General Meeting shall be convened at least 20 days before the date of the meeting by publication in the Swiss Official Gazette of Commerce.

In the two weeks preceding the General Meeting, no registrations of registered shares entitling the holder to exercise voting rights at the General Meeting shall be made in the share register of Luzerner Kantonalbank AG. Specifically, the share register will be closed for the 2026 Annual General Meeting from 5 p.m. on 27 March 2026. Shareholders who buy or sell shares during these two weeks are not/no longer entitled to vote with these shares at the Annual General Meeting.

Inclusion of items on the agenda

See the previous Section [‘Convocation of the General Meeting and inclusion of items on the agenda’](#).

Entries in the share register

See previous Sections [‘Restrictions on voting rights and proxy representation’](#) and [‘Convocation of the General Meeting and inclusion of items on the agenda’](#).

Change of control and defensive measures

Obligation to make an offer

Luzerner Kantonalbank AG does not have any regulations in its Articles of Association regarding 'opting out' or 'opting up'. In all other respects, the provisions of the Financial Market Infrastructure Act apply. On the subject of registration restrictions, please see the Section '[Restrictions on transferability](#)'.

Change-of-control clauses

In accordance with the cantonal law on the conversion of Luzerner Kantonalbank into a public limited company (Act on the Conversion), the Canton of Lucerne may sell shares to third parties, whereby the Government Council of the Canton of Lucerne determines the number of shares as well as the time and conditions of sale. However, the Canton of Lucerne must hold at least 51 % of the share capital and share votes.

No change-of-control clauses are set out in the employment contracts or the employee participation programme.

Blackout periods

Blackout periods

Luzerner Kantonalbank AG has defined general blackout periods for exposed functions, which apply from the 15th of each month prior to the publication of financial statements until publication. Furthermore, additional trade restrictions may be imposed on a case-by-case basis, for example due to relevant projects. No exceptions to the general rules were granted in the reporting year.

Exposed functions

Exposed functions include members of the Board of Directors, the Group Executive Board and the persons entrusted with the financial statements. Exposed functions also include persons who possess information relevant to the financial statements.

Auditor

Duration of the mandate and term of office of the lead auditor

Since 2012, PricewaterhouseCoopers AG (PwC), Lucerne, has been LUKB's audit firm and auditor within the meaning of the Swiss Code of Obligations. It also audits the Group companies.

PwC meets the requirements set out in the Banking Act and the Stock Exchange Act and is authorised by FINMA to audit banking institutions. According to the [Articles of Association^{1\)}](#), the auditors are each elected for a term of office of one year.

As the auditor, PwC checks in particular whether the accounts and annual financial statements as well as the proposal concerning the appropriation of the disposable profit and the consolidated financial statements comply with the law and the Articles of Association. It reports to the company's Annual General Meeting on the results of its audit. Pursuant to Article 26 Paragraph 2 of the [Articles of Association^{1\)}](#) of Luzerner Kantonalbank and in accordance with the [Act on the Conversion^{2\)}](#), the auditors report annually to the Government Council of the Canton of Lucerne on the capital adequacy and risk situation of the company.

Based on the statutory provisions on the term of office of the lead auditor, the lead auditor of the selected audit firm PricewaterhouseCoopers AG (PwC), who has been in office since the 2019 financial year, is entitled to exercise his function up to and including the 2025 financial year at the most. In view of this term limit, Luzerner Kantonalbank tendered the mandate of the audit firm and auditor within the meaning of the Swiss Code of Obligations in early 2025. After examining the offers received, Luzerner Kantonalbank has chosen KPMG AG, Zurich, as the new audit firm and auditor from the 2026 financial year.

The switch to KPMG AG as the new auditor within the meaning of the Swiss Code of Obligations is planned in due form and in a timely manner as an agenda item for the Annual General Meeting on 13 April 2026.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ https://srl.lu.ch/app/de/texts_of_law/690/versions/2356

Auditing fees

The audit year for the financial audit and the regulatory audit runs from 1 January to 31 December. As the actual payments are made irregularly over the calendar year, Luzerner Kantonalbank publishes the standard fee charged and incurred during the audit year. In 2025, the audit firm invoiced the amount of around 706,000 Swiss francs (including VAT and expenses).

Additional fees

In the 2025 calendar year, the audit firm PwC invoiced around 62,000 Swiss francs for other activities (including VAT and expenses).

Information instruments pertaining to the external audit

The Audit and Finance Committee of the Board of Directors monitors and assesses the effectiveness of the audit firm. The audit firm's risk analysis and audit strategy are acknowledged at a meeting of the Audit and Finance Committee of the Board of Directors, together with the planning of the internal audit. The internal auditors and the audit firm are present at this meeting. The Audit and Finance Committee of the Board of Directors critically analyses the audit reports of the audit firm and discusses them with the lead auditor. It also ensures that deficiencies have been rectified and that the recommendations made by the audit firm have been implemented. Every year after completion of the regulatory audit, the Audit and Finance Committee of the Board of Directors assesses the performance, billing and independence of the audit firm and discusses its assessment with the audit firm. A criteria matrix is used for the assessment.

Information policy

Luzerner Kantonalbank publishes a letter to shareholders with the annual financial statements and half-year financial statements, which is sent to all shareholders entered in the share register by post or upon request via e-mail. LUKB reserves the right to publish and send further letters to shareholders when important events occur.

LUKB holds a media conference and an analyst conference on the annual financial statements and half-year financial statements.

A press release, including the balance sheet and income statement, is published on the quarterly financial statements as at 31 March and 30 September. LUKB's Annual Report contains a concise summary of the most important information for shareholders.

LUKB complies with the provisions of the SIX Swiss Exchange on the communication of price-sensitive facts (ad hoc publicity and, management transactions).

LUKB's Annual Reports from 2001 onwards, as well as letters to shareholders and press releases from the last five years, can be accessed at any time at [lukb.ch](https://www.lukb.ch). Reporting from the 2024 financial year onwards is also available in an online format at report.lukb.ch. The minutes of the LUKB Annual General Meetings from the last five years can also be found at [lukb.ch](https://www.lukb.ch).

Upon request, interested parties have the option to receive LUKB's press releases, including ad hoc announcements, by email in a timely manner. You can subscribe to this email service at www.lukb.ch/newsletter.

Dates for 2026/2027

20 March 2026	Publication of the 2025 Annual Report
10 April 2026	Publication of the results for Q1 2026
13 April 2026	Annual General Meeting
16 April 2026*	Ex date
17 April 2026*	Record date
20 April 2026*	Distribution credited
25 August 2026	Media and analysts' conference/publication of the results for H1 2026 (interim report)
30 October 2026	Publication of the results for Q1 to Q3 2026
29 January 2027	Media and analysts' conference/publication of the annual results for 2026

* The last trading day for entitlement to receive the distribution is 15 April 2026. From 16 April 2026 the shares are traded ex-distribution. The record date is 17 April 2026. If approved by the Annual General Meeting, the distribution of 2.70 Swiss francs per registered share (minus 35 % Swiss withholding tax on the dividend of 1.35 Swiss francs) will be credited to shareholders on 20 April 2026.

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Compensation Report

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Letter from the Board of Directors

Dear Shareholders

Dear Readers

We are pleased to present the 2025 Compensation Report of Luzerner Kantonalbank AG (LUKB).

Thanks to the growth in client business and targeted balance sheet management measures, LUKB generated consolidated profit of 295.5 million Swiss francs in 2025 in an environment shaped by falling interest rates. This represents a year-on-year increase of 8.9 million Swiss francs or 3.1 %. LUKB met or exceeded all quantitative targets set out in the 'LUKB25' strategy (cumulative net profit).

We are continuing our longstanding transparent reporting on compensation systems and the amounts paid out with this Compensation Report. Among other things, the report shows you how we implemented the proposal for the compensation of the members of the Board of Directors and Executive Board approved by shareholders at the 2025 Annual General Meeting and which compensation proposals you will be able to vote on at this year's Annual General Meeting on 13 April 2026.

In addition to the various tasks in connection with the general compensation of employees and the compensation of the members of the Board of Directors and the Executive Board, the Nomination and Compensation Committee also dealt with other topics in its area of responsibility in 2025. The focus was on the development of the new 2026-2030 functional strategy for Human Resources (HR) and the review of the compensation system on the one hand, and on succession planning at Board of Director and Executive Board level on the other. Priority was given to finding a new member of the Board of Directors and appointing a new head of the Private Banking & Corporate Clients department.

Thank you for your interest in our Compensation Report and for placing your trust in Luzerner Kantonalbank.

Yours sincerely



Markus Hongler
Chair of the Board of Directors



Dr Martha Scheiber
Chair of the Nomination and
Compensation Committee

Lucerne, 12 March 2026

Responsibilities of the Board of Directors and the Nomination and Compensation Committee

Article 21 of the [Articles of Association](#)¹⁾ of Luzerner Kantonalbank governs the key points of compensation paid to the Board of Directors and Article 24 of the [Articles of Association](#)¹⁾ governs the key points of compensation and terms of employment of the members of the Executive Board. The duties set out in the Articles of Association are further specified in the [organisational and business regulations](#)²⁾ and in the delineation of powers, whereby the relevant points in connection with [stock corporation law](#)³⁾ (CO), the 'Directive on Information Relating to Corporate Governance' (DCG)⁴⁾ of the Swiss Stock Exchange as well as [FINMA Circular 2017/01 'Corporate governance - banks'](#)⁵⁾ and the FINMA Ordinance on Disclosure Obligations of Banks and Securities Dealers (DisO-FINMA) are included in this report.

Pursuant to Article 23 of the [Articles of Association](#)¹⁾, committees of the Board of Directors may be formed. There is a Nomination and Compensation Committee (NCC-BoD), an Audit and Finance Committee (AFC-BoD) and a Risk and Strategy Committee (RSC-BoD). The tasks and duties addressed by [stock corporation law](#)³⁾ are performed in particular by the NCC-BoD.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

³⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

⁴⁾ <https://www.ser-ag.com/en/topics/corporate-reporting.html>

⁵⁾ <https://www.finma.ch/en/documentation/circulars/>

The Board of Directors

The Board of Directors of LUKB is responsible for the corporate strategy. It determines the principles of strategy, organisation and financial planning and approves the framework concept for institution-wide risk management (risk policy). The Board of Directors nominates the members of the Board of Directors for the attention of the Annual General Meeting and elects the members of the Executive Board at the request of the NCC-BoD. At the request of the NCC-BoD, it approves the compensation regulations and proposes to the Annual General Meeting the maximum amounts of compensation to be paid to the Board of Directors and the Executive Board. The Board of Directors also prepares the Annual General Meeting and implements its resolutions.

Nomination and Compensation Committee (NCC-BoD)

The NCC-BoD supports the Board of Directors in its non-transferable and inalienable duties pursuant to Article 716a CO¹⁾. The duties of the NCC-BoD are governed by regulations adopted by the Board of Directors, which are reviewed periodically for topicality. In doing so, the NCC-BoD prepares the resolutions of the Board of Directors within the scope of the delineation of powers and makes implementation decisions. The NCC-BoD has the following duties in particular:

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

Compensation policy

- Supporting the Board of Directors in determining and reviewing the compensation policy
- Supporting the Board of Directors in determining and reviewing the compensation system for the Board of Directors and the Executive Board
- Preparing the proposals of the Board of Directors to the Annual General Meeting on the compensation of the Board of Directors and the Executive Board
- Supporting the Board of Directors in preparing the Compensation Report
- Annually determining the salary policy for LUKB staff in the form of an implementation decision

Human resources policy

- Strategic human resources planning for the Board of Directors and the Executive Board
- Defining the selection profiles, nominating the members of the Board of Directors and selecting the Executive Board (in both cases subject to approval by FINMA). This can be conducted in collaboration with an external executive search company.
- Nomination of the members of the Board committees for the attention of the Board of Directors
- Preparing the motions of the Board of Directors to the Annual General Meeting regarding the election and dismissal of the Chair and the other members of the Board of Directors, the members of the NCC-BoD and the independent proxy
- Supporting the Board of Directors in succession planning and in the appointment and dismissal of the CEO, the other members of the Executive Board and the Secretary of the Board of Directors
- Supporting the Board of Directors in issuing directives restricting the mandates of members of the Board of Directors and the Executive Board within the framework of the [Articles of Association](#)¹⁾
- Monitoring the mandated activities of the members of the governing bodies
- Reviewing the expenses of the Executive Board members
- Defining the strategic human resources policy for the bank's employees
- Supporting the Board of Directors in preparing the Compensation Report
- Supporting the Board of Directors in issuing the necessary regulations to restrict proprietary transactions by members of the Board of Directors and the Executive Board

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

The NCC-BoD consists of three members of the Board of Directors. Currently, these are Dr Martha Scheiber (Chair), Markus Hongler and Marc Gläser. They fully meet the independence criteria of the [Swiss Code of Best Practice for Corporate Governance](#)²⁾.

²⁾ <https://www.economiesuisse.ch/en/publikationen/swiss-code>

Advisors

The NCC-BoD can call in internal and/or external advisors for support, if necessary.

NCC-BoD meetings

Normally, the Chief Executive Officer (CEO) and the Head of Human Resources participate in the NCC-BoD meetings in an advisory capacity. The Chair of the NCC-BoD decides on the participation of other members of the Executive Board and other employees, external compensation experts and other third parties as required. The NCC-BoD meets as often as is necessary, but at least four times a year.

Focal points in 2025

In 2025, the NCC-BoD held five ordinary and five extraordinary meetings focusing on the following:

- Development of the Human Resources (HR) functional strategy for the 2026-2030 strategy period (including compensation regulations and development of the Ownership Strategy)
- Benchmarking of compensation concept and sum with comparable banks as the peer group
- Preparing for the election of a member of the Executive Board (new Head of the Private Banking & Corporate Clients department)
- Evaluation, selection and nomination of a new member of the Board of Directors as part of succession planning
- Determination of the total amount of variable compensation for all employees and the amount available for the adjustment of the fixed compensation of individual employees
- Review of the amount and composition of the compensation paid to the members of the Executive Board, taking into account feedback from shareholders and best-practice developments at comparable full-service banks, in particular listed medium-sized and larger cantonal and regional banks
- Review of expenses and mandates received by members of the Executive Board
- Preparing the compensation of the Board of Directors and the Executive Board (basic compensation, variable compensation) and submitting proposals
- Preparing the Compensation Report and submitting proposals
- Preparing the nomination of the members of the individual BoD committees and submitting proposals
- Organisational structure: Creation of the Data, Analytics& AI business unit at second management level
- Handling of other selected HR issues

Compensation principles

Compensation policy and objectives

The compensation policy is an important element of LUKB's efforts to attract, motivate and retain qualified employees with the requisite knowledge and experience in the long term. It is a key element of LUKB's incentive structure, which is geared towards integrity and fairness. It is intended to reward individual performance and at the same time promote teamwork – across departmental boundaries and in the overall interest of the bank. It is linked to LUKB's risk management and control and compliance processes. The compensation policy is also geared towards the long-term success of the company.

The level of compensation and the employment conditions are aligned with those of listed medium-sized and larger cantonal and regional banks.

At the same time, the compensation policy defines the basis for the ratio of fixed and variable performance-related compensation for individual employees, taking into account individual duties, roles and responsibilities. A key objective of the compensation policy is to reconcile the interests of employees with those of investors and thus create sustainable added value for the bank. The compensation policy applies to all employees of the bank. It contains a detailed description of the compensation-related principles, objectives, programmes, standards and processes and is based on the requirements set out in the [Swiss Code of Obligations](#)¹⁾ and other regulations relevant to LUKB. In particular, the LUKB Group voluntarily takes into account the key points of FINMA Circular [2010/01 'Remuneration schemes'](#)²⁾ as a guideline for its compensation policy. The Board of Directors may delegate decision-making authority on individual points to the NCC-BoD or the Executive Board in accordance with LUKB's delineation of powers and responsibilities. The compensation policy is regularly reviewed under the leadership of the NCC-BoD and updated as necessary. All changes must be approved by the Board of Directors.

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

²⁾ <https://www.finma.ch/en/documentation/circulars/>

Compensation system in general

LUKB's compensation system consists of the following elements:



Other benefits in kind and lump-sum expenses may also be paid. If these constitute a form of compensation under tax law, they are listed under other incidental personnel costs. Lump-sum expenses not constituting a form of compensation (see Section 'Other employment conditions') are only mentioned for the sake of completeness. The basic compensation is paid out in 13 instalments. Half of the 13th instalment is paid out in June and the second half in December. The amount of variable compensation depends on the corporate results, the role and the individual achievement of objectives according to the employee assessment and may fluctuate over the time axis. The amount of variable compensation as a percentage of direct personnel compensation depends in particular on the function and is normally highest at Executive Board level.

Other employment conditions

Employees usually have a permanent employment contract.

LUKB employees generally retire when they reach the age of 65. Different age limits may be set for individual employees. Members of the Executive Board retire between 61 and 63 years of age, usually at 62. In accordance with the Employee Regulations applicable to all employees, early retirement is possible from the age of 58. There is no entitlement to continued employment after retirement in accordance with the regulations or employment contract. However, the bank may offer continued employment up to the age of 70 on a case-by-case basis, whereby each case is judged on its individual merits.

Employee and employer contributions to pension funds and incidental personnel costs are regulated. Expenses incurred in connection with business activities are borne by the bank. In order to simplify the procedures, lump-sum expenses are paid to defined groups of employees. These lump-sum expenses are agreed with the tax authorities and do not constitute compensation.

Compensation paid to the Board of Directors

Compensation regulations for the Board of Directors

The compensation of the members of the Board of Directors is based on the BoD compensation regulations approved by the Board of Directors at the request of the NCC-BoD. The current regulations were approved by the Board of Directors on 18 May 2021. The regulations are based on Article 21 of the [Articles of Association](#)¹⁾, whereby the relevant information in connection with [stock corporation law](#)²⁾, the [DCG](#)³⁾ and the FINMA Circulars [2017/01 'Corporate governance - banks'](#)⁴⁾ and [2016/01 'Disclosure - banks'](#)⁴⁾ is included in this report. The level of compensation is aligned with that of listed medium-sized and larger cantonal and regional banks (basis: information in the respective annual reports). A compensation period runs from one LUKB Annual General Meeting to the next Annual General Meeting (term). The compensation proposed by the Board of Directors will only be paid out after the Annual General Meeting, at the request of the Board of Directors, has approved the total amount of compensation for the Board of Directors for the period since the last Annual General Meeting in accordance with Art. 21 para. 4 of the [Articles of Association](#)¹⁾. The [2025 Ownership Strategy of the Canton of Lucerne approved by the Government Council of the Canton of Lucerne on 17 April 2025](#)⁵⁾ sets the limit for the total of direct personnel compensation and incidental personnel costs at a maximum of 1,000,000 Swiss francs a year for all members of the Board of Directors.

The Chair of the Board of Directors receives lump-sum compensation. The other members of the Board of Directors receive a basic lump-sum payment as well as any function-related lump-sum payments, which are defined according to the additional task(s). As a rule, these amounts are determined independently of the business result. There is no variable compensation. At the request of the NCC-BoD, the Board of Directors may also set individual special compensation within a certain range for the performance of specific duties (maximum of 75,000 Swiss francs per individual member; cumulative maximum of 200,000 Swiss francs per compensation period for all members of the Board of Directors). The determination of the special compensation is based on a discretionary decision by the Board of Directors. No attendance fees are paid.

At least 50 % of the remuneration approved by the Annual General Meeting is normally paid in the form of blocked bank shares. The blocking period is normally six years. The number of shares to be allocated is determined after the Annual General Meeting has been held. It is based on the relevant share price resulting from the volume-weighted average price of the last 30 trading days prior to the Annual General Meeting and the relevant deduction required under tax law due to the blocking period⁶⁾. [These shares are transferred to the members of the Board of Directors at the earliest 10 calendar days and at the latest 30 calendar days after the Annual General Meeting. The remaining compensation shall be paid in cash no later than 40 calendar days after the Annual General Meeting.](#)

Apart from the statutory mandatory employer social insurance contributions, LUKB does not normally make any other contributions to pension funds (normally no affiliation to an occupational pension fund, annual individual check of non-affiliation) for the benefit of members of the Board of Directors. Members of the Board of Directors are not entitled to the special conditions customary for bank employees and are excluded from LUKB's voluntary employee participation programme.

Lump-sum expenses are paid to cover the costs associated with the BoD function. Lump-sum expenses do not form part of the compensation. Other expenses are not reimbursed.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

³⁾ <https://www.ser-ag.com/en/topics/corporate-reporting.html>

⁴⁾ <https://www.finma.ch/en/documentation/circulars/>

⁵⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

⁶⁾ https://srl.lu.ch/app/de/texts_of_law/620

Overview of the compensation system for the Board of Directors (compensation period AGM to AGM)

The following table summarises the key points of the BoD compensation regulations in force since the 2021 AGM:

Topic	Policy
Direct personnel compensation	
Basic compensation	<ul style="list-style-type: none"> - Lump sum for BoD Chair: CHF 250,000 (fixed, no additional function-related lump sums) - Basic lump sum for other BoD members: CHF 45,000 - Additional function-related lump sums: <ul style="list-style-type: none"> - BoD Vice Chair: CHF 30,000 - Chair of NCC-BoD, AFC-BoD, RSC-BoD: CHF 40,000 each - Other members of the individual committees: CHF 20,000 each - Payment of basic and function-related lump sums: at least 50 % in shares, normally with a blocking period of 6 years (at least 3 years), remainder in cash - Calculation of the value of shares: volume-weighted average price of last 30 trading days before AGM minus the tax deduction due to blocking period - Payment dates/transfer of shares: at the earliest 10 calendar days, at the latest 30 calendar days after the AGM ending the term of office
Variable compensation	No variable compensation generally
Special compensation	<ul style="list-style-type: none"> - Special compensation for any additional duties, including ad hoc committees: maximum CHF 75,000 per BoD member and term of office, maximum CHF 200,000 per one-year term of office for the entire Board of Directors - Payment modalities similar to basic compensation
Incidental personnel costs	
Retirement and risk pension plan contributions	<ul style="list-style-type: none"> - Only OASI/IV/UI/EO/FAK (first pillar) - Normally not affiliated with an occupational pension scheme. Annual, individual check of non-affiliation: If these conditions are not met, the Bank will take out a corresponding insurance policy with a pension fund, whereby the associated employer and employee contributions are settled in full at the expense of the member of the Board of Directors.
Other incidental personnel costs	None
Other	
Lump-sum expenses	<ul style="list-style-type: none"> - Instead of individual reimbursement of expenses, the following lump-sum expenses are paid in consultation with the cantonal tax authorities, which are not part of the compensation: BoD Chair: CHF 12,000, BoD Vice Chair, Chair of the Risk and Strategy Committee, the Audit and Finance Committee and/or the Nomination and Compensation Committee: CHF 7,000, other BoD members: CHF 4,000 - Cash payment: no later than 40 calendar days after the AGM ending the term of office

In total, direct personnel compensation and incidental personnel costs (excluding lump-sum expenses) for all BoD members may not exceed a cumulative maximum of CHF 1,000,000. The defined blocking period for the allocation of shares applies even in the event of departure, not standing for reelection or not being reelected as a member of the Board of Directors. In other words, the allocated shares cannot be sold before the expiry of the blocking period.

Compensation for the 2025 calendar year

Based on the resolution of the Annual General Meeting of 14 April 2025 (term AGM 2024 to AGM 2025) and the current compensation proposal for the AGM 2025 to AGM 2026 term, the total compensation paid to the members of the Board of Directors amounts to 815,000 Swiss francs plus mandatory employer social insurance contributions (pillar 1) of 65,174 Swiss francs for the 2025 calendar year. The breakdown of this sum among the individual members of the Board of Directors is shown in the table below '[Compensation paid to the members of the Board of Directors](#)', specifically in the line '2025'.

Compensation for the period from the 2025 Annual General Meeting to the 2026 Annual General Meeting

For the AGM 2025 to AGM 2026 period (14 April 2025 to 13 April 2026), the Board of Directors proposes to the Annual General Meeting that the following total compensation be paid to the members of the Board of Directors:

- Basic compensation (basic lump sums and function-related lump sums): 815,000 Swiss francs
- Special compensation: 116,000 Swiss francs
- Total direct compensation: 931,000 Swiss francs

The compensation is set in accordance with the Board of Directors regulations in force since 2021. The members of the Board of Directors were stretched in terms of time by aperiodic duties during the 2025 calendar year. In 2025, LUKB therefore developed a new strategy for the period from 2026 to 2030, the key points of which were communicated on 13 November 2025. In addition, the members of the Board of Directors were heavily involved in the recruitment process for a new member of the Board of Directors, a new member of the Executive Committee and an audit firm. These additional expenses are compensated with special flat-rate compensation of 14,500 Swiss francs per individual member of the Board of Directors. This special compensation is compatible with the applicable compensation regulations for the members of the Board of Directors. The proposed total compensation is also within the parameters defined by the Ownership Strategy.

The Board of Directors decided that 50 % of the proposed direct compensation be paid out in shares blocked for a period of six years (blocking period until 30 April 2032). The calculation value is determined on the basis of the volume-weighted average price for the period from 27 February 2026 to 13 April 2026.

The remaining amount will be paid out in cash on 20 May 2026 less the employee's mandatory social security contributions (pillar 1).

Mandatory employer social security contributions to pillar 1 (OASI/IV/UI/EO/FAK) amount to 68,113 Swiss francs. In addition, the Board of Directors is paid the lump-sum expenses allowances totalling 49,000 Swiss francs as stipulated in the regulations, which do not constitute a form of compensation.

Compensation will be paid out for the period from AGM 2025 to AGM 2026 in accordance with the table below ['Compensation paid to the members of the Board of Directors'](#) subject to approval by the 2026 Annual General Meeting.

Half of the gross compensation to be paid out in accordance with the regulations for the 2025/2026 term will be paid out in shares and half in cash. As the BoD compensation regulations require the volume-weighted average prices for the last 30 trading days prior to the Annual General Meeting to be used, the basic compensation to be paid out in cash for the AGM 2025 to AGM 2026 term may still change slightly. The 2025 figures will be adjusted accordingly in the 2026 Compensation Report.

Compensation paid to the members of the Board of Directors

Figures in the table below 'Compensation paid to the members of the Board of Directors' in francs from the AGM to the next AGM (first and second line) or calendar year (third line).

The figures published in the previous year on the breakdown of basic compensation into cash and shares for the 24/25 period differ slightly from the figures in the table below, as the calculation value of the shares is based on the volume-weighted average price of the last 30 trading days prior to the Annual General Meeting and the relevant deduction required under tax law for the blocking period, and the number of shares is then rounded to a whole number.

Values in CHF		Direct personnel compensation				Incidental personnel costs			Total costs
		Basic compensation in cash (gross)	Basic compensation in shares (gross)	Special compensation in cash ¹⁾ (gross)	Special compensation in shares ¹⁾ (gross)	Total compensation (gross)	Contributions to retirement and risk pension plan	Other incidental personnel costs	
<i>Additional functions in the BoDR as at 31 December 2025</i>									
Markus Hongler	25/26	125,000	125,000	7,250	7,250	264,500	16,459	0	280,959
Chair of the BoD	24/25	124,984	125,016	0	0	250,000	15,508	0	265,508
<i>RMember of the NCC-BoDR</i>	2025	124,995	125,005	4,833	4,833	259,667	16,142	0	275,809
Prof. Dr Andreas Dietrich	25/26	42,500	42,500	7,250	7,250	99,500	7,711	0	107,211
Member of the BoD	24/25	42,492	42,508	0	0	85,000	6,588	0	91,588
<i>Chair of the RSC-BoD</i>	2025	42,497	42,503	4,833	4,833	94,667	7,337	0	102,003
Dr Erica Dubach Spiegler	25/26	32,500	32,500	7,250	7,250	79,500	6,161	0	85,661
Member of the BoD	24/25	32,480	32,521	0	0	65,000	5,038	0	70,038
<i>Member of the RSC-BoD</i>	2025	32,493	32,507	4,833	4,833	74,667	5,787	0	80,453
Andreas Emmenegger	25/26	42,500	42,500	7,250	7,250	99,500	7,711	0	107,211
Member of the BoD	24/25	42,492	42,508	0	0	85,000	6,588	0	91,588
<i>Chair of the AFC-BoD</i>	2025	42,497	42,503	4,833	4,833	94,667	7,337	0	102,003
Marc Gläser	25/26	42,500	42,500	7,250	7,250	99,500	7,711	0	107,211
Member of the BoD	24/25	42,492	42,508	0	0	85,000	6,588	0	91,588
<i>Member of the AFC-BoD, NCC-BoD</i>	2025	42,497	42,503	4,833	4,833	94,667	7,337	0	102,003
Dr Martha Scheiber	25/26	57,500	57,500	7,250	7,250	129,500	10,036	0	139,536
Vice Chair of the BoD	24/25	57,486	57,514	0	0	115,000	8,913	0	123,913
<i>Chair of the NCC-BoD</i>	2025	57,495	57,505	4,833	4,833	124,667	9,662	0	134,328
Roger Studer	25/26	32,500	32,500	7,250	7,250	79,500	6,161	0	85,661
Member of the BoD	24/25	32,480	32,521	0	0	65,000	5,038	0	70,038
<i>Member of the RSC-BoD</i>	2025	32,493	32,507	4,833	4,833	74,667	5,787	0	80,453
Nicole Willimann Vyskocil	25/26	32,500	32,500	7,250	7,250	79,500	6,161	0	85,661
Member of the BoD	24/25	32,480	32,521	0	0	65,000	5,038	0	70,038
<i>Member of the AFC-BoD</i>	2025	32,493	32,507	4,833	4,833	74,667	5,787	0	80,453
Total for members of the Board of Directors	25/26	407,500	407,500	58,000	58,000	931,000	68,113	0	999,113
	24/25	407,384	407,616	0	0	815,000	59,295	0	874,295
	2025	407,461	407,539	38,667	38,667	892,333	65,174	0	957,507

AFC-BoD Audit and Finance Committee

RSC-BoD Risk and Strategy Committee

NCC-BoD Nomination and Compensation Committee

¹⁾ In 2025, the members of the Board of Directors worked intensely on the new LUKB30 strategy, the recruitment of new governing body members and the tender process for an audit firm. Generally speaking, this required even more effort from the members of the Board of Directors than in previous years.

Lump-sum expenses for members of the Board of Directors

In addition, lump-sum expenses totalling 49,000 Swiss francs will be paid out for the AGM 2025 to AGM 2026 term. These do not constitute a form of compensation.

Values in CHF	2025/2026	2024/2025
Markus Hongler	12,000	12,000
Prof. Dr Andreas Dietrich	7,000	7,000
Dr Erica Dubach Spiegler	4,000	4,000
Andreas Emmenegger	7,000	7,000
Marc Gläser	4,000	4,000
Dr Martha Scheiber	7,000	7,000
Roger Studer	4,000	4,000
Nicole Willimann Vyskocil	4,000	4,000
Total lump-sum expenses	49,000	49,000

Compensation to former members of the Board of Directors

LUKB did not pay any compensation to former members of the Board of Directors in 2025, unless members of the Board of Directors who stepped down during the calendar year had an ordinary entitlement due to their board function.

Compensation paid to the Executive Board

Compensation regulations for the Executive Board and resolutions for the 2025/2026 financial years

The compensation of the Executive Board members is based on the EB compensation regulations approved by the Board of Directors at the request of the NCC-BoD. The version of the compensation regulations for the Executive Board approved by the Board of Directors on 27 October 2022 is relevant for the 2025 financial year. The regulations are based on Article 24, numbers 4-10 of the [Articles of Association](#)¹⁾, whereby this report contains the relevant information in connection with [stock corporation law](#)²⁾, the [DCG](#)³⁾ and the FINMA Circulars [2017/01 'Corporate governance - banks'](#)⁴⁾ and [2016/01 'Disclosure - banks'](#)⁴⁾. The level of compensation is aligned with that of listed medium-sized and larger cantonal and regional banks (basis: information in the respective annual reports), whereby the 2025 Ownership Strategy of the Canton of Lucerne sets individual maximum limits. These maximum limits lead to a reduction in the individual variable compensation of the individual members of the Executive Board.

The Annual General Meeting annually approves the maximum amount of basic compensation, retirement and risk contributions and other incidental personnel costs for the entire Executive Board for the current financial year, based on the proposal by the Board of Directors. At the request of the NCC-BoD, the Board of Directors determines the individual basic compensation, taking into account the requirements of the Annual General Meeting. The Chair of the Board of Directors prepares the proposals for the CEO and the CEO prepares the proposals for the other members of the Executive Board. Pursuant to Article 24 para. 8 of the [Articles of Association](#)¹⁾, the Board of Directors may set a limited additional amount if a member of the Executive Board joins the Executive Board after the date of the Annual General Meeting. In accordance with the existing affiliation agreements, retirement and risk pension plan contributions are based on the amount of individual remuneration and age.

The maximum insured salary is limited in each case. Mandatory employer social security contributions are also shown. Other incidental personnel costs may fluctuate due to specific factors, in particular in connection with service awards.

The Annual General Meeting approves the amount of variable compensation for the entire Executive Board for the past calendar year at the ordinary Annual General Meeting based on the proposal of the Board of Directors. The share transfer to be completed by the end of February in accordance with the applicable 'Employee Participation Programme' regulations is subject to approval by the Annual General Meeting. The cash portion will be transferred on 20 May 2026.

The [2025 Ownership Strategy of the Canton of Lucerne](#)⁵⁾ approved by the Government Council of the Canton of Lucerne on 17 April 2025 sets limits for direct individual personnel compensation. While the 2021 Ownership Strategy set the requirements for the total cumulative personnel compensation (direct personnel compensation plus ancillary costs) for all EB members (5.35 million Swiss francs), the 2025 Ownership Strategy now defines a maximum limit for direct personnel compensation (basic and variable compensation) to be paid to individual EB members. Different higher limits apply to EB members for whom direct personnel compensation was paid in excess of the newly defined limits in the 2024 financial year. Following reductions, the maximum amounts set by the Board of Directors in line with the statements below are within the maximum amount defined by the Government Council of the Canton of Lucerne.

The level of basic compensation is reviewed annually at the first meeting of the Board of Directors or when new EB positions are appointed and, if necessary, adjusted subject to approval at the next Annual General Meeting.

The amount of variable compensation depends on the adjusted net profit before taxes at Group level, the Executive Board function and the individual performance value. The Board of Directors only intends to make adjustments in exceptional cases.

Based on the requirements set out in the 2025 Ownership Strategy, all members of the Executive Board are subject to individual reductions in variable compensation. Accordingly, as in the previous year, the following principles underlying compensation models only apply to a limited extent, as compensation under the employment contract is above the specifications of the Ownership Strategy and individual reductions must be made accordingly: if adjusted profit before tax increases compared to the previous year and/or defined targets are exceeded, this has a correspondingly positive impact on variable compensation. Under the compensation model in force since 2023, the variable compensation per Executive Board member may be subject to an individual upper limit based on their function value (CEO: 450,000 Swiss francs). In the event of a decline in adjusted net profit before taxes and/or the non-achievement of the defined targets, the variable compensation is reduced. The assessment of individual target achievement is based in part on a discretionary decision by the CEO (for other members of the Executive Board) and the BoD (for the entire Executive Board).

On 29 January 2026, the Board of Directors determined the variable compensation of the members of the Executive Board for 2025, as proposed for approval at the Annual General Meeting on 13 April 2026.

The Executive Board influences the consolidated results and thus also the shareholder value in the medium and long term. For this reason, a significant portion of the variable compensation is paid out in the form of shares. To emphasise the sustainability of the business policy, the blocking period of the shares allocated to the Executive Board is normally six years (but at least three years). The blocking period for the allocated shares is determined annually by the Board of Directors. The blocking period defined for the allocation of shares remains unchanged even for a departing Executive Board member, irrespective of whether the member is retiring or stepping down for another reason. This means that the allocated shares cannot be sold before the defined blocking period has expired.

Members of the Executive Board are obliged to draw 70 % of the variable compensation in the form of blocked shares of the bank. In accordance with the regulations in force, the shares allocated for the 2025 financial year are blocked until 27 March 2032. The remainder of the variable compensation is paid out in cash. The members of the Executive Board have old-age and risk insurance with the Pension Fund of Luzerner Kantonalbank; supplemental insurance is also provided.

In accordance with the EB compensation regulations, members of the Executive Board retire between 61 and 63 years of age (usually at 62). Early retirement is possible for all employees from the age of 58 in accordance with the applicable Employee Regulations. There is no entitlement to continued employment after retirement in accordance with the regulations or employment contract. However, in individual cases, the bank may offer continued employment up to the age of 70.

The legally fixed employer contributions to OASI/IV/UI/EO/FAK and accident insurance as well as the pillar 2 employer contributions prescribed by the regulations are reported under 'Retirement and risk pension plan contributions' in accordance with the '[Compensation system in general](#)' section.

Other incidental personnel costs include, in particular, expenses in connection with service awards (after ten years of service at the earliest), company child allowances and the costs incurred by LUKB for the periodically run limited voluntary employee participation programme. Other incidental personnel costs also include any tax offsetting of expenses incurred by LUKB, including the private share of the company car provided by LUKB.

Members of the Executive Board are entitled to the special conditions applicable to LUKB employees. For example, they are also entitled to purchase shares at a reduced price set by the NCC-BoD as part of the employee participation programme implemented at irregular intervals for all employees. Regulations apply for the employee participation programme. Each member of the Executive Board may purchase up to 300 shares at a price set by the NCC-BoD that is identical for all employees. Since 2018, the members of the Executive Board have voluntarily waived their subscription rights in consultation with the NCC-BoD.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

²⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

³⁾ <https://www.ser-ag.com/en/topics/corporate-reporting.html>

⁴⁾ <https://www.finma.ch/en/documentation/circulars/>

⁵⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Overview of the compensation system for the CEO and other members of the Executive Board

The individual direct personnel compensation for the 2025 financial year is limited as follows in accordance with the Ownership Strategy.

Topic	Policy
Direct personnel compensation	
Basic compensation	<ul style="list-style-type: none"> - Range depending on function: CHF 340,000 to CHF 615,000 - Payments in cash (13 instalments)
Variable compensation	<ul style="list-style-type: none"> - Fixed upper limit: CHF 450,000 - Payment in cash: at least 30 % - Payment in shares: at least 50 %, normally 70 %, with a blocking period of 6 years (at least 3 years)
Incidental personnel costs	
Retirement and risk pension plan contributions	<ul style="list-style-type: none"> - OASI/IV/UI/EO/FAK (first pillar) and accident insurance - In accordance with pension fund regulations (depending on age and salary)
Other incidental personnel costs	In accordance with regulations

Additional costs may arise for LUKB in the event of personnel changes. For example, in the event of the termination of an employment relationship, direct personnel compensation costs and incidental personnel costs may still be incurred by the employer in accordance with the general compensation system for a maximum of twelve months. Additional payments may also be incurred upon a new member joining the Executive Board, which are made in strict compliance with statutory requirements (in particular [stock corporation law](#)¹⁾) and reported separately.

Members of the Executive Board receive lump-sum expenses that cover non-billable costs and the total of which has been approved by the tax authorities. Lump-sum expenses do not constitute compensation and do not form part of the total compensation.

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

Fixed compensation for 2025

Within the meaning of Art. 24 para. 6 (a) of the [Articles of Association](#)¹⁾, fixed compensation is the basic compensation, employer contributions for retirement pension plans and risk provisioning and other incidental personnel costs paid to operational Executive Board members. The relevant maximum amount is submitted annually to the Annual General Meeting. This provision was first implemented at the 2015 AGM. The effective fixed compensation for 2025 in accordance with Article 24 para. 6 (a) of the [Articles of Association](#)¹⁾ for operational Executive Board members is:

- Total basic compensation: 2,386,020 Swiss francs
- Total retirement pension plan and risk provisioning contributions: 1,244,521 Swiss francs
- Total other incidental personnel costs: 56,300 Swiss francs

The sum of the above components totalling 3,686,841 Swiss francs does not exceed the maximum amount of 3,730,000 Swiss francs approved by the Annual General Meeting on 14 April 2025. In addition, lump-sum expenses of 96,000 Swiss francs were paid out to members of the Executive Board with operational responsibilities to compensate for non-billable expenses. These expenses do not constitute compensation. No compensation has been paid to new or departing members of the Executive Board since 2016.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Variable compensation for 2025

Pursuant to Article 24 para. 6 (b) of the [Articles of Association](#)¹⁾, the Annual General Meeting approves the variable compensation of the Executive Board for the past financial year. Variable compensation generally depends on the development of net profit before taxes and the target achievement of the individual Executive Board members. Net profit before taxes increased by 3.0% in 2025 compared with 2024. Based on the company's performance and the additional individual employee evaluation, the Board of Directors has decided on the following total amount for variable compensation for the Executive Board in 2025:

- Total variable compensation: 1,748,658 Swiss francs

In doing so, the Board of Directors decided that - in accordance with the compensation regulations for the Executive Board of 27 October 2022 - 70 % of the variable compensation is to be paid out in shares blocked for a period of six years (blocked until 27 March 2032). The relevant calculation value for the 2025 financial year is 63.18 Swiss francs due to the six-year blocking period. This corresponds to the reduced market value of 70.50 % of the relevant share value of 89.62 Swiss francs (volume-weighted average price of the trading days for the month of December 2025), which is tax deductible with a six-year blocking period. In the previous year, the relevant stock market price, also subject to a six-year blocking period, was 63.70 Swiss francs. No options are allocated. In accordance with the regulatory basis and the decision of the NCC-BoD, the transfer of ownership of the shares took place on 24 February 2026 subject to approval by the Annual General Meeting. The remaining cash payment - less employee social security contributions - will only take place after the AGM on 20 May 2026. The variable compensation amounted to 1,702,533 Swiss francs for 2024 and 1,722,244 Swiss francs for 2023.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Total compensation for 2025

The total compensation takes into account the basic compensation and the variable compensation for the 2025 financial year, irrespective of the time of payment. In addition, there are employer contributions to the retirement and risk pension plan and other incidental personnel costs.

In the 2025 financial year, the ratio of basic compensation to variable compensation for the Executive Board was 1 : 0.74.

The basic compensation for the entire Executive Board amounted to 2,386,020 Swiss francs for the 2025 financial year and 2,373,020 Swiss francs for the 2024 financial year.

The incidental personnel costs are based on the contractual terms of employment. No decisions deviating from the requirements were taken in 2025. Retirement pension plan and risk provisioning contributions amounted to 1,244,521 Swiss francs in 2025 and 1,217,243 Swiss francs in 2024. Other incidental personnel costs may fluctuate at a low level. No payments were due in 2024 and 2025 in connection with new or departing Executive Board members. Other incidental personnel costs amounted to 56,300 Swiss francs in 2025 and 57,202 Swiss francs in 2024. On 29 January 2026, the Board of Directors set the variable compensation for the 2025 financial year (see Section '[Variable compensation 2025](#)').

Compensation paid to the members of the Executive Board

Values in CHF	2025		2024	
	Daniel Salzmann, CEO	Executive Board	Daniel Salzmann, CEO	Executive Board
Basic compensation	600,002	2,386,020	600,002	2,373,020
Variable compensation				
of which paid in cash	125,100	525,900	123,000	511,000
of which paid in shares ¹⁾	291,885	1,222,758	285,916	1,191,533
Total direct personnel compensation (gross salary)	1 016 987^{A)}	4 134 678^{A)}	1,008,918	4,075,553
Employer contributions to OASI/IV/UI/EO/FAK (first pillar) and accident insurance	75,618	292,178	70,676	288,212
Employer contributions to retirement and risk pension plan (second pillar) ²⁾	207,585	952,343	200,784	929,031
Total employer contributions to retirement and risk pension plan	283,203	1,244,521	271,460	1,217,243
Allowance for years of service ³⁾	0	0	0	0
Company child allowances	800	6,200	800	7,600
Reimbursement of expenses, benefits in kind, expenses ⁴⁾	12,111	50,100	12,111	49,602
Total other incidental personnel costs	12,911	56,300	12,911	57,202
Total incidental personnel costs	296,114	1,300,821	284,371	1,274,445
Total costs (gross) including employer contributions	296,114	5 435 499	1,293,289	5 349 998^{B)}

^{A)} Maximum limit on individual direct employee compensation for 2025 as per the 2025 Ownership Strategy: 854,281 Swiss francs. Higher maximum amounts apply to those members whose individual direct compensation was above the CHF 847,501 threshold in the 2024 financial year.

^{B)} Maximum limit on total compensation (direct gross personnel compensation plus incidental personnel costs including employer contributions) in accordance with the requirements of the Board of Directors and the 2021 Ownership Strategy of Canton Lucerne for the entire Executive Board: 5,350,000 Swiss francs (for 2024)

¹⁾ Shares: Recognition at the share price of CHF 63.18 (2025) or CHF 44.91 (2024) determined taking into account the blocking period

²⁾ Age- and salary-dependent insurance contributions to the second pillar (pension fund of Luzerner Kantonalbank and supplemental insurance) in accordance with the ordinary pension elements

³⁾ All LUKB employees have the right to a periodic allowance for years of service after completing 10 years of service. This may be taken in the form of either an additional 10 to 20 days of holiday or corresponding monetary value. During the 2025 financial year, none of the Executive Board members celebrated a corresponding service anniversary that was recognised with holiday leave (previous year: no service anniversary with holiday leave).

⁴⁾ Expenses and outlays, if taxable

In addition, lump-sum expenses of CHF 96,000 were paid out for the 2025 financial year, of which CHF 24,000 was paid to Daniel Salzmann (amounts unchanged). These lump-sum expenses do not constitute a form of compensation.

Compensation paid to former members of the Executive Board

LUKB did not pay any compensation to former members of the Executive Board in 2025 or 2024.

Fixed compensation for 2026

In accordance with Article 24 para. 6 (a) of the [Articles of Association](#)¹⁾, the Annual General Meeting approves the fixed compensation of the Executive Board for the current financial year. The amount to be proposed comprises the basic compensation, contributions to the retirement pension plan and risk provisioning as well as other incidental personnel costs.

Based on the EB compensation regulations, the Board of Directors decided on the following maximum fixed compensation for 2026 at the request of the Nomination and Compensation Committee (NCC-BoD) on 29 January 2026, subject to approval of the total amount of 3,890,000 Swiss francs by the Annual General Meeting:

- Total basic compensation: 2,390,000 Swiss francs
- Total retirement pension plan and risk provisioning contributions: 1,280,000 Swiss francs
- Total other incidental personnel costs plus any one-off costs for incoming/outgoing staff: 220,000 Swiss francs

Based on the aforementioned components, the Board of Directors will propose a maximum amount of fixed compensation of 3,890,000 Swiss francs for the 2026 financial year to the Annual General Meeting on 13 April 2026.

Other incidental personnel costs include a special payment under the employment contract in connection with the appointment of a new member of the Executive Board of 140,000 Swiss francs. As in the previous year, other ordinary incidental personnel costs amount to a maximum of 80,000 Swiss francs.

The previous basic compensation will continue to be paid out until the ordinary General Meeting on 13 April 2026. If the proposal is approved, the retroactive payment for the period from January to April will take place in May 2026, which means that an approved compensation adjustment will be made retroactively with effect from 1 January 2026.

In addition, lump-sum expenses of 96,000 Swiss francs will be paid out in 2026. The lump-sum expense allowances also amounted to 96,000 Swiss francs in both 2025 and 2024.

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Shareholdings

The following tables show the shareholdings of members of the Board of Directors and members of the Executive Board as well as those of related parties. These figures also include the blocked shares transferred to individual members of the Executive Board (six-year blocking period) in connection with the 2025 financial year subject to approval by the Annual General Meeting on 13 April 2026. The share transfer took place on 24 February 2026 - in line with standard practice for the other employees involved.

It does not include the shares transferred to the members of the Board of Directors after the 2026 Annual General Meeting (AGM 2025 to AGM 2026 compensation period). This exclusion is due to the fact that the number of shares cannot yet be calculated due to the lack of a calculation value (volume-weighted average price 30 trading days before the Annual General Meeting less the deduction required under tax law due to the blocking period). Under the compensation regulations of the Board of Directors and the variable compensation model of the Executive Board, unlisted and non-transferable options with subscription rights to registered shares of Luzerner Kantonalbank AG were transferred to the individual members of the Board of Directors and the Executive Board up to and including the 2010 financial year. Since 31 December 2018, no options have been held by members of the BoD or EB.

Shareholdings of members of the Board of Directors in LUKB

		Shares			
		direct	Related parties	Total	of which blocked ¹⁾
Markus Hongler	2025	12,355	1,317	13,672	10,548
	2024	9,764	1,317	11,081	8,442
Prof. Dr Andreas Dietrich	2025	7,452	100	7,552	4,512
	2024	6,571	100	6,671	4,191
Dr Erica Dubach Spiegler	2025	1,596	0	1,596	1,329
	2024	922	0	922	655
Andreas Emmenegger	2025	6,407	0	6,407	4,512
	2024	5,526	0	5,526	4,191
Marc Gläser	2025	1,842	0	1,842	1,536
	2024	961	0	961	655
Dr Martha Scheiber	2025	9,170	0	9,170	5,390
	2024	7,978	0	7,978	4,683
Roger Studer	2025	3,224	0	3,224	2,454
	2024	2,550	0	2,550	1,780
Nicole Willimann Vyskocil	2025	2,934	0	2,934	2,454
	2024	2,260	0	2,260	1,780
Total for members of the Board of Directors	2025	44,980	1,417	46,397	32,735
	2024	36,532	1,417	37,949	26,377

¹⁾ 0 shares (31 December 2024: 2,090 shares) blocked until 26 April 2025

2,775 (31 December 2024: 2,775 shares) blocked until 30 April 2026

2,460 shares (31 December 2024: 2,460 shares) blocked until 30 April 2027

5,225 shares (31 December 2024: 5,225 shares) blocked until 27 April 2028

5,820 shares (31 December 2024: 5,820 shares) blocked until 30 April 2029

8,007 shares (31 December 2024: 8,007 shares) blocked until 30 April 2030

8,448 shares (31 December 2024: 0 shares) blocked until 30 April 2030

Subject to the approval of the AGM on 13 April 2026, further shares with an equivalent value of CHF 465,500 will be allocated and transferred to ownership following the 2026 AGM, which are attributable to activities of the members of the Board of Directors during the period from the 2025 AGM (14 April 2025) to the 2026 AGM (13 April 2026).

No options have been allocated for the 2024 and 2025 financial years, and there are no outstanding options.

Shareholdings of members of the Executive Board in LUKB

		Shares ¹⁾			
		direct	Related parties	Total	of which blocked ²⁾
Daniel Salzmann, CEO	2025	56,703	600	57,303	35,953
Head of the Office of the President (D)	2024	52,083	600	52,683	35,033
Beat Hodel, Head of the	2025	37,307	0	37,307	27,609
Corporate Clients & Private Banking Department (S)	2024	37,651	0	37,651	26,873
Marcel Hurschler, CFO, Head of the	2025	51,365	584	51,949	31,880
Finance & Investment Department (Z)	2024	49,266	584	49,850	30,986
Simon Kauth, Head of the	2025	13,554	0	13,554	12,554
Technology & Services Department (M)	2024	10,031	0	10,031	9,031
Stefan Studer, Head of the	2025	34,530	244	34,774	27,289
Private & Commercial Clients Department (P&G)	2024	34,170	363	34,533	26,443
Total for members of the Executive Board	2025	193,459	1,428	194,887	135,285
	2024	183,201	1,547	184,748	128,366

¹⁾ Including the shares allocated under the EB compensation regulations in February of the following year on the basis of the previous year's operating result.

²⁾ 0 shares (31 December 2024: 12,435 shares) blocked until 22 March 2025
 14,585 shares (31 December 2024: 14,585 shares) blocked until 26 March 2026
 14,795 shares (31 December 2024: 14,795 shares) blocked until 25 March 2027
 15,040 shares (31 December 2024: 15,040 shares) blocked until 24 March 2028
 20,945 shares (31 December 2024: 20,945 shares) blocked until 26 March 2029
 24,032 shares (31 December 2024: 24,032 shares) blocked until 28 March 2030
 26,534 shares (31 December 2024: 26,534 shares) blocked until 29 March 2031
 19 354 shares (31 December 2024: 0 shares) blocked until 27 March 2032

No options have been allocated for the 2024 and 2025 financial years, and there are no outstanding options.

Loans

In accordance with Article 734b CO¹⁾, loans to the members of the Board of Directors and the Executive Board must be disclosed at the end of the year. If other loans are granted to related parties of members of these governing bodies, these must also be disclosed, unless they were granted under normal market conditions.

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

Loans to members of the Board of Directors

Pursuant to Art. 21 no. 6 of the [Articles of Association](#)¹⁾, loans to members of the Board of Directors are granted under normal market conditions.

LUKB granted loans to the members of the Board of Directors (normally secured by mortgage, in one case an account overdraft of < 2,000 Swiss francs) as shown in the following table.

Loans to related parties of the Board of Directors are also made under normal market conditions, i.e. the same conditions apply as for clients with a comparable credit rating. No discounts were granted other than what is customary in the market.

Values in CHF	31 December 2025	31 December 2024
Andreas Emmenegger	3,368,750	1,556,750
Erica Dubach Spiegler	1,215	0
Marc Gläser	2,300,006	2,300,000
Nicole Willimann Vyskocil	2,350,000	2,350,000
Total loans to members of the Board of Directors	8,019,971	6,206,750

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Loans to members of the Executive Board

Pursuant to Art. 24 no. 11 of the [Articles of Association](#)¹⁾, loans to members of the Executive Board are granted up to a maximum amount of 1,250,000 Swiss francs at the applicable staff conditions for employees and under normal market conditions for higher amounts.

LUKB granted loans (backed by mortgage or securities collateral) to the members of the Executive Board as shown in the following table.

In addition to employees, Luzerner Kantonalbank grants staff conditions to employees' family members (partners and minors) for the banking services they use. The preferential conditions remain in place in the event of retirement. The volume of business affected was so low in the past financial year that the discounts are not shown for reasons of materiality.

Values in CHF	31 December 2025	31 December 2024
Daniel Salzmann, Head of the Office of the President, CEO	1,950,000	1,950,000
Beat Hodel, Head of the Corporate Clients & Private Banking Department	700,000	700,000
Marcel Hurschler, Head of the Finance & Investment Department, CFO	715,000	715,000
Simon Kauth, Head of the Technology and Services Department	0	0
Stefan Studer, Head of the Private and Commercial Clients Department	1,750,000	1,750,000
Total loans to members of the Executive Board	5,115,000	5,115,000

¹⁾ <https://www.lukb.ch/ueber-uns/portraet/statuten>

Activities of EB/BoD members at other companies

Pursuant to Article 734e CO¹⁾, the functions of the members of the governing bodies must be disclosed separately in the Compensation Report.

¹⁾ https://www.fedlex.admin.ch/eli/cc/27/317_321_377/en

The Board of Directors

Member of the Board of Directors	Significant appointments at other companies
Markus Hongler	<ul style="list-style-type: none"> - Member of the Board of Directors of Nomoko AG, Zurich (in liquidation) - Chair of the Board of Trustees of Lucerne Festival, Lucerne - Chair of the Board of Trustees of the Lucerne Festival Friends Foundation, Lucerne
Dr Martha Scheiber	<ul style="list-style-type: none"> - Member of the Board of Directors <ul style="list-style-type: none"> - Clean Energy Infrastructure Switzerland 3GP AG, Basel - Clean Energy Infrastructure Switzerland 3 KmGK, Basel - Mobimo Holding AG, Lucerne - Schweizerische Gesellschaft für Hotelkredit SGH, Zurich - Vice Chair of the Board of Trustees of the Sympany Foundation and all subsidiaries, Basel - Member of the Board of Trustees <ul style="list-style-type: none"> - Pension Fund of the City of Lucerne, Lucerne - Member of the Investment Committee of the Decommissioning Fund for Nuclear Facilities and Waste Dispo
Prof. Dr Andreas Dietrich	<ul style="list-style-type: none"> - Head of the IFZ at the Lucerne School of Business, Zug - Managing Director of the Verein IFZ Institut für Finanzdienstleistungen Zug (VIFZ), Zug - Member of the Board of swissVR, Zug - Shareholder of Dietrich BaBe GmbH, Richterswil - Board of Directors of the Swiss National Bank (SNB)
Dr Erica Dubach Spiegler	<ul style="list-style-type: none"> - Head of the Business Solutions Department at the Office of Information Technology of the Canton of Zurich, Zurich (from 1 January 2026) - Department Head of Digital Transformation and ICT Steering of the Federal Chancellery, Bern (until 31 December 2025) - Member of the Board of Directors of Schweizerische Mobiliar Genossenschaft, Bern - Owner of Dubach Spiegler Digital Strategy, Zurich
Andreas Emmenegger	<ul style="list-style-type: none"> - Co-owner, member of the Board of Directors and member of the Executive Board (CFO and CBO) of Swiss Rockets AG and its subsidiaries, Basel - Co-owner and co-founder of TargImmune Therapeutics AG, Basel
Marc Gläser	<ul style="list-style-type: none"> - CEO and co-owner of Stöckli Swiss Sports AG, Malters - Member of the Executive Board of the Central Switzerland Chamber of Industry and Commerce (IHZ) - Member of the Board of Trustees of gfm Schweizerische Gesellschaft für Marketing - Member of the Advisory Board of the Executive School at the University of St. Gallen
Roger Studer	<ul style="list-style-type: none"> - Chair of the Board of Directors and owner/co-owner of the following companies: <ul style="list-style-type: none"> - Studer Family Office AG, Freienbach (Canton of Schwyz) - SFOA AG, Freienbach (Canton of Schwyz) - SFOT AG, Freienbach (Canton of Schwyz) - SFOG AG, Freienbach (Canton of Schwyz) - Helveteq AG, Freienbach (Canton of Schwyz) - Createq AG, Freienbach (Canton of Schwyz) - Seven Roses GmbH, Freienbach (Canton of Schwyz)
Nicole Willimann Vyskocil	<ul style="list-style-type: none"> - Independent lawyer, ADLEGEM Rechtsanwälte, Lucerne - Owner and Chair of the Board of Directors of Orfist AG, Zug - Chief Executive Officer of Ernst von Siemens Music Foundation, Zug/Lucerne - Shareholder of EWO Kanzlei GmbH, Lucerne - Member of the Board of Trustees of the Central Switzerland Swiss Transfusion (SRC), Lucerne

- Joint commission member of the HEV at the Arbitration Authority for Rent and Leasing of the Canton of Lucerne, Lucerne

Executive Board

Member of the Executive Board	Significant appointments at other companies
Daniel Salzmann	<ul style="list-style-type: none"> - Member of the Board of Directors - Belvédère Asset Management AG, Glarus - FG Next Holding AG, Zug - Swiss Bankers Association – Swiss Banking, Basel - Association of Swiss Cantonal Banks (ASCB), Basel - Management of St. Niklausen Schiffgesellschaft Genossenschaft (SNG), Lucerne - Vice Chair of Viseca Payment Services AG, Zurich - Member of the Board of Trustees of the Lucerne Economic Development Foundation, Lucerne - Member of the Executive Board - Central Switzerland Chamber of Industry and Commerce (IHZ), Lucerne
Marcel Hurschler	<ul style="list-style-type: none"> - Member of the Board of Directors of Musegg Parking AG, Lucerne (Finance Committee) - Member of the Investment Committee of the Pension Fund of Luzerner Kantonalbank, Lucerne - Member of the Sempach City Council (Executive, Planning, Environment and Energy Department), Sempach
Beat Hodel	<ul style="list-style-type: none"> - Vice Chair of the Board of Directors of RSN Risk Solution Network AG, Zurich - Member of the Executive Board and Chair of the Finance Commission of GEFA Wohnbaugenossenschaft, Lucerne
Simon Kauth	<ul style="list-style-type: none"> - Member of the Executive Board of Büchler Lernberatung GmbH, Zurich
Stefan Studer	<ul style="list-style-type: none"> - Member of the Board of Directors - BES Holding AG, St. Gallen - NNH Holding AG, Zurich - newhome.ch AG, Zurich - Chair of the Board of Trustees of Fürsorgestiftung Trägerverein Luzerner Sinfonieorchester (LSO), Lucerne - Member of the Board of Trustees of the Pension Fund of Luzerner Kantonalbank, Lucerne - Member of the Board of Trustees of Stiftung Konzerthaus Luzern, Lucerne - Member of the Board of Trustees of GSW Gemeinnützige Stiftung für preisgünstiges Wohnen, Lucerne - Member of the Investment Committee of the Pension Fund of Luzerner Kantonalbank, Lucerne

Report of the statutory auditor on the Compensation Report

The report of the statutory auditor on the Compensation Report relates to the original German version of this report and are therefore not included in this English translation. The German version shall prevail.

Imprint

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Imagery

The imagery of the 2026 shareholder publications lets us look back with the people of Lucerne on the anniversary year in which LUKB celebrated its 175th anniversary. Five major public events were held to thank the population as part of the anniversary project “Lozärn verbonde” (Lucerne brings people together).

Cover image: Nicole Frank, Lucerne

Portraits of the Board of Directors and Executive Board: Maria Schmid, Ingenbohl

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.

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Luzerner Kantonalbank

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