



Rooted in Lucerne, networked with the world

Presenting Luzerner Kantonalbank:
proud of our roots and our values.

Brief profile



Law, statutes and ownership strategy

LUKB has been structured as a joint-stock company under private law - in accordance with Art. 620 ff. of the Swiss Code of Obligations - since 2001. Our current legal and organisational form is based on the cantonal legislation of 8 May 2000 (the 'Conversion Act'), and on the statutes dated 29 September 2000 (lukb.ch/statuten). With its ownership strategy, Canton Lucerne sets out in detail how it sees its statutory role as LUKB's principal shareholder (lukb.ch/eignerstrategie).



State guarantee; compensation to the Canton

LUKB enjoys a state guarantee, which means that Canton Lucerne is liable for all non-subordinated claims against LUKB if the Bank's own financial resources should prove insufficient. The state guarantee offered by Canton Lucerne thus extends beyond the CHF 100,000 deposit guarantee per creditor that applies to all Swiss banks. In return, LUKB pays an annual fee to the canton. It is determined by law and amounts to 0.2% of the capital adequacy requirement, plus 2.0% of operating income as defined in the federal Banking Ordinance (BankO).



Networking

For many years now, Switzerland's cantonal banks have worked together actively via a number of cooperatives which operate at the pan-regional, national and international levels. LUKB's central network partners include Pfandbriefzentrale der schweizerischen Kantonalbanken (mortgage business refinancing), Viseca (credit cards), Six Banking Services (debit cards), Swissquote Bank (distribution partnership), brokermarket.ch (mortgages), RSN Risk Solution Network AG (credit risk management), newhome.ch (real estate portal) and Fundamenta Group Holding AG (real estate development and management). LUKB also works with other cantonal banks to operate the 'fundens.ch' crowdfunding platform.



Founded in 1850



about 1,300 employees



23 branches



Leading bank
in Canton Lucerne



Core business areas:

- Real estate finance
- Corporate finance
- Pensions
- Investment advice
- Asset management



Subsidiaries:

- LUKB Expert Fondsleitung AG
- LUKB Wachstumskapital AG
- Gewerbe Finanz Luzern AG



A joint-stock company since 2001 and listed on the SIX Swiss Exchange with LUKB shares



38.5% of share capital held by the public
61.5% held by Canton Lucerne



State guarantee

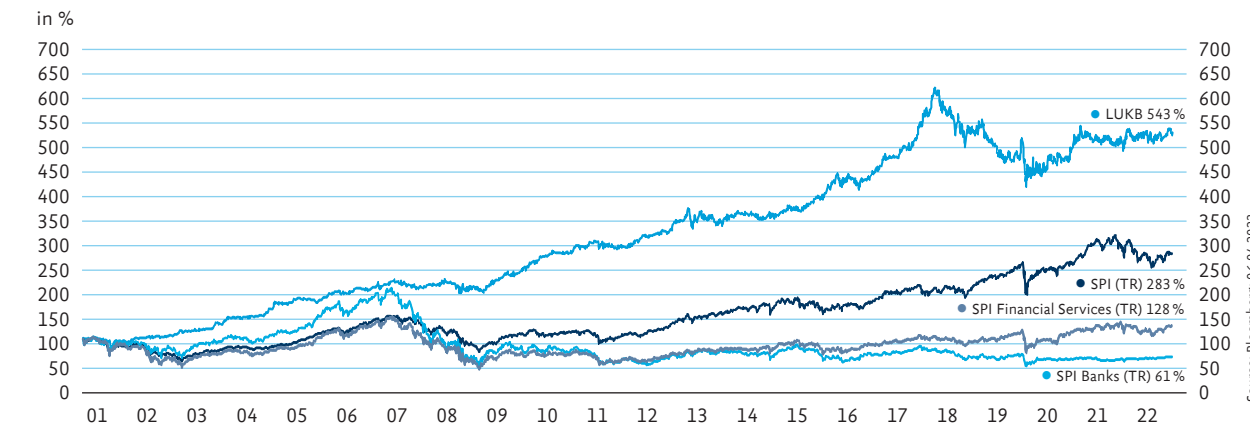


Long-term AA rating from Standard & Poor's (short-term rating of A-1+)

Overview

Total return of the LUKB registered share

Since the IPO (12.03.2001: first trading day of the LUKB share after the change in legal form), the total return (distribution from profit in the previous year plus change in value) of LUKB until 06.04.2023 came to 427%. With an achieved index value of 527%, it clearly outperformed the Swiss market as a whole as well as relevant comparative indices.



Key figures

LUKB registered share	2018	2019	2020	2021	2022
KPIs per LUKB share in CHF¹					
Year-end closing price	92.00	83.90	80.10	83.00	82.70
Carrying amount	65.26	67.61	70.31	72.63	76.10
Corporate profit before taxes and depreciation of goodwill	5.48	5.64	6.04	6.86	7.01
Group net profit	4.72	4.83	4.97	5.22	5.34
Dividend	2.40	2.50	2.50	2.50	2.50*
Payout ratio (profit basis)	52.9%	51.7%	48.4%	43.0%	42.2%**

* Motion to the Annual General Meeting of 17 April 2023

** Based on proposed distribution

Total earnings per LUKB share in CHF¹					
Profit distributed in the previous year	2.40	2.50*	2.50	2.50	2.50
Change in value	-1.05	-8.10	-3.80	2.90	-0.30
Total return	1.35	-5.60	-1.30	5.40	2.20
as a % of closing price for the previous year	1.5%	-6.1%	-1.5%	6.7%	2.7%

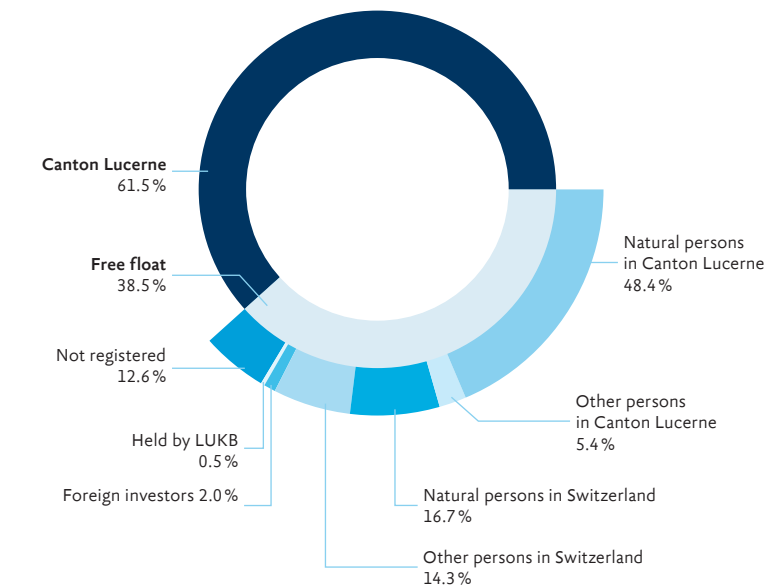
* Distribution in the form of a par value reduction

Standard & Poor's rating: parent company					
Short-term credit rating	A-1+	A-1+	A-1+	A-1+	A-1+
Long-term credit rating	AA	AA	AA	AA	AA
Outlook	stable	stable	stable	stable	positive

¹ At end of period

Shareholder structure as at 31.12.2022¹

Total LUKB shares in share register	8 500 000
Registered shares	8 072 743
Registered shareholders	33 894
Registered float	95.0%
Cantonal holding	61.5%
Free float	38.5%



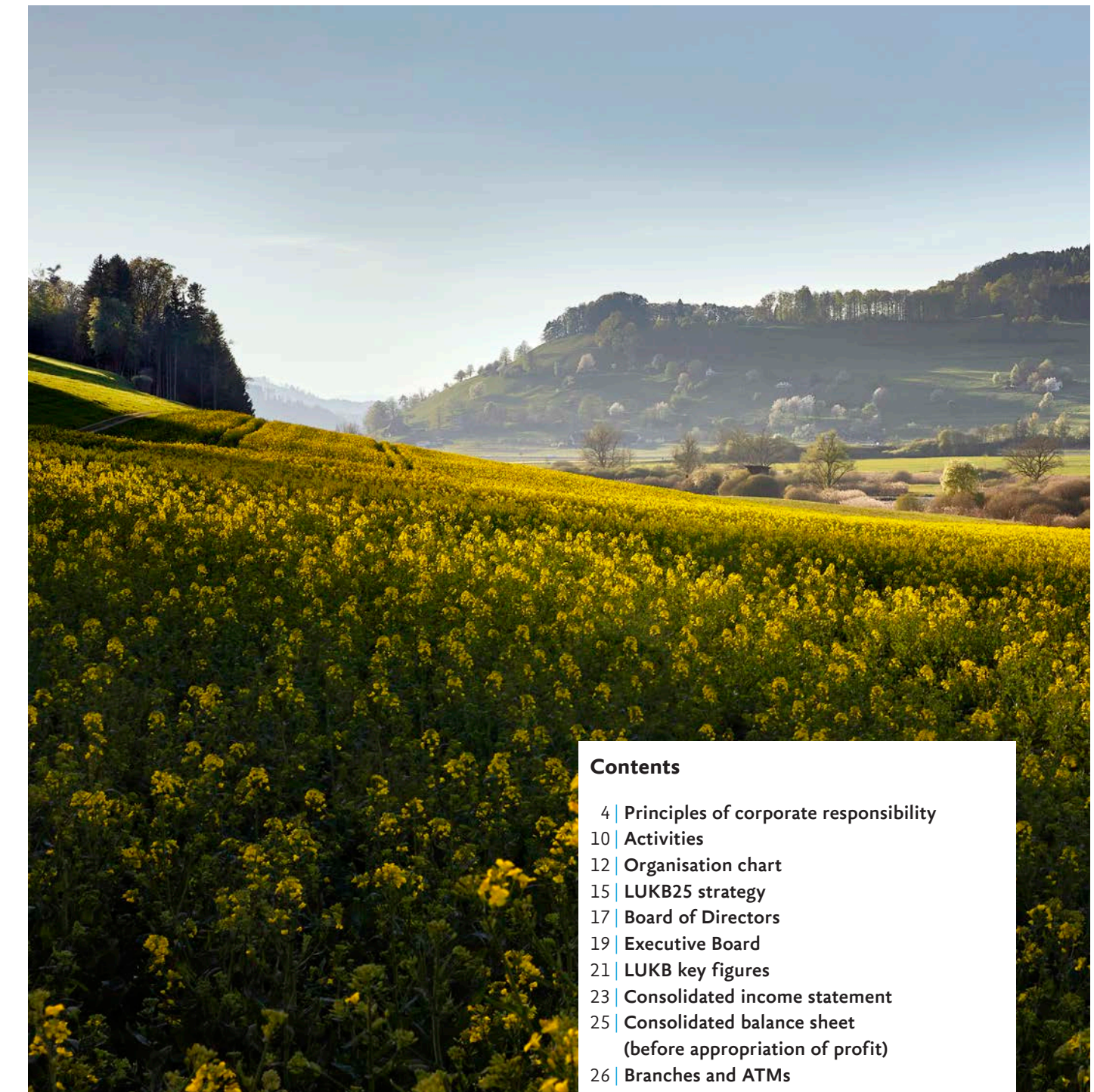
¹ LUKB is planning in the second quarter of 2023 a capital increase with maximum gross proceeds of CHF 500 million. With this capital increase, LUKB intends to lay the foundation for the continued successful development of its business model, achieve sustainable growth and at the same time secure long-term freedom of action in the face of increasing capital requirements. Details at: lukb.ch/capital-increase

Key information about LUKB shares¹

Par value per LUKB registered share	CHF 3.70
Exchange listing	SIX SX
Ticker symbol	LUKN (Telekurs and Bloomberg) LUKN.S (Reuters)
Security no.	125 293 061
ISIN	CH1252930610

Come home. Breathe.

Seeing more than the eye can take in. Feeling more than words can express. This is home. For our clients, for our partners, and for us. LUKB is rooted in Canton Lucerne. This is our heritage. From here, we connect with the world.



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Corporate responsibility

Principles

Commitment to long-term value creation

Since its foundation in 1850, the identity of Luzerner Kantonalbank has been based on a long-term, sustainable business policy aimed at creating a high degree of value for the people and economy of the canton of Lucerne. As the market leader in the Lucerne economic region and as a major employer, LUKB is aware of its special responsibility and fulfils it actively, holistically, and with an eye to the future.

To this end, LUKB has taken clear organisational steps to address the issue of sustainability and ensure systematic sustainability management and appropriate reporting throughout the Bank.

This commitment to long-term value creation is also expressed in LUKB's purpose:

With us, plans have become reality for generations.
We make sure of this with convincing solutions.
And we score points with attentive service.
That's how we create value. Now and in the future.

LUKB's guiding framework

In fulfilling its corporate social responsibility, Luzerner Kantonalbank is guided by the following frame of reference:

- Article 964a et seqq. of the Swiss Code of Obligations, CO (indirect counter-proposal to the Responsible Business Initiative) - the framework for reporting on non-financial matters defined here has been in force since 1 January 2023. The report appears for the first time in the 2023 Annual Report.
- Ordinance on Mandatory Climate Disclosures for Large Companies (Task Force on Climate-related Financial Disclosures, TCFD). This ordinance enters into force as of 1 January 2024. The report will appear for the first time in the 2024 Annual Report.
- 'Guidelines for mortgage providers on the promotion of energy efficiency', published by the Swiss Bankers Association (SBA). These have been binding on SBA member banks since 1 January 2023.

- 'Guidelines for financial services providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management', published by the Swiss Bankers Association (SBA). These have been binding on SBA member banks since 1 January 2023.
- Self-regulation on transparency and disclosure for sustainability-related collective assets, published by the Asset Management Association Switzerland (AMAS)
- LUKB Act and Articles of Association
- 2021 Ownership Strategy of the Canton of Lucerne
- Climate and energy policy of the Canton of Lucerne with the goal of net zero greenhouse gas emissions by 2050 and, in particular, the requirements derived from it in the 2021 Ownership Strategy (chapter III)
- LUKB Code of Conduct (available at: lukb.ch/code-of-conduct)
- LUKB Sustainable Investment Strategy (in German) (lukb.ch/nachhaltig-anlegen)
- LUKB25 strategy, with its focus areas
 - Clients
 - Employees
 - Shareholders, society and sustainability
 - Processes and innovation
 - Finance
- öbu - Swiss Business Council for Sustainable Development targets (LUKB joined 2007)
- UN PRI: United Nations Principles for Responsible Investment (signed by LUKB in 2019)
- Swiss Sustainable Finance SSF targets (LUKB joined 2021)
- Targets of Climate Action 100+ (LUKB joined 2021)
- Charter of the Sustainability Network Central Switzerland NNZ (LUKB joined 2021)
- Selected goals from the United Nations 2030 Agenda for Sustainable Development (Sustainable Development Goals, or SDGs)

The UN SDGs highlighted in colour below are of primary relevance to LUKB:



LUKB's sustainability ratings

LUKB holds the following sustainability ratings (as at 1 March 2023):

- Inrate: B- (on a scale from A+ to D-)
- MSCI: AA (on a scale from AAA to CCC)

These two ESG ratings form part of the LUKB balanced scorecard, the Bank's system of strategic targets. With other ESG ratings LUKB aims to be at least investment grade.

LUKB Sustainability Strategy

Based on the ESG system

The Sustainability Strategy adopted by the LUKB Executive Board on 23 January 2023 encompass the three dimensions of sustainability, specifically economic (governance/corporate management), social and environmental. The Strategy thus follows the widely recognised ESG system.

Economic (governance/corporate management)

- Governance

LUKB attaches great importance to modern, lean corporate governance. The Bank has a functioning governance organisation with checks and balances between leadership and supervision, a balanced mix of top management, incentive systems in line with those of the market, and a transparent information policy.

Target: LUKB places in the top third of the annual corporate governance ratings published by zRating, part of Inrate Ltd.

- Compliance

LUKB closely monitors regulatory developments and ensures that new regulations are implemented on time and without exception.

Target: LUKB remains free of reputational damage caused by failure to comply with applicable rules and regulations.

- Value creation

By continuously and steadily generating value, LUKB plays its part in the sustainable development of Lucerne as a place to live and do business.

Targets for the 2021 - 2025 strategy period:

- Profitability

Cumulated profit from 2021 to 2025

Higher target as of 2023 capital increase:

1 075 to 1 200 million francs

(target to date: 1 025 to 1 100 million francs)

- Efficiency

Cost-income ratio of a maximum of 50 % (unchanged)

- Solidity

Total capital ratio

Higher target as of 2023 capital increase: 16 to 20 %

(target to date: 14 to 18 %) of which CET1 ratio

Higher target as of 2023 capital increase to at least 12 % (target to date: at least 11 %)

- Client satisfaction

LUKB consistently aligns its range of services with long-term client benefit, meeting clients where they are, and responding to market demand. The intelligent use of digitalisation makes these services efficient and easy to access. Examples include sustainable products, and advisory services. They also take into account the relevant levels of demand.

Target: LUKB's 'Net Promoter Score' is higher than the average figure for comparable banks.

- Shareholder value

In its appropriation of profits, LUKB focuses on a long-term balance between equity financing and distributions to shareholders.

Target for the 2021 - 2025 strategy period: Dividend ratio of between 40 and 60 % of profit, while also guaranteeing the long-term strategic targets for total capital and CET1 ratios (see above)

- Investment policy

LUKB completed the systematic integration of ESG criteria into its investment and funds business as at mid-September 2022.

Target: All LUKB Expert investment funds and standard portfolio management mandates to be managed according to a sustainability strategy. Survey of investment advice clients' sustainability preferences and offer of the corresponding consulting service. Compliance with the 'Guidelines for financial services providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management', published by the Swiss Bankers Association (SBA), as well as AMAS self-regulation for collective assets. Engagement strategy focus on compliance with global standards and the issue of climate change. Active exercise of voting rights for the majority of equity holdings in LUKB Expert funds.

- Credit policy

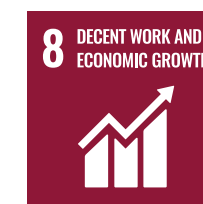
LUKB purposefully applies the 'Guidelines for mortgage providers on the promotion of energy efficiency' issued by the SBA in June 2022. In doing so, LUKB contributes towards sustainability in accordance with the directives of the Federal Council. Specifically, LUKB systematically draws the attention of mortgage clients in owner-occupied properties to the energy efficiency of those properties, and assists them with improvements in this regard. Target: Consistent compliance with the SBA 'Guidelines for mortgage providers on the promotion of energy efficiency'

- Climate disclosures (TCFD)

LUKB is preparing systematically to fulfil the requirements laid down in the Ordinance on Mandatory Climate Disclosures for Large Companies (TCFD). To this end, in 2022 it participated voluntarily for the second year in the PACTA climate compatibility tests run by the Federal Office for the Environment (FOEN) and the State Secretariat for International Finance (SIF). (PACTA: Paris Agreement Capital Transition Assessment).

Target: Implement the Ordinance on Mandatory Climate Disclosures (TCFD) along with the 2024 Annual Report.

With these economic sustainability guideposts, LUKB is helping to meet the following Sustainable Development Goals (SDGs):



Social

- Employer responsibility

LUKB intends to remain one of the top employers in Central Switzerland and is particularly committed to the vocational training of young people, the continuing professional development of its employees, and work-life balance in a diverse and non-discriminatory working environment.

Target: LUKB aims to score an average of at least 80 points (on a scale of one to 100) across all dimensions of its annual staff survey: commitment, satisfaction, attractive employer and would recommend employer. LUKB participates every three years in the Swiss Employer Award (next time in 2024) and wants to place in the top third of entrant companies with more than 1 000 employees.

- Commitment to the region

LUKB encourages its employees to make a personal contribution to the region and actively fulfils its role as sponsor and patron.

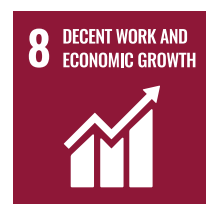
Target: LUKB plans to maintain its annual seven-figure sponsorship and patronage contributions, and to continue establishing the LUKB Zukunftspreis award for sustainable projects, which was presented for the first time in 2022.

- Good relations with partners

LUKB is interested in long-term, partnership-based business relationships with its suppliers, and awards contracts in the real estate sector in particular to companies from the economic region of Central Switzerland wherever possible. LUKB also takes care that each of the companies to which it gives these contracts offers fair working conditions, for example through membership of the collective bargaining agreement for the sector in question. LUKB requires a contractual undertaking from each of its suppliers that they will uphold banking and business confidentiality. The same applies to the applicable data protection regulations in each case.

Target: LUKB wishes to continue awarding more than 90 % of construction contracts to companies from the Central Switzerland economic region.

With these social sustainability guideposts, LUKB is helping to meet the following Sustainable Development Goals (SDGs): (Sustainable Development Goals):



Environmental

- Operating logistics

LUKB aims to achieve lasting improvements in the environmentally relevant aspects of banking operations, i.e. energy, paper and water consumption, and waste volumes.

Target: By 2025, LUKB plans to reduce its annual paper consumption to 50 tonnes, the annual number of envelopes used to two million, its annual energy consumption per employee to 5 500 kWh, and its annual volume of waste per employee to 100 kilogrammes.

- Climate action

LUKB is committed to the climate strategy of the Canton of Lucerne and consistently implements the requirements derived from it in the 2021 Ownership Strategy. LUKB defined a transformation plan as long ago as 2014 to move all of its property heating systems to renewable energies. It implements this plan consistently to the extent that local circumstances permit. Measures to reduce electricity use are also a high priority. Please refer here to the targets given above under 'Operating logistics'. LUKB provides subsidies to encourage its employees to use public transport. Where possible, the Bank's own vehicles are electric.

Target: Implement the measures that have been adopted to cut LUKB's carbon footprint.

With these environmental sustainability guideposts, LUKB is helping to meet the following Sustainable Development Goals (SDGs):



Diversity

Luzerner Kantonalbank's activities

Luzerner Kantonalbank advises clients from all segments of the market: private individuals of all ages and income groups, companies of various sizes from a range of sectors, institutions, families and non-profit organisations.



Retail banking - the foundation

Private individuals benefit from a needs-based range of accounts offering modern payment transactions, sustainable saving and pension solutions, a real estate competence centre with experienced advisors and financing experts, a needs-focused range of investment funds for investments large and small, and detailed support with personal financial planning.

Services for business clients include solutions for stable cash management, business-focused pension solutions, institutional investments and our commitment as a reliable financing partner. Luzerner Kantonalbank is also on hand to support and advise businesses as they grow from foundation to maturity, with succession planning, and with mergers and acquisitions.



Private Banking - excellence

Clients with high incomes and extensive assets have special needs. Luzerner Kantonalbank also offers a variety of products and services specifically for these high net worth individuals. Our competence centre for pension and retirement planning, tax issues and inheritance law provides precisely the tailored advice they need. Our investment business offers convincing solutions with promising returns, while LUKB also issues its own structured products. Luzerner Kantonalbank has developed its corporate desk especially for entrepreneurs. It offers a bespoke suite of private banking services for prospective, active or former business owners whose assets largely consist of unlisted shares in their own company.

Business banking and real estate banking - innovative service strategies

Luzerner Kantonalbank understands what motivates business owners. With our 'business banking' and 'real estate banking' service strategies, we operate throughout German-speaking Switzerland. With their wealth of experience, our business banking experts offer comprehensive, success-focused advice and speak the same language as the business owners themselves. Our business banking activities foster long-term relationships, support innovation, organise events and advise firms on issues such as cash management and trade finance. In addition to conventional financial services such as financing and guarantees, our real estate banking activities offer additional services along the entire property portfolio value chain.



Organisation chart

as at 1 May 2023

Board of Directors Markus Hongler, Chair	Personnel and Compensation Committee Dr Martha Scheiber, Chair	Audit and Finance Committee Andreas Emmenegger, Chair	Risk and Strategy Committee Prof. Dr Andreas Dietrich, Chair
Internal Audit Konrad Fausch			
Executive Board Daniel Salzmann, CEO	CEO Office Daniel Salzmann	Retail Banking Stefan Studer	Corporate Clients & Private Banking Beat Hodel
	Business Development & General Services Dr Michael Girsberger	Lucerne South Adrian Lupart	Market Services Dr Simon Kauth
	Human Resources Dr Jürg Stadelmann Beat Bieri	Lucerne Middle René Arnold	Finance & IT Marcel Hurschler, CFO
	Communications Dr Daniel von Arx	Lucerne North Urs Birrer	Real Estate Services Flavio Ciglia
	Legal Services & Compliance Peter Felder	Client Centre Remo Ambühl	Marketing & Sponsoring Antoinette Stocker
	Credit Risk Management Mario Zäch	Management Support Thomas Vogel	Finance Christoph Weidmann
	Risk Raffael Stocker		Business Services Fabian Fischer
			Private Banking Beat Steinmann
			Private Banking Professionals Marcel Sigrist
			Specialised Consultancy Daniela Tschol
			Management Support Manuel Hodel
			Operations Mauro Eicher
			Project Management Daniel Schaub Stefan Portmann
			Management Support Corinne Häfliger
			Trading & Treasury Services Daniel Bommer
			Structured Products Claudio Topatigh
			Asset Management Stefan Angele
			Real Estate Urs Renold
			Final CDB Checks & International Tax Pius Peter
			Management Support Carlos Palomanes

'LUKB25'

Overview of the Luzerner Kantonbank 2021 to 2025 strategy

Who we are

Corporate culture

For over 170 years, Luzerner Kantonbank has been committed to the needs of the people and the economy in the Lucerne region.

Our motivation

With us, plans have become reality for generations. We make sure of this with convincing solutions. And we score points with attentive service. That's how we create value. Now and in the future.

Our brand values



Our preoccupations

Two core themes

We are committed to intensive development and transformation - always with a view to client benefits.

Growth by broadening the earnings base

- Offering impressive and transparent services/products
- Focusing on advisory and sales strength
- Developing additional sources of income with new advisory services
- Exploiting advantages through our own asset management, our own structured products and expanded trading activities
- Achieving additional growth with intensified pan-regional activities in private banking, corporate client business and in the core market

Efficiency through digital working methods

- Increasing convenience for clients and strengthening client loyalty
- Reducing the administrative burden on client services and streamlining processes
- Further developing the online channel, including mobile banking
- Supporting multi-channel management with data analytics
- Maintaining cost discipline

Where we're heading

Four priorities

Achieving greater value creation

We aim to grow and become more efficient in four business areas.

- Investments and pensions
- Business clients
- Real estate and housing
- Issuance and trading

What we aim to achieve

Five target areas

Assuming holistic responsibility

We strive to achieve quantitative and qualitative goals in five target areas.

- Clients
- Employees
- Shareholders, society and sustainability
- Processes and innovations
- Finance

> Earning power

Cumulative corporate profit 2021 to 2025

new: CHF 1 075 to 1 200 million
(previous target: CHF 1 025 to 1 100 million)¹⁾

> Efficiency

Cost-income ratio
maximum 50% (unchanged)

> Soundness

Total capital ratio

new: 16 to 20%
(previous target: 14 to 18%)¹⁾

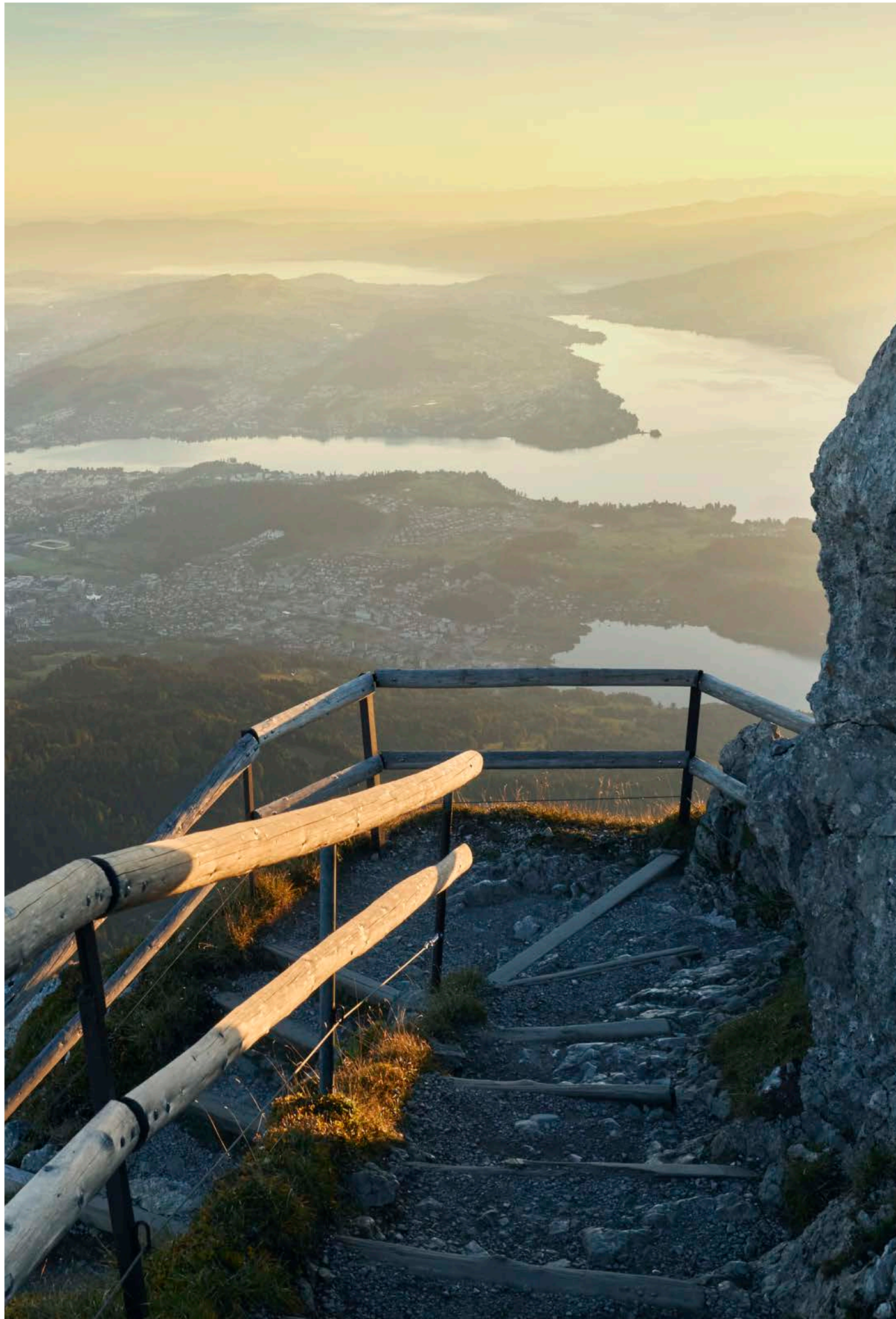
of which CET1 ratio

new: at least 12%
(previous target: at least 11%)¹⁾

¹⁾ Increase in financial strategy targets after capital increase planned for the second quarter of 2023.



Business values in a nutshell: Luzerner Kantonbank is leading, personal and robust, and always conscious of its Lucerne roots. This is just as true of our products and services as it is of our direct dialogue with our clients.



Far-sightedness

Board of Directors

Far-sightedness is the most important factor in the sustainable development of business activities and in client-focused service. The Board of Directors of Luzerner Kantonalbank determines the Bank's strategy and oversees our operational management.



Markus Hongler

1957, Zurich ZH

- Chair of the Board of Directors
- Member of the Board of Directors since the 2018 AGM
- Member of the BoD Personnel and Compensation Committee



Dr. Martha Scheiber

1965, Uitikon Waldegg ZH

- Deputy Chair of the Board of Directors
- Member of the Board of Directors since the 2014 AGM
- Chair of the BoD Personnel and Compensation Committee



Prof. Dr. Andreas Dietrich

1976, Richterswil ZH

- Member of the Board of Directors since the 2015 AGM
- Chair of the BoD Risk and Strategy Committee



Dr. Erica Dubach Spiegler

1969, Zurich ZH

- Member of the Board of Directors since the 2023 AGM
- Chair of the BoD Risk and Strategy Committee



Andreas Emmenegger

1966, Lucerne LU

- Member of the Board of Directors since the 2016 AGM
- Chair of the BoD Audit and Finance Committee



Marc Gläser

1968, Hünenberg ZG

- Member of the Board of Directors since the 2023 AGM
- Member of the BoD Audit and Finance Committee



Stefan Portmann

1967, Rüschlikon ZH

- Member of the Board of Directors since the 2017 AGM
- Member of the BoD Personnel and Compensation Committee
- Member of the BoD Audit and Finance Committee



Roger Studer

1967, Pfäffikon SZ

- Member of the Board of Directors since the 2021 AGM
- Member of the BoD Risk and Strategy Committee



Nicole Willimann Vyskocil

1968, Meggen LU

- Member of the Board of Directors since the 2021 AGM
- Member of the BoD Audit and Finance Committee

Further information on the LUKB Board of Directors: lukb.ch/verwaltungsrat



Our recipe for success: we tread a safe path, but remain swift and agile. That is just as true of our innovative drive and our digital projects as it is of the 'funders.ch' crowdfunding platform developed by Luzerner Kantonalbank.

Grounded

Executive Board

It takes skill and structured processes to negotiate the complex everyday world of national and international finance. Together, the Luzerner Kantonalbank Executive Board takes responsibility for the success of the business.



Daniel Salzmann

1964, Meggen LU

- CEO since 2014, member of the Executive Board since 2004
- Head of CEO Office



Stefan Studer

1974, Meggen LU

- Member of the Executive Board since 2015
- Head of Retail Banking



Beat Hodel

1966, Oberkirch LU

- Member of the Executive Board since 2009
- Head of Corporate Clients & Private Banking



Dr Simon Kauth

1968, Zollikon ZH

- Member of the Executive Board since 2023
- Head of Technology and Services



Marcel Hurschler

1967, Sempach LU

- Member of the Executive Board since 2008
- Deputy CEO
- Head of Finance / CFO

Further information on the LUKB Executive Board: [lukb.ch/geschaeftsleitung](https://www.lukb.ch/geschaeftsleitung)



From targeted asset management to comprehensive pension solutions, clients of Luzerner Kantonalbank can rely on their Bank as a networked and forward-looking advisory partner and can devote themselves with a good feeling to what is important to them in life.

Performance

Consolidated key figures

in CHF million	2018	2019	2020	2021	2022
Income statement					
Operating income	482.3	504.3	531.1	581.3	585.7
Operating expenses	229.7	241.1	251.0	258.1	268.0
Operating profit	225.4	238.9	250.2	282.7	284.6
Profit before tax	232.8	238.9	254.6	282.7	288.9
(Group net profit + formation of reserves for general (undesignated) banking risks + tax)					
Profit after tax	200.4	204.9	218.9	246.4	251.6
Group net profit	200.4	204.9	210.9	221.4	226.6
Balance sheet at end of period					
Lending to clients	30 687.6	32 684.0	34 945.8	37 229.0	39 348.2
Client assets	22 254.0	22 641.5	25 347.0	28 557.5	27 086.9
Equity before appropriation of profits	2 769.9	2 865.5	2 980.7	3 081.9	3 228.8
Total assets	38 761.0	42 493.1	48 738.8	52 837.4	56 980.0
Assets under management (end of period)					
Client assets under management	28 665.4	30 987.5	32 419.6	36 963.2	35 922.3
Net new money	612.4	603.2	1 314.0	2 730.2	1 420.2
Own funds (end of period)					
Core capital (CET1) ratio	14.3%	13.9%	12.5%	12.3%	12.2%
Total capital ratio	16.0%	16.7%	15.8%	17.6%	17.2%
Total, risk-weighted	18 645.8	19 795.7	22 622.2	23 947.0	25 553.4
Leverage ratio	7.3%	7.5%	7.7%	6.8%	6.7%
Other key figures					
Total full-time equivalents (end of period)	1 027.8	1 040.1	1 049.2	1 075.7	1 091.9
Cost-to-income ratio	47.3%	47.0%	45.7%	42.9%	44.7%
(Operating expenses in relation to [gross result from interest operations + commission income + trading income + other ordinary income])					
Return on equity	9.0%	8.9%	9.2%	10.0%	9.8%
(Profit before tax and goodwill write-downs in relation to average equity, excluding designated reserves for general banking risks)					



We'll never leave you high and dry! Luzerner Kantonalbank combines expertise with passion, and is on course for a successful future.

Stability

Consolidated income statement

Figures in CHF 1 000	2022	2021	Change	
			absolute	in %
Interest and discount income	487 284	401 511	85 773	21.4
Interest and dividend income from financial investments	26 106	26 724	- 618	- 2.3
Interest expenses	- 108 922	- 35 155	- 73 767	209.8
Gross result from interest operations	404 468	393 081	11 387	2.9
Changes in value adjustments for default risks and losses from interest operations	- 14 218	- 20 978	6 760	- 32.2
Net result from interest operations	390 250	372 103	18 147	4.9
Commission income from securities trading and investment activities	99 537	101 004	- 1 467	- 1.5
Commission income from lending activities	3 507	3 072	435	14.2
Commission income from other services	26 357	25 634	723	2.8
Commission expenses	- 10 256	- 9 275	- 981	10.6
Net result from commission business and services	119 145	120 435	- 1 290	- 1.1
Result from trading activities and the fair value option	61 518	51 635	9 883	19.1
Income from the disposal of financial investments	9 725	26 597	- 16 873	- 63.4
Income from participations	4 460	5 234	- 774	- 14.8
of which from at-equity participations	2 263	2 903	- 640	- 22.0
of which from other non-consolidated participations	2 196	2 331	- 134	- 5.8
Income from real estate	6 523	5 071	1 451	28.6
Other ordinary income	1 166	1 281	- 115	- 9.0
Other ordinary expenses	- 7 063	- 1 053	- 6 011	570.9
Other result from ordinary activities	14 810	37 131	- 22 321	- 60.1
Operating income	585 722	581 303	4 419	0.8
Personnel expenses	- 183 010	- 177 944	- 5 066	2.8
General and administrative expenses	- 75 456	- 70 897	- 4 559	6.4
Compensation for state guarantee	- 9 502	- 9 282	- 220	2.4
Administrative expenses	- 267 968	- 258 122	- 9 845	3.8
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	- 33 554	- 38 055	4 502	- 11.8
Changes to provisions and other value adjustments, and losses	418	- 2 444	2 861	- 117.1
Operating profit	284 618	282 682	1 936	0.7
Extraordinary income	4 281	0	4 281	n.a.
Extraordinary expenses	- 0	0	- 0	n.a.
Creation of reserves for general banking risks, designated	- 25 000	- 25 000	0	0.0
Release of reserves for general banking risks, designated	0	0	0	n.a.
Taxes	- 37 294	- 36 297	- 997	2.7
Group net profit	226 604	221 384	5 220	2.4



We speak the language of business: our comprehensive range of services for corporate clients is a straightforward and reliable constant in your company's growth.

Ambition

Consolidated balance sheet (before appropriation of profit)

Figures in CHF 1 000	31.12.2022	31.12.2021	absolute	Change in %
Assets				
Liquid assets	9 627 009	9 440 060	186 950	2.0
Due from banks	1 250 969	656 728	594 240	90.5
Lending to clients	39 348 226	37 229 035	2 119 192	5.7
Due from clients	4 732 947	4 525 011	207 935	4.6
Mortgage loans	34 615 280	32 704 023	1 911 256	5.8
Trading portfolio assets	596 486	491 561	104 925	21.3
Positive replacement values of derivative financial instruments	717 186	334 206	382 980	114.6
Financial investments	5 035 231	4 267 557	767 674	18.0
Accrued income and prepaid expenses	74 638	57 525	17 113	29.7
Non-consolidated participations	30 575	31 001	-427	-1.4
Tangible fixed assets	214 865	275 486	-60 621	-22.0
Intangible assets	24 018	32 495	-8 477	-26.1
Other assets	60 817	21 702	39 115	180.2
Total assets	56 980 019	52 837 354	4 142 665	7.8
Total subordinated claims	1 533	6 659	-5 126	-77.0
of which subject to mandatory conversion and/or debt waiver	1 388	0	1 388	n.a.
Liabilities and equity				
Due to banks	6 876 393	3 966 265	2 910 128	73.4
Liabilities from securities financing transactions	3 116 969	1 905 000	1 211 969	63.6
Due to clients on savings and deposit accounts	27 045 358	28 551 009	-1 505 651	-5.3
Trading portfolio liabilities	80 032	49 067	30 964	63.1
Negative replacement values of derivative financial instruments	597 539	370 191	227 348	61.4
Liabilities from other financial instruments at fair value	294 433	262 410	32 023	12.2
Medium-term notes	41 535	6 491	35 044	539.9
Bonds and Pfandbrief loans	15 260 360	14 302 569	957 791	6.7
Accrued expenses and deferred income	247 466	233 451	14 015	6.0
Other liabilities	138 246	57 520	80 727	140.3
Provisions	52 934	51 506	1 429	2.8
Reserves for general banking risks	669 354	644 354	25 000	3.9
of which designated	53 052	53 052	0	0.0
Bank's capital	157 250	157 250	0	0.0
Statutory capital reserve	97 918	97 759	159	0.2
Statutory retained earnings reserve	2 083 949	1 968 640	115 309	5.9
Treasury shares	-6 320	-7 510	1 189	-15.8
Group net profit	226 604	221 384	5 220	2.4
Total liabilities and equity	56 980 019	52 837 354	4 142 665	7.8
Total subordinated liabilities	1 222 414	1 219 979	2 434	0.2
of which subject to mandatory conversion and/or debt waiver	1 220 084	1 219 454	630	0.1
Off-balance-sheet items				
Contingent liabilities	205 681	346 877	-141 196	-40.7
Irrevocable commitments	1 969 388	1 960 008	9 381	0.5
Call commitments and margin calls	76 056	76 056	0	0.0
Credit commitments	30 078	10 684	19 395	181.5
Contract volumes of derivative financial instruments	34 774 149	23 077 757	11 696 392	50.7
Securities and fiduciary investments	27 520 665	30 541 886	-3 021 220	-9.9

Network

LUKB believes it is important to be close to our clients. We have a dense network of 22 locations throughout Canton Lucerne from which we serve our retail, private banking and corporate clients. For the structured products business, LUKB has two sales bases in the French- and Italian-speaking regions of Switzerland (Lausanne and Lugano). LUKB also has a branch in Zurich (Private Banking and Structured Products).

Many LUKB services can also be used 24/7 via lukk.ch and the LUKB app.

LUKB client advisors are familiar with their regions and well connected locally. Expertise, market intelligence and proximity to their clients are the hallmarks of their personal advice and ensure that clients enjoy a high quality of service.

- Head Office
- Branch Offices
- ATMs
- Private banking office in Zurich (Private Banking and Structured Products)





Luzerner Kantonalbank's cantonal roots are reflected in our sponsorship programmes. Like us, Lucerne is more than simply a part of their name - as in the case of the FCL.

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