

Annual Report 2025

Short Version

This unaudited short version of the annual report is not a complete annual report. It is a translation of selected segments of the original German annual report and the Pillar 3 report for information purposes only. In the event of variances, the German version shall take precedence over the English translation. You can find the full German annual report and the Pillar 3 report at report.akb.ch for additional information.

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At a glance

in CHF million	2024	2025	Change in %
Income statement			
Operating income	544.3	481.1	-11.6
Operating expenses	-243.9	-241.8	-0.9
Operating result	297.3	238.7	-19.7
Profit	251.2	197.2	-21.5
Total compensation to the canton			
Compensation for the state guarantee	14.7	15.2	3.6
Distribution to the canton	114.0	100.0	-12.3
in CHF million	31.12.2024	31.12.2025	Change in %
Balance sheet			
Total assets	39 610.0	41 859.6	5.7
Loans to customers	27 646.7	29 032.7	5.0
Funds due to customers (inclusive cash bonds)	25 033.0	26 768.2	6.9
Total regulatory capital	3 127.4	3 259.4	4.2
Customer volumes			
Customer assets ¹⁾	37 349.2	40 759.4	9.1
Net new money	2 732.7	3 032.3	11.0
Business volume ²⁾	69 038.5	74 396.6	7.8
Key figures in %			
Return on equity (ROE) ³⁾	10.1	7.7	>7.5
Total capital ratio	18.7 ⁴⁾	19.5 ⁵⁾	
Total capital ratio according to definition of ownership strategy ⁶⁾	16.8 ⁴⁾	17.6 ⁵⁾	16–20
Leverage ratio	7.4	7.3	
Cost-income ratio	44.8	50.3	<50
Personnel ⁷⁾			
FTE (full-time equivalent)	837.4	877.9	4.8
of which apprentices/trainees	46.1	53.7	16.4
Rating			
Standard & Poor's	AA+	AA+	

¹⁾ Basis: Deposits and assets under management (exclusive corporate assets).

²⁾ Basis: Customer assets, corporate assets and loans to customers.

³⁾ Calculation return on equity: Operating result / average net equity.

⁴⁾ The total capital ratio is calculated according to regulatory requirements of Basel III.

⁵⁾ The total capital ratio is calculated according to regulatory requirements of Basel III final.

⁶⁾ The ownership strategy specifies that the capital ratio is at all times 4–8 percentage points above the regulatory minimum requirements of currently 12%. Basis: Capital ratio less any voluntary retained earnings reserves and the national countercyclical capital buffer.

⁷⁾ FTE is shown as part-time adjusted, apprentices, trainees and employees in the trainee pool are counted as 50%.

Business performance

Aargauische Kantonalbank continues to grow in 2025

AKB is gaining further market share among private individuals and companies. While continuing the cautious risk policy without any change, loans rose by 5% and client funds by as much as 6.9%. Clients are continuing to invest heavily in securities solutions, resulting in a high 11.3% growth in custody accounts, buoyed by positive equity markets. The anticipated decline in operating result to CHF 238.7 million during the 2025 financial year was largely caused by the low interest rate environment. The various interest rate cuts by the Swiss National Bank (SNB) are reflected in the lower interest result – and particularly in income from SARON-based loans.

High lending growth driven by the leveraging of growth opportunities

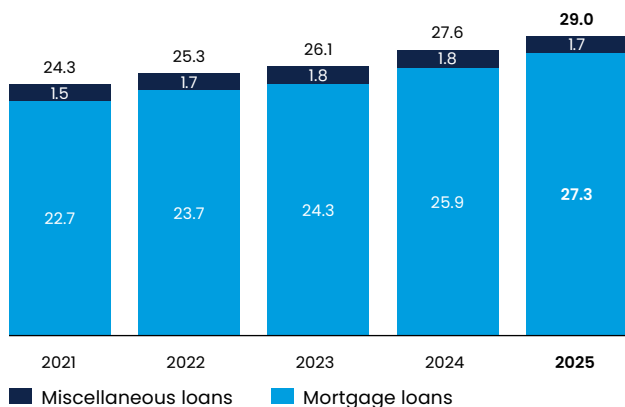
As a personal universal bank in its market area operating in close proximity with its clients, AKB has been exploiting its growth opportunities within the lending business and has benefited from ongoing efforts in the area of advisory services and proximity to clients. Client loans grew by CHF 1.4 billion to CHF 29.0 billion. There is still a pronounced focus on the market area. More than 90% of the loans are granted within the market area of AKB. Mortgage-backed loans are covered by real estate collateral worth twice the amount outstanding. The Bank's stability is also apparent from the fact that it was possible to refinance the welcome growth in lending entirely through new client funds.

Interest income affected by the low interest rate environment

Following the very successful earnings years in 2023 and 2024, which were driven by the higher interest rate environ-

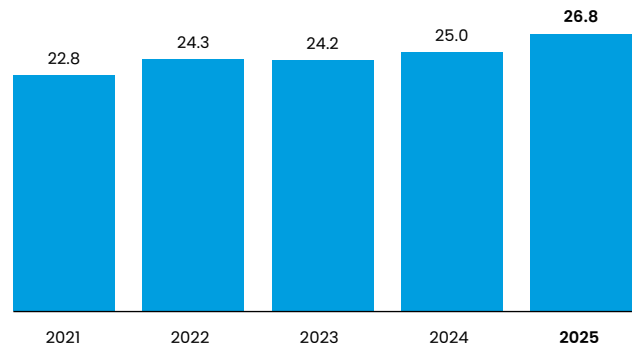
29.0 bn

Customer loans in CHF bn



26.8 bn

Customer funds in CHF bn



ment, gross result from interest operations has now declined as expected by CHF 87.8 million or -20.2%. Nonetheless, at CHF 346.1 million, this result is still significantly higher than it was in 2021 and 2022. While lower money market interest rates are leading to significantly lower income for the Bank, lower interest rates are providing above-average relief to AKB clients, as around 50% of loans are based on the SARON money market rate. This responds immediately to any cut in the SNB's key interest rate, most recently to 0% on 20 June 2025. Thanks to adept balance sheet and liquidity management, interest expense was fortunately reduced by a higher rate, despite having delayed interest rate reductions for the benefit of clients.

The net increase in provisions for impairment on interest operations was rather low at CHF 0.3 million. Risk provisioning increased further the previous year by CHF 12.2 million. With its pre-emptive risk policy and prudent calculation logic, AKB recognises impairment charges for inherent credit risks in the amount of CHF 5.4 million. Without this change, there would be a net release of provisions for specific loss allowances. In summary, it is clear that AKB is continuing to pursue a prudent and responsible lending policy. Taking account of lower impairments, net result from interest operations fell by 18.0% to CHF 345.8 million.

Sustainable and significant increases in portfolio holdings and business volume

Clients are continuing to place their trust in AKB's high level of investment expertise. During the reporting year 2025, 57% of newly invested deposits were invested in the Bank's asset management solutions.

Client assets now total CHF 40.8 billion, representing an increase of CHF 3.4 billion or 9.1%. Client portfolio holdings exceeded CHF 20 billion for the first time. The successful

implementation of AKB's qualitative growth strategy is reflected in the business volume – consisting of loans, client funds and custody account assets – which increased by CHF 5.4 billion or 7.8% to a new high of CHF 74.4 billion.

Growth in commissions (+11.0%) and net trading income (+14.3%)

The second-largest pillar of success – commission business – grew by a welcome CHF 9.8 million to CHF 99.3 million during the reporting year. The increase was primarily due to higher income from securities trading and investment activities. The increase in assets held in custody, in particular under AKB fund and asset management mandates, coupled with an increase in stock market transactions, contributed to this positive result. By not charging any account maintenance or annual fees for the Mastercard debit card, AKB intentionally foregoes income in the order of CHF 9 million for the benefit of its clients.

As Aargau's leading commercial bank for our clients, trading income benefited from a further expansion of client activities in foreign exchange trading, increasing by CHF 3.9 million or 14.3% to CHF 30.8 million.

Lower operating expenses despite higher workforce thanks to cost discipline

Personnel expenses rose by CHF 3.3 million (+2.2%) to CHF 149.4 million. AKB is still in a growth phase and is taking advantage of the opportunities that arise to attract well-qualified staff. At the end of the year, the number of full-time equivalents increased by 40.5 to around 878 (+4.8%), making AKB one of the most important employers in the Canton. The number of employees undergoing training increased by 20 to 112 people. The fact that AKB is an attractive employer is also reflected in the low number of vacancies. This is based on a people-centric and performance-focused corporate culture that offers employees development and further training opportunities as well as modern working models.

General and administrative expenses were reduced by an impressive CHF 5.4 million or 5.5% to CHF 92.4 million thanks to focused efforts and cost discipline. The reductions related mainly to IT costs, which account for over 40% of general and administrative expenses, as well as marketing and communication expenses.

AKB paid the Canton of Aargau CHF 15.2 million as compensation for the state guarantee. This figure was CHF 0.5 million higher than the previous year. CHF 1.5 million was allocated to the AKB foundation LEBENSRAUM AARGAU for its charitable projects in the market area.

The reductions in general and administrative expenses led to lower operating expenses of CHF 241.8 million. This represents a decline of CHF 2.1 million (-0.9%) compared to the same period in the previous year.

Operating profit, net profit and profitability

Operating result amounted to CHF 238.7 million, which was down 19.7% on the previous year but slightly above expectations. Net profit for the year amounted to CHF 197.2 million, which was CHF 54.0 million or 21.5% below the previous year's figure. The cost-income ratio was 50.3%, reflecting

the operational efficiency of the universal bank, including when compared with other market operators. Taking into account the low level of amortisation/depreciation, AKB is one of the most efficient universal banks in Switzerland. The return on equity was 7.7%, thus fulfilling the strategic requirements of the owner.

Canton of Aargau as owner receives CHF 115.2 million

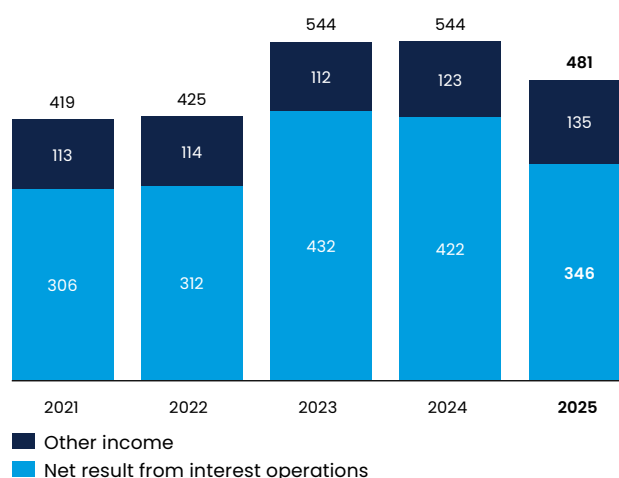
The Board of Directors has proposed to the Executive Council and for the attention of the Grand Council a distribution to the canton of Aargau of CHF 100 million (previous year: CHF 114 million). Together with the payment of the state guarantee in the amount of CHF 15.2 million, the canton of Aargau will receive total remuneration of CHF 115.2 million for the 2025 financial year. In addition, AKB will pay CHF 11.6 million in taxes to the municipalities where AKB is located. In total, CHF 126.8 million (-10.5%) will be transferred to the public sector.

AKB is very well capitalised – including under the new Basel III final regulatory requirements

The Basel III final standards entered into force in Switzerland in January 2025. As a result of the planned appropriation of profit and the allocation of CHF 30.1 million to the reserves for general banking risks, AKB strengthened its equity

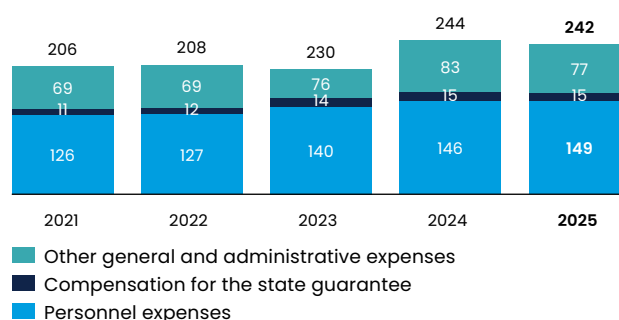
481 m

Operating income in CHF m



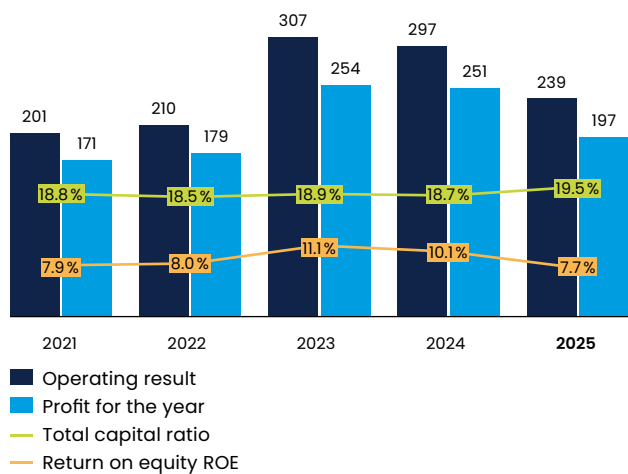
242 m

Operating expenses in CHF m



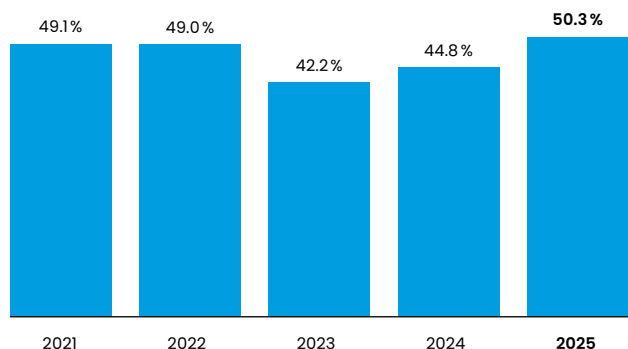
Operating result, profit for the year, total capital ratio and return on equity (ROE)

in CHF m



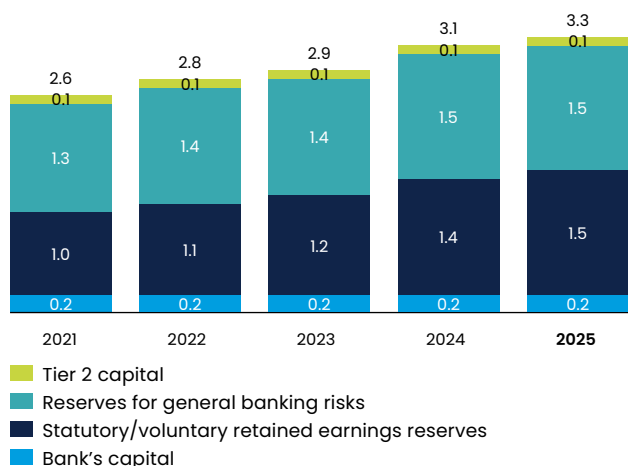
50.3%

Cost-income ratio in percentage
(incl. compensation for the state guarantee)



3.3 bn

Total capital after distribution of net profit
in CHF bn



position by CHF 132.0 million, which thus amounted to CHF 3.3 billion on the reference date. AKB will therefore be in a position to facilitate the financing of projects of companies and private individuals through equity financing without any difficulty also in the future, without having to raise additional own funds on the capital market or to request them from the owner.

The total capital ratio under the new Basel III final capital adequacy requirements increased to 19.5% (+0.8 percentage points) despite the strong growth in assets. AKB benefits from its largely self-occupied, high-quality loan portfolio with moderate loan-to-value ratios, which have been ascribed lower risk weighting under Basel III final. The total capital ratio according to the owner strategy amounts to 17.6% and remains within the strategic target range of 16–20%. The voluntary retained earnings reserves and the countercyclical capital buffer are deducted according to this calculation method.

Outlook

The economic policy decisions made last year, including above all the announcements and implementation of far-reaching trade tariffs by the US, have – at least so far – had noticeably fewer negative consequences than was expected. The slight global downturn in trade in industrial goods was more than offset by extremely solid performance in the services sector. While the monetary easing in Europe has largely come to an end, in view of the new Fed President and the forthcoming elections in November, AKB is expecting further interest rate cuts in the USA in order to support the labour market, which has recently shown signs of weakness. Economic uncertainty is still high this year. Developments in the US and the political stalemate in key European countries are likely to continue to fuel large inflows into the Swiss franc. It is therefore quite possible that inflation rates in Switzerland will continue to fall while the risk of deflation rises further. AKB therefore does not rule out the possibility that the SNB might be forced to cut the key interest rate further into negative territory during the year. Due to the persistently low interest rates, AKB is expecting the annual result for the current year to be slightly below the previous year's level.

Balance sheet

before appropriation of profit

in CHF 1000	31.12.2024	31.12.2025	Change in %
Assets			
Liquid assets	8 154 811	9 284 549	13.9
Amounts due from banks	645 509	404 033	-37.4
Amounts due from customers	1 777 764	1 744 955	-1.8
Mortgage loans	25 868 929	27 287 721	5.5
Trading portfolio assets	52 175	61 103	17.1
Positive replacement values of derivative financial instruments	94 154	37 597	-60.1
Financial investments	2 887 307	2 891 882	0.2
Accrued income and prepaid expenses	35 061	34 529	-1.5
Participations	17 737	17 730	-0.0
Tangible fixed assets	62 797	68 767	9.5
Other assets	13 768	26 686	93.8
Total assets	39 610 012	41 859 552	5.7
Total subordinated claims	-	-	n. a.
of which subject to mandatory conversion and/or debt waiver	-	-	n. a.
Liabilities			
Amounts due to banks	3 507 040	3 837 233	9.4
Liabilities from securities financing transactions	2 525 350	1 358 382	-46.2
Amounts due in respect of customer deposits	25 024 937	26 761 295	6.9
Negative replacement values of derivative financial instruments	56 182	70 190	24.9
Liabilities from other financial instruments at fair value	51 689	60 230	16.5
Cash bonds	8 045	6 890	-14.4
Bond issues and central mortgage institution loans	5 066 925	6 312 560	24.6
Accrued expenses and deferred income	126 113	132 252	4.9
Other liabilities	57 376	35 151	-38.7
Provisions	37 032	22 711	-38.7
Reserves for general banking risks	1 450 100	1 480 200	2.1
Bank's capital	200 000	200 000	-
Statutory retained earnings reserve	1 127 780	1 264 880	12.2
Voluntary retained earnings reserves	120 000	120 000	-
Profit carried forward	256	343	34.0
Profit	251 187	197 235	-21.5
Total liabilities	39 610 012	41 859 552	5.7
Total subordinated liabilities	-	-	n. a.
of which subject to mandatory conversion and/or debt waiver	-	-	n. a.
Off-balance-sheet transactions			
Contingent liabilities	259 249	289 980	11.9
Irrevocable commitments	1 651 488	1 654 981	0.2
Obligations to pay up shares and make further contributions	66 350	66 350	-
Credit commitments	-	-	n. a.

Income statement

in CHF 1000	2024	2025	Change in %
Result from interest operations			
Interest and discount income	628 627	388 014	-38.3
Interest and dividend income from financial investments	15 876	18 628	17.3
Interest expense	-210 651	-60 540	-71.3
Gross result from interest operations	433 852	346 102	-20.2
Changes in value adjustments for default risks and losses from interest operations	-12 175	-265	-97.8
Subtotal net result from interest operations	421 677	345 837	-18.0
Result from commission business and services			
Commission income from securities trading and investment activities	77 747	88 365	13.7
Commission income from lending activities	5 955	6 129	2.9
Commission income from other services	21 084	22 226	5.4
Commission expense	-15 378	-17 469	13.6
Subtotal result from commission business and services	89 408	99 251	11.0
Result from trading activities and the fair value option	26 967	30 818	14.3
Other result from ordinary activities			
Result from the disposal of financial investments	2 088	716	-65.7
Income from participations	1 915	1 928	0.7
Result from real estate	2 286	2 319	1.4
Other ordinary income	519	921	77.5
Other ordinary expenses	-597	-728	21.9
Subtotal other result from ordinary activities	6 211	5 156	-17.0
Operating income	544 263	481 062	-11.6
Operating expenses			
Personnel expenses	-146 114	-149 392	2.2
General and administrative expenses	-97 806	-92 427	-5.5
of which compensation for the state guarantee	-14 694	-15 229	3.6
Subtotal operating expenses	-243 920	-241 819	-0.9
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-7 684	-7 683	-0.0
Changes to provisions and other value adjustments, and losses	4 672	7 147	53.0
Operating result	297 331	238 707	-19.7
Extraordinary income	5	223	4 360.0
Extraordinary expenses	-	-	n. a.
Changes in reserves for general banking risks	-33 100	-30 100	-9.1
Taxes	-13 049	-11 595	-11.1
Profit	251 187	197 235	-21.5

Appropriation of profit

in CHF 1000	2024	2025	Change in %
Appropriation of profit			
Profit	251 187	197 235	-21.5
Profit carried forward	256	343	34.0
Distributable profit ¹⁾	251 443	197 577	-21.4
Allocation to statutory retained earnings reserve	137 100	106 300	-22.5
Withdrawal from voluntary retained earnings reserves	-	-9 000	n. a.
Distribution to the canton	114 000	100 000	-12.3
Profit carried forward	343	277	-19.2

¹⁾ The distributable profit 2025 is equal to the total of the unrounded profit and profit carried forward.

Risk Management

Risk management

In connection with its business model and its strategic orientation, AKB is mainly exposed to credit risks, market risks, liquidity risks, operational risks (including operational resilience and information security/cyber risks) as well as compliance risks.

At AKB, nature-related financial risks are defined as "horizontal risks", i.e. risks that manifest themselves in the aforementioned risk types. With regard to the disclosure of nature-related financial risks, please see AKB's Sustainability Report.

For AKB, risk management is a process in which all relevant risks with a potential negative impact on the Bank are systematically identified, assessed, managed and monitored. This process is supported by appropriate organisational structures as well as methods, tools and internal regulatory frameworks. AKB also strives to manage the risks in a transparent and timely manner within the defined limits.

I. Risk governance structure

Ultimate responsibility for risk management rests with the Board of Directors. It is responsible for the regulation, establishment and monitoring of effective risk management and overall risk management. To this end, it establishes the framework for institution-wide risk management.

The Audit and Risk Committee of the Board of Directors assists the Board of Directors in assessing and monitoring the functionality and appropriateness of the framework concept for institution-wide risk management.

The Executive Management is required to implement the operational business in accordance with the framework concept for institution-wide risk management. It must specify and implement appropriate processes for identifying, assessing, managing, monitoring and reporting on the risks taken by the Bank.

The Bank's risk governance is based on the concept of the three lines of defence.

First line of defence: risk ownership, assumption and management

The specific risk assumption is delegated by the Executive Management to the operational units by means of guidelines and instructions subject to clearly defined specifications and risk limits.

In some significant types of risk, risk assumption is also delegated to defined internal committees.

As Risk Officers, these operational bodies or committees are responsible for identifying, assessing, managing and monitoring risks.

Second line of defence: Risk monitoring and control

The second line of defence is used to manage and monitor the risk management functions of the first line of defence in the interests of the greatest possible effectiveness. This includes defining methods and procedures for risk management, guidelines, monitoring of risks and reporting to the company's management.

At AKB, the Risk/CRO and Compliance units constitute the second line of defence for risk management. The Risk/CRO sector, headed by the Chief Risk Officer (CRO), which belongs to the Finance & Risk division, comprises the functions of risk controlling, information security (including cyber security). They ensure the systematic monitoring and reporting of both individual and aggregated exposures. In addition to regular reports, a comprehensive and consolidated risk report for all material risk categories is prepared quarterly for the attention of the Executive Management, the Audit and Risk Committee and the Board of Directors.

In addition, the CRO immediately triggers the defined escalation and emergency procedures for significant risk-relevant developments. The CRO has direct access to the operational management, the Audit and Risk Committee and the Board of Directors.

Third line of defence: independent assurance

The independent internal auditing department, which is independent of and organisationally separate from the Executive Management, assists the Board of Directors in the performance of its senior management function. In this role, it assesses the Bank's risk management, controlling and governance processes.

II. Framework for institution-wide risk management

The Bank has a framework for institution-wide risk management specified by the Board of Directors. This consists of the internal regulations on risk policy, individual risk strategies, rules on risk tolerance and risk limits as well as the specific internal regulations and guidelines issued for the main types of risk.

Based on the risk profile and risk-bearing capacity of the Bank, the main types of risk are limited at the level of

the Board of Directors and the Executive Board. Quantitative and qualitative risk tolerances are reviewed at least once a year and monitored on an ongoing basis. Risk tolerances are set up so that they do not compromise the continued existence of the Bank even if they are cumulatively utilised.

The specific implementation rules regarding the tasks, competencies and responsibilities as well as the principles of identification, evaluation, management, monitoring and reporting are contained in the specific internal regulations on the main types of risk.

A. Credit risks

The credit regulations establish the regulatory framework for all banking transactions that generate credit risks for the Bank. At the implementation level, the credit regulations are supplemented by credit guidelines as well as by directives and process descriptions. The credit guidelines specify the regulatory principles and guidelines in lending based on the current risk assessment of the market and economic environment.

Credit risks are restricted by limits, quality requirements, fixed cover margins and guidelines on risk diversification. When loans and other exposures subject to credit risks are approved, creditworthiness and solvency are assessed according to uniform criteria. Authorisation is granted on a multi-level, risk-oriented basis.

The units responsible for acquiring and servicing clients are completely separate from loan processing and credit administration.

The credit risk monitoring at portfolio level is carried out by the Risk/CRO sector, which is independent of the sales organisation and monitors changes in the credit portfolio in a variety of ways. Appropriate methods and models are used to assess credit risks periodically and on an ad hoc basis. The aim of monitoring at the portfolio level is to identify at an early stage existing and potential credit risks due to concentrations, interdependencies or influences of significant market developments and to evaluate and demonstrate their effects on the risk tolerance, risk limits or thresholds of the Bank as a whole.

Monthly reports regarding changes in the credit portfolio are sent to the senior credit approval department. The Executive Management, the Audit and Risk Committee and the Board of Directors are each informed about the specific credit risk analyses. In addition, the risk assessment of the entire loan portfolio is reported in detail quarterly.

To measure and manage credit risk, the Bank classifies its loans according to a rating system. The system is used to ensure the uniform assessment of credit risks and to determine the expected losses which the Bank faces when lending. This component is used for the risk-based definition of credit conditions and thereby directly influences the conclusion of credit transactions.

Methods used to identify credit risks and to determine impairments

Besides a comprehensive rating system, credit monitoring is based on defined early warning indicators (exceeded thresholds, outstanding interest, etc.), which point to a deterioration in credit quality as early as possible and ensure the timely introduction of corrective measures.

AKB differentiates between three types of credit risk prevention: Specific loss allowances, impairments and provisions for inherent credit risks (latent risk of loss on the loan portfolio under current market conditions) and risk provisions (potential risk of loss on the loan portfolio due to macroeconomic stress).

Specific loss allowances

The Bank attaches great importance to the consistent management of problem exposures and loss positions. Support is provided by the Recovery department, either directly or together with the client advisor of the sales organisation, for exposures that are impaired or for which provisions have been set aside as well as for exposures that are non-performing. In addition, Recovery monitors the "watchlist" exposures and, along with the Real Estate Management department, is also responsible for the management and the rapid re-sale of properties foreclosed on by the Bank.

Receivables for which the Bank considers it unlikely that the borrower will be able to fully comply with its future obligations are considered at risk. Loans at risk are valued individually and the impairment is covered by specific loss allowances.

Impairments and provisions for inherent credit risks

Impairments and provisions are recognised for non-impaired receivables where "inherent credit risks" exist. These are calculated using the following methods:

- Credit value-at-risk (credit VaR): Receivables from clients/mortgage loans/contingent liabilities/irrevocable commitments;
- Expected loss (ECL): Receivables from banks and financial assets (held by the Bank as financial assets to maturity)

The parameters used to calculate the credit VaR are the probability of default within one year (PD) by the debtor, the expected loss given default (LGD) and the credit volume or credit risk (exposure at default, EAD).

The calculation of the credit VaR is based on a 99.9% loss distribution determined by AKB and is established on the basis of a Monte Carlo simulation. The resulting loss distribution indicates the loss that the credit portfolio will not exceed within one year in 999 out of 1,000 cases. The risk of such a loss is inherent to the credit portfolio, and the credit VaR thus represents the inherent risk within the current client loan portfolio.

The Monte Carlo simulation is similar to the stress test for risk provisioning, although the risk parameters PD, LGD and EAD are not additionally stressed when calculating the inherent default risks.

The reference dates for recognition of the portfolio of inherent default risks are 30 June and 31 December. The allocation occurs according to the “high-water mark” method, i.e. an allocation is only made if the credit VaR calculated for the client portfolio and the ECL from receivables from banks and financial assets is higher than the impairments and provisions for inherent credit risks.

The impairments and provisions for inherent credit risks created can be used to create specific loss allowances in an extraordinary risk situation. For an extraordinary risk situation to be recognised, AKB must be in an exceptional risk situation and the Bank must consider this economic situation to be negative.

AKB is considered to be in an exceptional risk situation if the cumulative specific loss allowances and provisions for credit risks created during the last twelve months exceed a certain percentage of the total impairments and provisions for inherent credit risks as at the reporting date.

When a negative assessment of the overall economic situation is evaluated by internal AKB experts, a variety of economic indicators are applied including, for example, the Aargau Economic and Real Estate Barometer (Aargauer Konjunktur- und Immobilienbarometer), stock market trends, GDP growth and the Swiss unemployment rate.

In an extraordinary risk situation, the creation of impairments and provisions for inherent credit risks can be disregarded in accordance with the specified methodology and the impairments and provisions previously created can be used in accordance with the intended purpose. This means that the new specific loss allowances are recognised at the expense of impairments/provisions already recognised for the inherent credit risks of the exposure / contingent liability concerned. The respective suspension or intended use may not exceed the gross amount of specific loss allowances in the respective reporting year.

The extraordinary risk situation must be reviewed no later than 36 months after recognition, thereafter at least once a year, and reversed if the defined criteria are no longer met. If the extraordinary risk situation is reversed, the existing shortfall in impairments and provisions for inherent credit risks must be reduced again within a maximum of five years.

In reporting year 2025, no impairments or provisions for inherent credit risks were used to create specific loss allowances.

The impairments and provisions for inherent credit risks as at 31 December 2025 corresponded in full to the internal model calculations mentioned above.

Risk provisions – reserves for general banking risks

“Risk provisioning” serves to avert future stress losses from client loans. Its aim is to create additional, voluntary reserves for unexpected loan defaults and to use these reserves to cover losses when singular adverse events occur.

The calculation is based on internal macroeconomic stress scenarios. The allocation to the account “Risk provisioning” accounted for separately under the balance sheet heading “Reserves for general banking risks” is performed according to the “high watermark method”, i.e. an allocation is performed only if the losses calculated in the stress scenarios less the losses calculated for the inherent default risks are greater than the amount of risk provisioning. The addition or release is made via the income statement item “Changes in reserves for general banking risks”.

The effects of the losses based on the stress scenarios on the capital situation are shown in AKB’s financial and capital planning. The results show that, in the event of very high credit losses affecting the entire banking industry equally, the Bank itself would still have intact equity coverage thanks to the full array of risk prevention measures, meaning that the ordinary course of business is safeguarded in compliance with the capital adequacy requirements.

1. Client loans

The core business of AKB is the granting of mortgages and other mortgage-backed loans. To determine the maximum amount of property financing, the following factors are decisive: collateral values internally defined by the Bank for each property type, the financial viability of the borrower and the observance of amortisation principles. The criteria to be applied are set out in the credit guidelines.

Loans collateralised with securities are subject to guidelines on the assets accepted as securities and their collateral values. The guidelines are restricted on the basis of risk-based criteria and are assessed periodically.

Valuation of collateral

To value property, AKB employs experts to support the client advisor and the approval entities in technical matters, decisions and judgements. The guidelines for valuing all kinds of property are subject to binding regulations. The client advisors can make decisions on standard transactions on their own authority using a set of estimation tools. Properties that do not satisfy the defined parameters for standard transactions are assessed exclusively by real estate experts. They are based in a central unit independent of the front office. For the majority of standard transactions, either a hedonic model for owner-occupied homes and single-family homes, or a capitalised earnings method for multi-family homes and simple residential and commercial buildings is used. Both estimation tools are integrated into the lending process and ensure an efficient and consistent evaluation.

The value of securities collateral is monitored daily. If the collateral values fall below the loan exposure amount, the outstanding amount needs to be reduced or additional collateral must be provided. In exceptional market conditions or in the case of a growing cover shortfall, the collateral is realised and the loan closed out.

The relevant evaluation criteria for commercial loans are mainly future earnings outlook, market position, an assessment by management and the financial ability to repay the loan on schedule.

There are also limits that address and constrain risk exposures in the loan portfolio, taking into account a risk measure (considering, amongst other things, the type of collateral and the loan-to-value ratio).

2. Credit risks from trading

Responsibilities and technical tasks related to credit risks from trading, including the internal standards for the application of risk mitigation techniques, are set out in the loan regulations, in the credit guidelines and at instruction level. Counterparty risks in interbank business are capped by a limit system. Limits must be approved by the competent approval entities at the request of the operational units in the trading department in accordance with the allocation of authority. The approval entities are completely separate from the units making the request. The limits are reviewed for appropriateness at least once a year. To reduce wrong-way risks, care is taken to ensure appropriate diversification.

Compliance with limits is monitored daily by the Risk/CRO sector and reported on a monthly basis. Furthermore, each quarter the Audit and Risk Committee and the Board of Directors are informed about limit compliance, risk assessment and particular findings.

AKB conducts interbank business primarily for liquidity management and handling of client orders (international payments). This involves short-term money market deposits and transfers from domestic and foreign banks.

3. Country risks

Country risks are limited by the Board of Directors through pre-determined thresholds based on the rating category. Within these thresholds, the competent credit committee sets additional limits in the form of individual limits per country. The Risk/CRO sector monitors compliance with country limits. Exposures in risk countries are assessed at least twice a year for traceability and impairments made if necessary.

B. Market risks

Market risks refer to the risk of losses resulting from changes in market prices (e.g. equities, exchange rates, interest rates) and factors influenced by market price (e.g. volatilities and correlations). A distinction is drawn between the following sub-risk categories: "Market risks in the trading book", "Interest rate risks in the banking book" and "Other market risks in the banking book".

1. Market risks in the trading book

AKB's trading business focuses on client business. The primary objective of proprietary trading is to support and optimise this client business. Holding own nostro positions in the trading book makes it possible, particularly in the area of foreign exchange, to offer AKB clients more attractive prices than would be possible if the

respective positions were exclusively negotiated directly with a single third-party provider.

Financial instruments acquired with the direct intention of trading, where the Bank intends to hold the positions over the short term in order to benefit from market price fluctuations or to generate arbitrage gains, are allocated to the trading book and measured at fair value based on daily market prices. Proprietary trading also includes positions held for the purpose of hedging other positions within the trading book.

Positions in the trading book that have been held for an extended period without significant trading activity or market price discounting and therefore no longer exhibit the typical characteristics of short-term traded positions are referred to as "stale positions". These positions are subject to monitoring by Risk/CRO to ensure that they continue to meet the criteria for the trading book and are appropriately valued.

These trading positions are actively managed within the defined risk tolerance and risk limits exclusively by the "Forex", "Equities" and "Interest" trading desks. The Bank also acts as an issuer of certificates. The underlying assets or securities of the certificates are held in the trading portfolio as a hedged item.

The specific tasks, competencies and responsibilities as well as the principles of identification and evaluation, limitation and management, monitoring and reporting of the Bank's trading activities are regulated in the internal trading regulations. Entering into risks as a result of proprietary trading is governed in detail by the internal trading guidelines and dealer-specific instructions. With the exception of self-issued certificates, AKB does not engage in any market making activities.

Derivative financial instruments are used in foreign exchange, interest rate, and securities trading, both on own account and on behalf of clients. Trading involves both standardized instruments and over-the-counter (OTC) instruments.

Market risk is capped by Value at Risk (VaR) limits as well as position and daily loss limits.

The risk tolerance for the entire trading book (forex, equities and interest) is determined as VaR limits by the Board of Directors and its adequacy is verified at least annually. At Executive Management level, the risk tolerance is allocated as VaR risk limits to the individual "Forex", "Equities" and "Interest" trading desks. Daily monitoring of the VaR limits is carried out by the Risk/CRO sector, which is an independent unit of the trading department. Daily reports on the utilisation of the VaR limit are sent to the competent department manager and managers of each trading desk, on a monthly basis to the Executive Management and on a quarterly basis to the Audit and Risk Committee and the Board of Directors.

For the monitoring and reporting of market risks in the trading book, the Risk/CRO sector has a dedicated IT

system that derives the trading book positions directly from the core banking system, evaluates them independently and calculates the limit utilisation.

The position and daily loss limits are set by the Executive Board within the framework of the trading guidelines and monitored by the respective manager of the corresponding trading desk. The position limits restrict the exposure for each dealer and are designed to protect the Bank from excessive exposure.

The daily loss limits are intended to restrict short-term losses due to major market volatility and prevent the Bank from exceeding its risk tolerance and/or VaR risk limits through an accumulation of realised and unrealised losses.

2. Interest rate risks in the banking book

The purpose of interest rate risk management is to ease any pressure on margins caused by changes in market prices and client behaviour, to strengthen the Bank's solvency and thus to safeguard the stability of its capital base by means of optimum balance sheet structure management. Balance sheet structure management is based on the internal regulations for liquidity and balance sheet structure management (Liquiditäts- und Bilanzstrukturmanagement; LBSM) and the corresponding guidelines.

The "Liquidity & ALM Board" (LAB) is the strategic decision-making committee for monitoring and managing interest rate risks, within the framework of the competencies and limits set by the Board of Directors. The LAB meets monthly and delegates certain well-defined tasks, competencies and responsibilities to the "Liquidity & ALM Committee" (LAC). The LAC is an expert committee that meets at least once each month and supports the LAB in controlling and managing strategic liquidity and interest rate risks. The LAB comprises the members of the Executive Management and the advisory members of the LAC.

The "Treasury" organisational unit is responsible for implementing the strategic decisions of the LAB. Risk/CRO conducts the supervision/monitoring of the implementation of strategic decisions by the LAB and its compliance with the limits, independently from the operational units. It is also responsible for the monthly risk reporting to the LAC and LAB and quarterly reporting to the Audit and Risk Committee and the Board of Directors.

The management of interest rate risks is based on the present value method and focuses on limiting the negative impact in the net present value of the Bank's capital base and the income effect.

To calculate the present value of the Bank's capital base, fixed interest rate products are divided according to their maturity and variable interest rate products are replicated. The replication is reviewed annually for its effectiveness.

Interest rate risks are monitored on the basis of static (sensitivity, present value of the Bank's capital and VaR)

and dynamic calculations (simulations of potential market scenarios). The Bank manages the interest rate risks through on-balance sheet measures. Hedging is conducted depending on the assessment of interest rate risk.

Interest rate risks are limited by the risk tolerance specified by the Board of Directors by limiting the maximum present value loss in the Bank's capital base. The Risk/CRO sector carries out regular simulations to determine future trends in the Bank's earnings from interest operations. Both the value effect and income effect are measured here.

The net present value of the Bank's capital base is stressed monthly by means of six different changes in the yield curve. The LAB is informed monthly of the scenarios used and the resulting changes in value.

Future potential changes in the interest balance (income effect) are stressed at regular intervals using various scenarios. These include both different changes in the yield curve and client behaviour, which can, depending on the interest rate environment, lead to massive shifts in capital. The interest balance calculated is based on a dynamic change in interest-bearing positions and the market environment. The results are discussed in the LAB and brought to the attention of the Audit and Risk Committee.

For the monitoring and reporting of interest rate risks as well as for the calculation of key figures and the implementation of stress scenarios, the Risk/CRO sector has a dedicated IT system that derives the balance sheet data directly from the core banking system.

Business policy on the use of derivative financial instruments

The instruments used for balance sheet management serve mainly to hedge interest rate and foreign currency risks in the banking book. Interest rate swaps and cross-currency swaps are also primarily used. Credit derivatives are not used.

Micro- and macro-hedges are used for hedging, with micro-hedges used to hedge the interest rate sensitivity of specific positions and macro-hedges used to hedge the interest rate sensitivity of a specific time bucket.

Hedging relationships, objectives and the effectiveness of specific hedges of derivative financial instruments are documented monthly by Risk/CRO and reported to the LAC/LAB.

The effectiveness of the hedging relationship is reviewed periodically by the independent Risk/CRO unit. For micro-hedges, it monitors whether the sensitivity of the hedging transactions does not exceed the sensitivity of the allocated hedged items by more than 20 per cent. The hedging transaction must always reduce the sensitivity of the hedged items overall. The effectiveness of macro-hedges is considered to have been demonstrated if the overall sensitivity of the banking book portfolio, including the

hedging transactions, is smaller than without the hedging transactions.

If a hedge is no longer considered effective, Risk/CRO reports this to the LAC, which then takes the necessary steps and ensures that the situation is handled correctly in accordance with the specifications of the FINMA Accounting Ordinance (ReIV-FINMA). There were no such hedging relationships in the reporting year.

3. Other market risks in the banking book

A VaR limit is in place to limit other market risks, which consist in particular of position risks from equity securities and from foreign currency positions.

C. Liquidity risk

The primary objective of liquidity management is to ensure the ongoing solvency of the Bank at all times, particularly during bank-specific and/or market-wide periods of stress.

The principles, responsibilities and competencies for managing liquidity risks are defined in the regulations and guidelines of the liquidity and balance sheet structure management.

The LAC is responsible for the central management of tactical liquidity. The LAC is responsible, among other duties, for developing and fleshing out strategies for managing liquidity risk and the liquidity reserves.

The Treasury central operational unit implements the tactical decisions of the LAC and safeguards and manages intraday or short-term liquidity. The Risk/CRO sector conducts the supervision and monitoring of the implementation of tactical decisions by the LAC and its compliance with the limits, independently from the operational units. It is also responsible for daily liquidity reporting to Treasury and monthly risk reporting to the LAC and the LAB. The Audit and Risk Committee and the Board of Directors are informed at least quarterly about changes in liquidity risks.

Operational measurement and management of liquidity risks is based on a daily liquidity schedule, which compares the expected cash inflows and outflows in a normal market phase.

The liquidity schedule therefore shows the time horizon over which the Bank is still liquid or viable.

Liquidity risks are monitored based on both static and dynamic calculations (including simulations of possible stress scenarios).

Liquidity risks are limited by rules governing the maintenance of liquidity reserves (e.g. on quality and diversification) and guidelines on the financing structure (e.g. on counterparties, maturity bands and currencies). In addition, the Board of Directors limits liquidity risk by setting the liquidity risk tolerance.

Liquidity risk tolerance is defined by a minimum time horizon during which the bank's solvency must be

continually maintained in a given stress scenario. Both institution-specific events and the effects of a global economic crisis are considered as possible stress scenarios.

To promptly detect risks in a liquidity position and potential funding options for the Bank, it has defined appropriate early warning indicators and set out potential emergency procedures with potential response measures. The defined early warning indicators are constantly monitored and improved on.

D. Operational risk

Operational risk management (OpRisk) is part of the independent risk controlling function within the Risk/CRO sector. OpRisk is responsible for the design, implementation and maintenance of an effective and efficient operational risk framework and ensures the comprehensive and systematic monitoring and reporting of operational risk.

AKB defines operational risks as the risk of losses resulting from inadequate or failed internal procedures, people or systems or from external events. Included are all legal risks, including fines from regulators and settlements.

Operational risks are managed comprehensively. In accordance with FINMA Circular 2023/1, they encompass risk from information and communications technology (ICT), information security/cyber risks, risks arising from critical data and from the design and implementation of business continuity management (BCM) as well as risks arising in relation to cooperation with third parties (TPRM). While BCM addresses the maintenance and restoration of specific business processes in the event of significant disruptions or interruptions, AKB's operational resilience refers to the strategic identification and strengthening of the functions of prime importance for the Bank and the financial market ("critical functions"). Operational resilience refers to the ability to restore critical functions within a specific period of time (known as tolerance for disruption). Operational resilience thus depends on robust management of the operational risks and BCM.

Strategic risks and reputational risks as secondary risks have an indirect effect on operational risks. Responsibility for strategic risks and reputational risks lies with the Board of Directors and the Executive Management respectively.

AKB defines OpRisk as a comprehensive process. The focus is on the risk-oriented protection of persons, services, information and assets of the individual areas of responsibility as well as the maintenance and restoration of critical business processes in an operational emergency.

The principles, responsibilities and competencies for the management of operational risks and designing the internal control system (ICS) are defined in the risk policy and a set of internal regulations.

Tolerance of operational risks and information security risks is limited and monitored by means of quantitative and qualitative principles and early warning indicators and security standards. In addition, the Board of Directors annually approves critical functions and the related tolerances of disruption. The basis for the management of operational risks is the inventory of inherent operational risks at the level of the Bank as a whole. For the identification and assessment of operational risks, AKB uses numerous instruments (including periodic risk and control assessments [RCA], continuous recording of loss events, an approval process for the introduction of new or major adjustments to existing products, services, processes or systems). Within the framework of RCA, for example, the operational risks of each business unit are assessed on a bottom-up basis on the basis of a defined methodology.

The operational risks identified are systematically categorised and prioritised. Operational risks are reduced by an effective and suitable ICS depending on the risk appetite/risk strategy.

The starting point for designing the ICS is a systematic risk analysis. This is the result of a comprehensive and systematic process to assess the overall risks to which the Bank is exposed. By conducting the systematic risk analysis, the Board of Directors ensures that all significant risks in the Bank are recorded, limited and monitored. It is also used as a basis for the regular review of the adequacy and effectiveness of the ICS.

Internal and external operational risk events are systematically analysed and assessed in order to identify the reasons for their occurrence and to close potential gaps in the ICS.

The Bank uses a tool for documenting, monitoring and evaluating the adequacy and effectiveness of the ICS.

Information security and cyber risks are managed on the basis of regular security analyses depending on the current threat landscape. It provides adequate and effective security measures to protect information and infrastructures with respect to the goals of protecting confidentiality, integrity, availability and traceability.

The appropriateness and effectiveness of internal controls are assessed by the division managers at least once a year. Another essential criterion of the assessment is the extent to which the ICS has been updated. The assessment is also the basis for defining and carrying out any necessary corrective actions. To reduce risk, specific types of insurance are also used. AKB's entire insurance portfolio is reviewed periodically by an external insurance broker, discussed with the Bank and approved by the Executive Management.

Precautions have been taken for critical processes under the BCM and the management of operational resilience. In this context, AKB takes recognised standards into account. The effectiveness of the measures taken and defined business continuity plans (BCP) as well as the functioning of the crisis team organisation

are regularly checked with tests and exercises, both as part of the BCM and within the ambit of operational resilience procedures.

The Audit and Risk Committee and the Board of Directors are informed quarterly about changes in early warning indicators, the assessment of operational risks, the testing and review activities carried out, including their results, and changes in the operational risk profile (including information security and cyber risks). Reporting includes the results of significant internal and relevant external operational risk events.

In addition, the CRO produces a yearly report for the Board of Directors, the Audit and Risk Committee and the Executive Management on the assessment of the ICS of the Bank as a whole. This report also contains the findings and changes in the risk situation with respect to operational risk, information security, BCM and operational resilience.

E. Compliance risk

Compliance risk refers to any legal, reputational and loss risks which may arise from the violation of legal or professional standards or ethical principles. The principles, responsibilities and competencies for the compliance risks are defined in a specific set of internal regulations and specifications. Compliance with legal, regulatory, professional or internal regulations is monitored by the independent compliance function within the General Counsel – Legal & Compliance sector.

Compliance activities relate in particular to combating money laundering and terrorist financing, implementing sanctions, preventing insider dealing, complying with the relevant legislation (banking, financial-market and stock exchange law), observing product distribution rules, monitoring the risks from cross-border client transactions, avoiding conflicts of interest and ensuring the tax transparency of the client funds deposited with AKB.

Compliance reviews the compliance risk inventory every six months. Compliance risks identified are managed and limited through the issue of directives, tailored operational systems and processes, employee training and downstream, independent monitoring and controls. The Compliance unit also advises the Executive Management and employees on compliance-related issues.

Significant events after the reporting date

No significant events occurred after the reporting date that had a significant influence on the Bank's financial position and financial performance as at 31 December 2025.

Key prudential metrics (KMI)

	e	d	c	b	a
in CHF 1000	31.12.2024	31.03.2025	30.06.2025	30.09.2025	31.12.2025
Eligible Capital					
1 Common equity tier 1 (CET1)	3 035 323		3 079 944		3 162 657
2 Tier 1 capital	3 035 323		3 079 944		3 162 657
3 Total capital	3 127 432		3 174 157		3 259 425
Risk-weighted assets (amounts)					
4 RWA	16 714 636		16 524 719		16 678 631
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio	18.2 %		18.6 %		19.0 %
6 Tier 1 ratio	18.2 %		18.6 %		19.0 %
7 Total capital ratio	18.7 %		19.2 %		19.5 %
Additional CET1 buffer requirements as a percentag of RWA					
8 Capital convation buffer as per the Basel minimum standards (2.5%)	2.5 %		2.5 %		2.5 %
11 Total of bank CET 1 specific buffer requirements	2.5 %		2.5 %		2.5 %
12 CET 1 available after meeting the bank's minimum capital requirements	10.7 %		11.2 %		11.5 %
Capital target ratios in accordance with Annex 8 of the CAO (% of RWA)					
12a Capital buffer in accordance with Annex 8 of the CAO	4.0 %		4.0 %		4.0 %
12b Countercyclical buffer in accordance with Art. 44 and 44a of the CAO	1.1 %		1.2 %		1.3 %
12c CET 1 target ratio in accordance with Annex 8 of the CAO plus the countercyclical buffer in accordance with Art. 44 and 44a of the CAO	8.9 %		9.0 %		9.1 %
12d T1 target ratio in accordance with Annex 8 of the CAO plus the countercyclical buffer in accordance with Art. 44 and 44a of the CAO	10.7 %		10.8 %		10.9 %
12e Total capital target ratio in accordance with Annex 8 of the CAO plus the countercyclical buffer in accordance with Art. 44 and 44a of the CAO	13.1 %		13.2 %		13.3 %
Leverage ratio according to the Basel minimum standard					
13 Total exposure (LRD)	40 972 326		41 947 446		43 158 875
14 Leverage ratio expressed as Tier 1 as a percentage of LRD including the effect of a temporary exemption of central bank balances	7.4 %		7.3 %		7.3 %
14e Minimum capital (Art. 42 CAO) ¹⁾	1 337 171		1 321 978		1 334 290
Liquidity coverage ratio (LCR) ²⁾					
15 LCR Numerator: total high quality liquid assets	7 182 973	7 368 812	8 042 166	9 200 270	9 103 120
16 LCR Denominator: net cash outflows	4 808 044	4 723 536	4 929 370	5 163 421	5 727 384
17 LCR in %	149.4 %	156.0 %	163.1 %	178.2 %	158.9 %
Net stable funding ratio (NSFR)					
18 Available stable refinancing	28 056 009		29 625 620		30 549 545
19 Required stable refinancing	20 022 343		21 521 136		22 149 762
20 NSFR in %	140.1 %		137.7 %		137.9 %

¹⁾ This corresponds to 8 percent of the RWA.

²⁾ The LCR values are shown as average values per quarter.

Sustainability Report

Foreword

Dear Reader

With the implementation of our updated overall bank strategy, sustainability remains a key pillar of how we think and act. During this past reporting year, we were able to make progress across all dimensions of sustainability.

We took further steps to implement our Climate Strategy, particularly within our core business. The AKB green mortgage was analysed, resulting in a revision of the framework and lending criteria. This has laid the foundation for providing greater support for energy-related renovation from 2026 onwards, thereby achieving a greater impact in terms of CO₂ reduction in the future. In doing so, we are pursuing the clear objective of meeting the climate-related expectations and needs of our clients. Furthermore, a pilot project was implemented within our corporate client business to support SMEs on their path towards greater sustainability.

In our investment business, we successfully introduced sustainable selection criteria for individual real estate funds and implemented all measures required under Self-Regulation 2.0 on time. In January 2025, we also launched an ESG engagement dialogue with listed Swiss real estate funds in collaboration with Inrate. In doing so, AKB is fulfilling its responsibility as an active investor.

At the same time, we launched various Human Resources initiatives to equip our managers for change processes. Our aim is to create a working environment in which people take responsibility and a culture of feedback and open communication is actively practised.

In the field of data protection (privacy), we have strengthened our governance, introduced new processes and technical safeguards, and provided training and awareness-raising for our employees. This ensures that we not only comply with increasing regulatory requirements but also live up to the trust our clients place in us.

Our sustainability efforts are also acknowledged outside the Bank. In November 2025, ISS ESG – an internationally recognised and independent rating agency – upgraded our rating from “C-” to the prime status “C”, with recognition of the highest level of transparency.

The various measures taken and the progress made show that we view sustainability as a whole and that, together with our employees, we are a trusted financial partner for our clients and the region.

Dieter Widmer, CEO

The AKB Sustainability Strategy

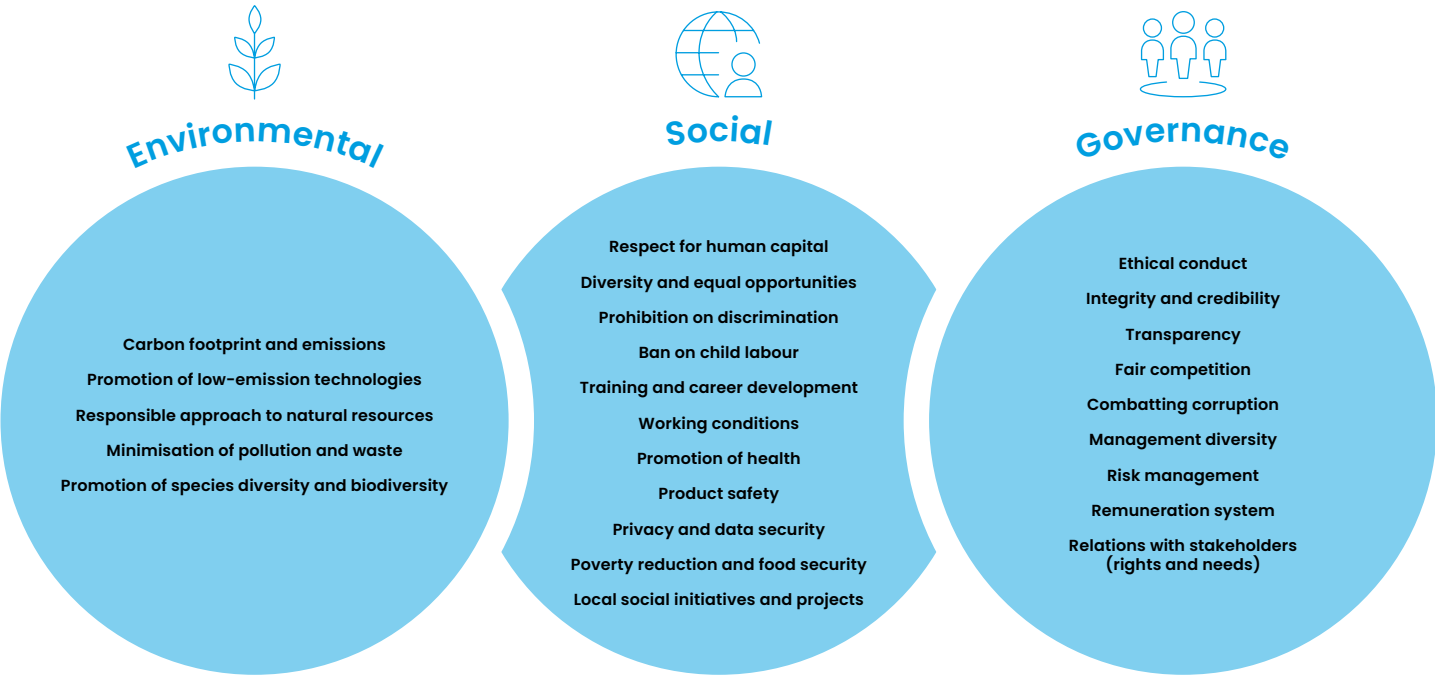
Sustainability is a key element of AKB’s strategic orientation. The Bank has established “We think sustainably” as one of three strategic priorities within the overall bank strategy for 2025–2028. As a regional and responsible financial services provider, AKB uses its influence to ensure that financial flows are directed towards meaningful uses and to reduce negative effects on sustainable development. With this aim in mind, it has derived the Agenda 2040 for its sustainability strategy:

- AKB offers sustainable products and services.
- It directs financial flows over the long term in an environmentally-friendly, climate-aware and socially responsible manner, acting in accordance with good governance processes while also ensuring economic success.
- It offers its employees an inspiring environment with which they can identify and acts as an attractive, trustworthy and reliable employer.
- It contributes to the sustainable transformation of the economy and society.
- It plays an active role in shaping a socially and economically strong, attractive and resilient Canton of Aargau.
- It acts sustainably in line with its ownership strategy, aligns its actions with the three ESG (E-Environmental, S-Social, G-Governance) target dimensions and maintains active dialogue with its owner.
- It acts in a credible manner.

The Bank focuses primarily on its core business and the associated advisory services, as this is where it can have the greatest impact. As a result, products and services need to continuously evolve with regard to ESG requirements. AKB is systematically expanding the comprehensive, expert advice on sustainability topics provided by its client advisors. AKB thus positions itself as a bank for sustainable products and services in the market area. Comprehensive information can be found on page 27 and page 32.

AKB also offers its employees an inspiring environment with which they can identify and takes social diversity into account within its workforce. Since, as a service-oriented company, the Bank is dependent on qualified specialists and a significant number of employees will retire in the medium term, it also focuses on succession and personnel planning. Further information can be found in chapter 5, page 29*.

AKB is fulfilling its responsibility to limit climate change and its effects through the measures set out in its Climate Strategy. The objective – in line with the Federal Government’s Climate Strategy – is to achieve net zero emissions across the Bank as a whole by 2050, and to steer financing toward low-emission development that is resilient to climate change. This also includes the company’s own



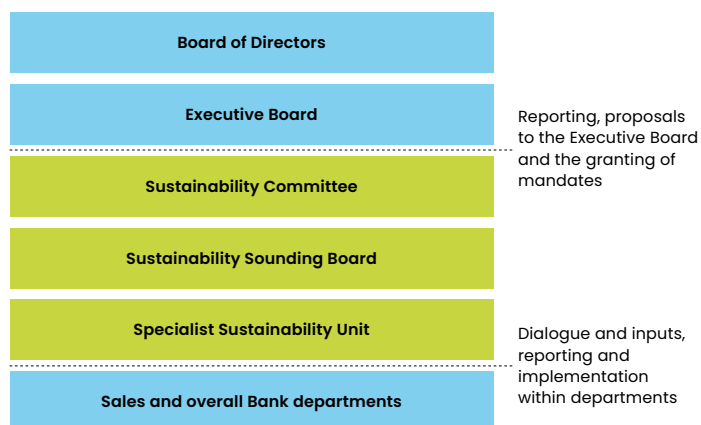
*The English version of the 2025 Sustainability Report is available for download at report.akb.ch.

operations. AKB aims to set a good example by reducing its own resource and energy consumption on an ongoing basis. An overview can be found in chapter 6, page 35*. Comprehensive information can be found in the Climate Report, page 54*.

AKB promotes sustainable economic development in the market area and the transformation of companies with specific products intended for SMEs as well as through targeted activities (chapter 7, page 38*). The Bank is committed to society through balanced sponsorship activities and the support provided to the foundation LEBENSRAUM AARGAU (chapter 8, page 41*).

Corporate governance – sustainable corporate governance

Sustainability is part of the Bank's corporate culture and organisation. The public service mandate of promoting economic and social development in the Canton of Aargau, which is enshrined in the Aargauische Kantonalbank Act (AKBG), provides the basis for this. The ownership strategy adopted on 24 January 2024 sets as a strategic objective the requirement for AKB to act sustainably and to align its actions with the three ESG target dimensions. The Bank has identified material topics for this purpose and sets itself annual targets, which are assessed and approved by the Board of Directors, AKB's supreme governance body. The ownership strategy also states that AKB must promote economic and social development in the Canton (further details can be found in chapter 7, page 38* and chapter 8, page 41*). AKB discloses the targets achieved in the Annual Report and Sustainability Report, in the Report on Operations of the foundation LEBENSRAUM AARGAU and within discussions with the owner.



The Board of Directors

The Board of Directors is responsible for overall management, supervision and control in the area of sustainability and adopts the Sustainability and Climate Strategy as well as relevant position papers as part of the Bank's overall strategy. The Board of Directors makes strategic decisions concerning the various sustainability topics and sets and monitors strategic metrics for the Executive Board within the context of annual targets. It is also responsible for external reporting on sustainability topics and adopts statements of principle such as the Sustainability Regulations. The Board of Directors is represented on the Sustain-

ability Committee by the Chair of the Audit and Risk Committee.

The Executive Board

The Executive Board implements sustainability considerations at the level of the Bank as a whole within everyday operations. It adopts and implements the sustainability sub-strategy in individual areas. It is represented on the Sustainability Committee by the CEO.

The Sustainability Committee

As a specialist committee, the Committee pursues the development of sustainability topics in accordance with the overall banking strategy as well as the sustainability sub-strategy and the climate strategy based on it. This includes the designation of priority areas for action, the preparation of decisions for the Executive Board and the pre-emption of trends and developments. The Sustainability Committee currently has eleven members. Further information is available at akb.ch/nachhaltigkeit.

Sustainability Sounding Board

The Sustainability Sounding Board is comprised of employees working in various areas and at various hierarchical levels within the Bank. It is intended as a reflection group for the Sustainability Committee, the Specialist Sustainability Unit as well as the relevant departments and as a source of input, especially in response to concerns and issues raised by client advisors.

Specialist Sustainability Unit

The Specialist Sustainability Unit coordinates and promotes efforts relating to sustainability throughout the Bank. It acts as an interface for sustainability topics with all stakeholders and reports regularly to the Sustainability Committee, the Executive Board and the Board of Directors. It implements the short-term, medium-term and long-term sustainability targets of AKB, acting in conjunction with departments. The specialist unit directs the Sustainability Committee and draws up a sustainability and climate report each year.

Departments

In the following areas, responsibility for implementing the sustainability topics and targets mentioned is clearly established:

- **Lending:** The Head of Credit Management and the credit specialist are responsible for incorporating ESG targets into lending business (mortgage and corporate credit), with the aim of structuring financial flows in an environmentally friendly and socially responsible manner.
- **Investment:** Two sustainability investment specialists are responsible for incorporating ESG targets into investment business, and create appropriate structures and processes in relation to asset management and investment advice.
- **Human Resources:** The co-heads of Human Resources Management ensure the long-term, socially responsible and economically expedient recruitment, development and retention of employees. In this role, they contribute to shaping the company's strategic agenda, develop and design the HR strategy and personnel policy, accompany processes of change, foster a corporate culture and are accountable for the necessary tools and processes.

- **Operational Ecology:** The Head of Infrastructure and Security is responsible, along with his department, for implementing the ISO 14001:2015 environmental management system. This includes optimising resource and energy consumption, business travel and other environmental matters such as waste separation and correct recycling across all AKB buildings and branches.
- **Risk:** The Risk Sector is responsible for analysing and monitoring transition-related and physical nature- and climate-related financial risks, and incorporates these accordingly into the risk management process (further details can be found in the Climate Report on page 54*).
- **Core Services:** A large team dedicated to basic services is responsible for the development of sustainable basic products for clients.
- **Sponsorships and Events:** The Sponsorships and Events Department ensures the sustainable focus of sponsorship activity and events at AKB and ensures that they make a positive contribution to social development in the Canton of Aargau.
- **Private and corporate clients:** The heads of the two areas "Private Clients and Private Banking" and "Corporate Clients and Institutional Banking", along with the respective teams, are responsible for the distribution of sustainable products and services and ensure the provision of expedient advice to clients.

The general principles of the Bank's organisation and the composition of its executive bodies are described in the Corporate Governance Report from page 75** of the Annual Report. The main features of the Bank's salary system as well as the rules for setting and disclosing the remuneration of the members of the Board of Directors and the Executive Board are disclosed in the Remuneration Report from page 82** of the Annual Report. Governance with regard to nature-related and climate-related opportunities and risks as well as other climate-related issues is described in the "Governance" section of the Climate Report on page 56*.

Dialogue with stakeholders

A lasting and successful relationship with stakeholders must be grounded on fair and respectful dealings with one another as well as transparent dialogue. Active dialogue is important for AKB for discussing the key aspects of sustainability, taking stock of current developments, reflecting on the efficacy of measures and identifying further measures. The Bank takes into account input obtained through dialogue with its stakeholder groups in its processes and decision making. These stakeholder groups are of key importance:

Employees

The expertise and know-how of all employees constitute the most important capital for the success and long-term continuity of AKB. Employees are trained and informed on an ongoing basis on sustainability. This takes place through information events, the "Sustainability" lunchtime series, training on specific topics, e-learning modules, written communications on the Intranet and within the employee magazine "Mosaik" as well as direct updates from line managers. In addition, sustainability experts provide information on AKB's sustainability activities across all

divisions. Employees' views are canvassed several times each year in the form of questionnaires on various issues.

Private clients

Private clients, each with their own individual needs, are at the heart of AKB's business activities. Client advisors maintain a close relationship with their clients from day to day by providing personal advice and support. As a reliable and fair business partner, the Bank tailors its services rigorously and professionally in line with their needs. It regularly surveys its private clients concerning particular sustainability issues. In addition, it specifically cultivates additional fora for dialogue such as the "AKB Denkfabrik" (akb.ch/denkfabrik).

Companies (corporate clients)

Companies are confronted with similar social, economic and global challenges as AKB. Traditionally, the Bank provides very close support to its corporate clients in various areas, raises decision makers' awareness concerning forthcoming developments and supports them in relation to various aspects of sustainability. The experience gained in the "AKB Förderprogramm" (AKB Sustainability Support Programme for SMEs) is incorporated into the advice provided. AKB promotes the exchange of knowledge and best practices through cooperation with partners such as the cantonal specialist body *energieberatungAARGAU* or *Hightech Zentrum Aargau*.

Institutional clients

AKB is an expert point of contact for institutional clients. It engages with these clients on strategic, analytical, operational and sustainability topics. With this objective in mind, it has expanded its investment reporting among other things.

Owner (Canton of Aargau)

AKB is resolutely committed to a sustainable business model, mindful of its responsibility for the economic development in the market area as well as its social engagement within the region. The Canton of Aargau benefits from this in the form of profit distributions, the payment of the state guarantee and an increase in corporate value. Discussions with the owner are held several times each year with representatives of the Executive Council, at which sustainability issues are addressed.

Politics/parties

AKB pursues active dialogue with politicians and parties. It frequently exchanges views directly with the Executive Council of the Canton of Aargau in its capacity as the cantonal supervisory body, the Grand Council of the Canton of Aargau, which exercises overall supervision, as well as the Grand Council Committee for the Economy and Tax. The annual accounts are approved, the amount to be distributed is determined and the Board of Directors is granted discharge according to this procedure. A regular exchange of views occurs with the parties in Aargau and their officials. In addition, the Bank regularly surveys the views of all representatives serving on the Grand Council in a sustainability survey in order to determine how they assess the effect of the Bank on the sustainable develop-

*The English version of the 2025 Sustainability Report is available for download at report.akb.ch.

** 2025 Annual Report available for download at report.akb.ch, only available in German.

ment of society, the environment and the economy in the Canton of Aargau. The Bank does not support parties or politicians with donations.

Suppliers and business partners

As a buyer of goods and services, AKB maintains a large network of relations with suppliers and business partners, which it regularly canvasses with sustainability surveys. When engaging with all suppliers and business partners, it ensures that they comply with environmental, labour and human rights standards. The Bank attaches great importance to ensuring that products and services purchased are as environmentally and socially responsible as possible in terms of their manufacture, use and disposal.

Associations

Thanks to its engagement within various associations, AKB makes an important contribution to the social and economic stability of the region and its economy, promoting independent opinion formation. These efforts are described in the chapter on “Memberships and initiatives” on page 45*. The Bank also regularly exchanges views with economic associations within the Canton of Aargau and their representatives.

Organisations/NGOs

AKB pursues active dialogue with various organisations and NGOs, for example with the WWF Switzerland. This means that it is possible to respond quickly to global and social developments and demands that have an impact on the Bank’s business operations. AKB incorporates this knowledge into processes and decision making.

Ratings agencies

AKB uses external sustainability ratings to enable its stakeholders to transparently assess its commitment to sustainability. The information required for these ratings is made publicly available as part of the sustainability reporting process and on the Bank’s website.

Material topics

During the reporting year, AKB conducted a survey of internal and external consultation groups in order to ensure that the materiality analysis takes into account the current expectations and demands of society, the economy and politics in the Canton. Stakeholders assessed AKB’s positive and negative impact on society and the environment. The survey evaluation confirmed the relevance of the material topics already identified. No changes occurred.

The following eight material topics form the basis for this report in accordance with the requirements of the GRI Standards 2021:

1. Engaging with digital responsibility
2. Compliance with legal requirements
3. Sustainable financing
4. Offer of sustainable investment products
5. Attractiveness as an employer
6. Climate responsibility
7. Economic development In the Canton of Aargau
8. Social engagement in the Canton of Aargau

In addition to the summary reporting on climate responsibility (chapter 6, page 35*), AKB will publish an integrated Climate Report for the second time on 26 March 2026. The Climate Report is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Other topics that are relevant but not material for the Bank are summarised in the “Other issues” section starting on page 43*.

Targets

AKB sets itself annual targets and collects key figures in relation to all eight material topics. The Bank reports transparently on the achievement of targets as well as measures and developments during the reporting year.

Achievement of 2025 sustainability targets

AKB set itself the following sustainability targets for material topics in 2025. The focus was on the targeted development of sustainable products and services. Six were achieved (in green) and two only partially (in orange).

	Material topics	Formulation of targets for 2025	Achievement of targets as at 31.12.2025
1	Engaging with digital responsibility	AKB employees are continuously improving how they handle data responsibly.	Thanks to regular awareness-raising measures and automated phishing and attack simulations, the associated click-through rate has been reduced to less than 5% (further details can be found in chapter 1, page 12*).
2	Compliance with legal requirements	The overall bank project on the AMLA defence system will be successfully implemented by 31 December 2025.	The AMLA defence framework system was successfully implemented (further details can be found in chapter 2, page 15*).
3	Sustainable financing	AKB promotes renovation projects with AKB green mortgages amounting to at least CHF 10 million.	AKB green mortgages totalling CHF 8.8 million were approved. This narrowly missed the target (further details can be found on page 27).
4	Offer of sustainable investment products	The list of recommendations now only includes sustainable real estate funds.	The list of recommendations has been revised with reference to a schedule of criteria and now only contains sustainable real estate funds (further details can be found on page 32).
5	Attractiveness as an employer	Managers play their key role in fostering a culture of learning, dealing with a continuously changing environment and shaping change.	An internal advanced training module for managers was launched, which was held once. Due to high demand, it will be held for a second time in the first quarter of 2026 (further details can be found in chapter 5, page 29*).
6	Climate responsibility	All AKB employees are familiar with AKB's Climate Strategy.	The Climate Strategy is presented to employees via various internal channels (e-learning, induction for new employees, presentations). Knowledge levels were not evaluated (further details can be found in chapter 6, page 35*).
7	Economic development in the Canton of Aargau	AKB makes targeted investments in innovative start-ups, the business purpose, products or services of which contribute to sustainable development.	AKB invested CHF 0.5 million in start-ups (further details can be found in chapter 7, page 38*).
8	Social engagement in the Canton of Aargau	10% of AKB employees make a positive contribution to society and the environment in the Canton of Aargau within the ambit of the voluntary one-day corporate volunteering programme.	Around 10% of AKB employees completed voluntary work in 2025 (further details can be found in chapter 8, page 41*).

2026 sustainability targets

AKB has set itself the following targets for 2026. For each material topic, one target that has a positive impact on social and/or environmental development has been formulated. Each target includes internal measures, clear metrics and a responsible body. The sustainability targets have been approved by the Board of Directors and incorporated into strategic metrics. They are accordingly relevant for the variable remuneration of the AKB Executive Board in accordance with the Bonus Regulations.

	Material topics	Formulation of targets for 2026
1	Engaging with digital responsibility	Data protection is extremely important for AKB. It is taking appropriate measures to ensure privacy.
2	Compliance with legal requirements	All e-learning courses assigned as part of the AMLA defence framework are successfully completed.
3	Sustainable financing	Within the financing business, a mortgage product is being developed that specifically promotes energy-efficient renovation.
4	Offer of sustainable investment products	90% of the bonds classified as "sustainability leaders" have a second-party opinion (SPO) and an impact report (if >12 months since issue).
5	Attractiveness as an employer	Managers play their key role in fostering a culture of learning, dealing with a continuously changing environment and shaping change.
6	Climate responsibility	When creating the HQLA bonds for liquidity management (own financial investments), the relative proportion of ESG bonds in CHF is increased. At least 50% of bonds maturing in 2026 are invested in ESG bonds.
7	Economic development in the Canton of Aargau	AKB makes targeted investments in innovative start-ups, the business purpose, products or services of which contribute to sustainable development.
8	Social engagement in the Canton of Aargau	>10% of AKB employees make a positive contribution to society and the environment in the Canton of Aargau within the ambit of the voluntary corporate volunteering day.

Further information on the objectives can be found in the individual sections on material topics.

Sustainability targets for 2025–2028

Long-term targets for the period 2025–2028 have been set as part of the overall banking strategy. The target and the current status of target achievement are described below.

Material topics	Formulation of targets by 2028	Achievement of targets as at 31.12.2025
3 Sustainable financing	The topic of sustainability, in particular the climate issue with a focus on the net zero target by 2050 according to the Federal Government's Climate Strategy, is addressed in discussions with all clients.	Initial partnerships with cantonal and federal agencies have been launched. In addition, the topic of climate change is already being discussed with selected corporate clients (further details can be found on page 27).
	The energy efficiency of properties and potential renovation options are discussed in relation to all new property financing (including industrial and commercial properties).	The topic of energy efficiency in residential properties and holiday homes is specifically addressed with the help of the EcoCheck tool (further details can be found in on page 27).
4 Offer of sustainable investment products	AKB's investment business has an ambitious climate policy: >50 % share of Paris-aligned securities in all asset management mandates for private clients and AKB portfolio funds. Client advisors only have access to AKB investment universes containing >50 % of Paris-aligned securities.	The definition of Paris alignment has been completed for all major asset categories (equities, bonds as well as equity and bond collective investment schemes) (further details can be found on page 32).
	At least 30 % of institutional asset management mandates are managed in accordance with AKB's Sustainable Investment Policy, including the Climate Policy.	No measures have been implemented yet regarding this aspect.
5 Attractiveness as an employer	Managers play their key role in fostering a culture of learning, dealing with a continuously changing environment and shaping change.	Through practical workshops, managers worked on individual change projects directly relevant for their day-to-day work (further details can be found in chapter 5, page 29*).
	The specialist, managerial and interpersonal skills of AKB employees are consistently supported and developed.	AKB has developed a holistic talent management policy. The policy is now being implemented in stages.
6 Climate responsibility	Diversity and inclusion are promoted in a targeted manner by creating an appreciative working environment in which trust, respect and personal responsibility are practised.	A shared understanding of inclusion and diversity was developed across different hierarchical levels. The high relevance of the topic has been acknowledged. Specific measures need to be developed.
	AKB is devising science-based reduction targets for its investment and mortgage business, corporate credit, its own operations as well as its own financial investments.	Reduction pathways for the mortgage business and the company's own operations are currently being devised. They are expected to be approved in 2026 (further details can be found in chapter 6, page 35*).

Sustainable financing

Relevance of the material topic for AKB

AKB is an important financing partner for private individuals and businesses, in particular local SMEs. It generates a large part of its income from interest operations within financing business, with the lion's share coming from the mortgage business. In principle, access to AKB financing is open to all private individuals and companies in the market area. This takes into account the requirements for creditworthiness and credit eligibility.

When granting loans, AKB takes account of environmental and social criteria in addition to financial criteria. Activities financed by loans have both positive and negative impacts on the environment, society and the economy. These effects occur indirectly for the bank through the borrowers: For example, financed properties can cause CO₂ emissions while SME financing can create jobs. Loans can also promote economic activities that are unsustainable – for example, if the loan is used to provide financial support to a company that is involved in human rights abuses such as child labour. AKB can manage these effects by structuring its lending policy, products and services.

A credit portfolio with a sustainable focus represents a lower risk for AKB over the long term as it demonstrates higher value stability. At the same time, increasing demand for sustainable financing is opening up new business opportunities. AKB actively supports its clients on the path towards greater sustainability with advice and comprehensive financial products.

Management system of material topics

AKB relies on the following levers to ensure the long-term, sustainable focus of its credit portfolio: Financial incentives and bespoke products promote environmental and/or social behaviour among its clients. In a face-to-face meeting, the Bank raises its clients' awareness for instance of the energy efficiency of any residential properties and holiday homes to be financed. With a responsible credit policy, AKB can exert a direct influence in terms of the companies or private individuals with which it establishes partnerships, or to which it grants financing, and on what terms. The credit check process also involved an assessment of identifiable material reputational risks. In order to counteract client over-indebtedness, AKB does not offer any micro-credit (and also does not offer any brokerage services).

Socially responsible lending

All financing requests are checked for credit eligibility (financial requirements applicable to the borrower) and

creditworthiness (personal requirements applicable to the borrower). AKB has six different competence levels. The particular competence level under which credit is approved depends on the size of the credit facility, the client segment, the credit rating and the type of financing. AKB's credit policy is based on clearly defined criteria. The aim is to ensure that borrowers only enter into obligations that reflect their financial capacity and do not take on disproportionate risks as a result. AKB pays particular attention to private clients aged 60 and above who have an increased need for advice and for whom loan affordability must be analysed in advance in view of their forthcoming retirement.

Homeowners often worry that their mortgage will not be continued by the Bank after retirement. As a reliable partner, AKB provides security to clients who have complied with their mortgage obligations reliably over the long term. The mortgage remains in place even after the borrower's retirement. In doing so, AKB is laying the foundations for peace of mind during retirement in one's own home, thus offering even more security and support to pensioners. In addition, the Bank provides comprehensive information on the subject of "home ownership during retirement" in order to prepare in the best possible way for the opportunities and challenges of this phase of life. Further information is available at akb.ch/sorgenfrei.

Dealing with clients in financially challenging circumstances

AKB seeks to establish a partnership with its clients, even if they fall into financial difficulty (clients with debt repayment problems). Every client with outstanding credit has a personal client advisor, who is familiar with the client's specific circumstances. Any financial difficulties arising are discussed comprehensively within advisory discussions so as to be in a position to understand and assess the situation. With this aim in mind, the client advisor receives assistance in the form of advice from internal credit specialists. Wherever possible and expedient, the Bank seeks an individual, long-term solution together with the client, subject to compliance with regulatory requirements. Possible support measures from AKB include the approval of overdraft increases against additional collateral, repayment deferrals, repayment plans to settle existing debts or the examination of a reasonable and appropriate modification of existing credit conditions on a case-by-case basis. In accordance with Article 104 of the Swiss Code of Obligations, AKB applies a maximum default interest rate of 5% per annum for mortgage-backed positions flagged to be wound down, i.e. clients in default who are not cooperating. The Bank complies with legal requirements during any debt collection process and assesses the circumstances of the client

involved when choosing the joint course of action. According to the law, the following warning signs in particular result in restructuring measures for corporate clients: a loss of one half of the capital (Article 725(1) CO) as well as liquidity problems or reasonable suspicion of over-indebtedness (Article 725(2) or (3) CO). In some cases AKB recommends that affected clients contact a restructuring advisor. AKB keeps a list of appropriate advisors. Clients are free to choose their own advisor and can decide for themselves whether and with whom they would like to cooperate.

AKB keeps a list of real estate agents and can make appropriate recommendations to private clients wishing to sell their property who require assistance. If a process involving the disposal of real estate cannot be prevented, AKB always complies with the applicable law and with the provisions of the Federal Act on Debt Enforcement and Bankruptcy, which ensures that the borrowers are given a fair hearing and that the dispute between the Bank and the debtor is overseen by an independent legal authority. Enforcement of the real property charge is only carried out as a last resort, and is always carried out by the competent government agency. In addition, the Federal Act on Debt Enforcement and Bankruptcy also provides for deadlines and the right to object. This ensures that a reasonable period of time until the ownership and/or creditor actually changes. The Bank files an application for disposal at the earliest six months after the issue of the payment order. AKB does not sell mortgages on owner-occupied homes without the explicit consent of the borrowers concerned.

ESG assessment criteria for corporate credit

The credit assessment for credit applications involving operating and investment credit as well as the financing of operational properties for operating companies is carried out primarily with reference to a classic creditworthiness and solvency check, as well as the future viability of the business model along with the revenue, asset and liquidity position. On the other hand, during the credit check process, AKB examines whether the primary business activities of a company applying for credit are centred on a particular field that is sensitive from an ESG perspective. The Bank has published its credit policy on the "Sustainable lending" website: akb.ch/nachhaltige-kreditvergabe.

The ESG sensitivity of a company is assessed on the basis of publicly available information as well as information available either to the company itself or to AKB. If a company has both a loan volume of at least CHF 500,000 (excluding mortgages) and at least 50 employees, the review is documented in the credit process using the "Sustainable lending" checklist. This checklist helps client advisors identify relevant ESG aspects for the client's respective industry. The structured lending process for larger transactions ensures that new applications are reviewed with the necessary care and sensitivity.

Companies seeking credit are divided into three categories:

- **No ESG sensitivity:** The company does not operate in sensitive areas from an ESG perspective and qualifies for normal lending conditions.

- **ESG sensitivity:** Credit applications made by companies with any of the business models indicated below are assessed exclusively by the highest credit approval authority with the involvement of internal sustainability experts:

- Production of or trade in alcoholic beverages – beer, wine and regional specialities are not affected by this
- Production of or trade in tobacco products
- Operation of gambling and casinos
- Production of or trade in weapons, accessories for weapons and munitions
- Operation of nuclear power plants, gas-fired power plants and oil-fired power plants as backup and emergency facilities

In doing so, the AKB also takes into account regional characteristics, traditions, cultural aspects, as well as security of supply. Where credit is provided to a company with increased ESG sensitivity, a higher interest rate and/or specific additional measures may be agreed upon with the company. The resulting contribution margin is used to promote sustainable activities in the market area.

- **Exclusion:** AKB does not provide any financing if it would entail any harm to humans or animals and/or damage to the environment or a violation of applicable law. Examples of this include child labour, forced labour or animal cruelty, and other ethically unacceptable practices. The principles of protecting people and the environment must be taken into account in relation to lending. The specific exclusion criteria as part of the credit policy can be found here: akb.ch/nachhaltige-kreditvergabe-kriterien.

AKB sustainability experts are systematically involved in the decision-making process for potentially critical loan applications. The check is documented in the loan application and assessed by the highest credit approval authorities.

Sustainable lending

"Sustainable lending" refers to the granting of loans and financing that take social and/or environmental sustainability criteria into account. AKB offers sustainable lending services to both private clients and companies.

AKB supports energy-efficient renovations in the mortgage business with the AKB green mortgage, which has a lower interest rate than conventional fixed-rate mortgages. The AKB allocation criteria can be applied for all types of property, i.e. both for owner-occupied homes as well as income-generating or commercial property. During the reporting year, the AKB green mortgage framework was reviewed and decoupled from the green bond and green time deposit products (for details, see below in the relevant section on developments during the reporting year). Whilst other financing products require a label or certificate, for renovations AKB relies on a bottom-up approach and rewards specific individual measures. These may include for instance renewal of energy source or window renovation, optimisation of insulation / outer shell or installing renewable energy sources, such as for instance a photovoltaic system. Evidence of energy-related measures must not be more than two years old. Once the AKB green mortgage

has expired, the mortgage will continue with conventional mortgage products.

Within the corporate client business, the Bank finances environmental or social projects with AKB sustainability loans. The AKB sustainability loan is offered at a more favourable interest rate compared to conventional investment loans. The AKB Sustainability-linked Loan promotes a sustainable focus for companies' overall business models, or individual aspects of them. AKB sustainability-linked loans are offered to clients who have already developed a clear sustainability strategy. The Bank actively engages in dialogue with the aim of jointly formulating tailor-made sustainability targets. The targets set are linked to the credit limit in the case of AKB sustainability-linked loans. If the targets are met, clients benefit from an interest rate advantage, and thus lower financing costs. Credit applications made by companies wishing to benefit from these sustainable financing variants are assessed by the highest credit approval authority with the involvement of internal sustainability experts. AKB bases its lending decisions on the Sustainability-linked Loan Principles, the Social Loan Principles and the Green Loan Principles of the Loan Syndications and Trading Association (LSTA). Further information: akb.ch/sustainable-lending.

Advisory services concerning all aspects of energy efficiency

Within the mortgage business, AKB raises awareness and advises clients as part of the advisory process (engagement) on the energy efficiency of residential properties and holiday homes as well as the financial and environmental value of renovation over the entire life cycle of the property. Client advisors can use tools to provide an initial assessment of the energy efficiency and CO₂ rating of a building. The rating is based on the cantonal building energy certificate (GEAK).

In addition, the tool can be used to propose potential investments to clients and to present modernisation plans to them. In addition, the possibility of municipal, cantonal or federal subsidies may be addressed directly in the advisory discussion with the client.

As energy-related renovation is demanding on both a technical and a planning level, AKB recommends that specialists are involved, and refers interested clients in the market area to [energieberatungAARGAU](https://www.energieberatung.aargau.ch) or the Energy Advisory Unit of the Canton of Solothurn. Further information: akb.ch/klimafreundlich-modernisieren.

Developments during the reporting year

Achievement of targets in 2025

In the 2025 financial year, AKB granted CHF 8.8 million in AKB green mortgages for renovation. AKB thus narrowly missed its target of CHF 10 million in AKB green mortgages for renovation. By adjusting the eligibility criteria for taking out an AKB green mortgage and launching a new renovation product (see below), the proportion of financing for renovations is to be increased in future.

Information on the implementation of the Climate Strategy in the mortgage business and corporate lending is explained in greater detail in the Climate Report on page 54*.

Adjustment to the AKB green mortgage framework and new framework conditions for green and social investment products

The AKB green mortgage framework was thoroughly reviewed in the reporting year. Following an in-depth analysis, it was decided to decouple the AKB green mortgage from the green bond and green time deposit products. In taking this action, AKB is better adapting to the market standard for green bonds.

The following action was taken: During the initial stage, the previous AKB Green Investment Products Framework was revised. It no longer focuses on the refinancing of the AKB green mortgage, but rather on financed properties. The new AKB Green and Social Investment Products Framework comprises two key areas.

- The Green Asset Pool contains Minergie-certified properties. The pool can be refinanced via green bonds and green time deposits.
- The social asset pool covers receivables from non-profit housing developers. The pool could be financed via a social bond or a social time deposit. Both of these would be new products for AKB. There are currently no plans to offer a social bond or social time deposit.

The framework has been externally certified by ISS Corporate. To date, no new green bonds and no social bonds have been issued under the new framework. Likewise, no new green time deposit was issued. The framework, the second party opinion of ISS and reporting on the use of funds are available on the AKB website: akb.ch/nachhaltige-bonds.

The AKB green mortgage framework will be further developed during the next stage. The focus will remain on energy-efficient renovation, sustainable new buildings and certified properties. When doing so, AKB attaches particular importance to providing targeted support for energy-related measures such as the replacement of heating or windows, thereby making an effective contribution to the sustainable renovation of real estate.

Credit portfolio

The loan portfolio of AKB is still comprised (unchanged) largely of mortgages, most of which are providing financing for owner-occupied homes (48.5%). 91.1% of financed properties are located in the market area of AKB. The remaining financed properties are located in other regions of Switzerland. During the reporting year the overall mortgage portfolio increased to CHF 27.3 billion.

Mortgage loans with an environmental benefit (AKB green mortgages) increased to CHF 545 million at the end of 2025. This equates to 2.0% of AKB's entire mortgage portfolio. The proportion of AKB green mortgages out of the overall mortgage portfolio might appear to be small at first, and can be explained by the more than 100-year history of AKB and the associated development of the mortgage portfolio. It must be borne in mind that the evidence of financing in the form of an AKB green mortgage must not be more than two years old and that the AKB green mortgage is automatically transformed into a conventional mortgage product at the end of the fixed term.

*The English version of the 2025 Sustainability Report is available for download at report.akb.ch.

Across the entire mortgage portfolio, the Bank financed 2710 Minergie buildings, which equates to 7.0% of the mortgage volume. In addition, the partner IAZI rated 8459 properties with an energy and CO₂ rating of A or B, which corresponds to 26% of the mortgage volume. IAZI's energy and CO₂ calculator uses a statistical model based on SIA standard 380/1. The energy and CO₂ rating derived from this is based on the GEAK rating scale. Buildings that achieve class A or B for both ratings are characterised by a well-insulated building shell. They do not cause any or only cause minimal CO₂ emissions, which in most cases meets with the legal requirements for new buildings. IAZI's valuation is determined on the basis of heat carrier data from the Federal Register of Buildings and Dwellings (GWR). As more than 60% of the data contained in the GWR originate from the year 2000, AKB intends to carry out further projects to update building data in the market area. This project is part of the defined Climate Strategy (akb.ch/climatestrategy). During the reporting year, the Canton of Aargau approved the plan devised for updating GWR data. Due to the significance of the data, AKB is providing financial support to the Canton for this project.

AKB grants companies both commercial credit limits as well as commercial mortgages. All financed companies are based in Switzerland, with 83% of the financed companies in the market area of AKB. The Bank largely finances SMEs (more than 90%), which is consistent with its service mandate. In 2025, the loan portfolio from corporate financing grew to CHF 11,201 million. It is comprised of unsecured loans, loans secured by a mortgage or other collateral, as well as mortgages for corporate clients. During the reporting year 2025, two new credit limits were granted as AKB sustainability loans. One credit limit was provided to finance a biogas plant, while the other is being used to purchase electric buses.

Sustainable lending

During the reporting year, AKB introduced seven new credit limits, which were classified as being subject to more stringent ESG scrutiny. A total of six loan applications that were somewhat sensitive from an ESG perspective were examined in detail by AKB's sustainability specialists. In 2025, the sustainable lending criteria of AKB were fulfilled in all cases. The "Sustainable lending" checklist has been revised and further adjusted. In addition, sector heads in the corporate client area were trained in how to use the checklist and have passed on this knowledge throughout their teams.

The total contribution margin from loans subject to more stringent ESG scrutiny was CHF 353,890 during the 2025 financial year. In addition to the contribution margin, the interest reductions from the green bonds (CHF 120,000) and green time deposits (CHF 2067) are also used to carry out sustainable activities in the market area. The contribution margin was used for the AKB Sustainability Support Programme for SMEs (CHF 120,000), the CAS "Sustainability as a Success Factor" (CHF 39,700) as well as for the interest discount on AKB green mortgages (CHF 1,049,900) and AKB sustainability-linked loans (CHF 24,833). Costs totalling CHF 1,234,067 were CHF 758,110 higher than the effective contribution margin. This difference was absorbed by AKB.

Advisory

Client advisors of AKB carry out an initial energy efficiency assessment in every financing meeting in which a new loan or an increase in the mortgage is requested for an owner-occupied or rented single-family home or holiday home. The process was further improved and simplified over the course of the year. An initial assessment is now only mandatory for properties that are more than 10 years old. For those built more recently, the initial assessment can be carried out as needed. As a result of this change, AKB is focusing on the relevant properties and providing clients with added value.

AKB is also supporting the Canton of Aargau in the series of lectures entitled "Future-proofing your home – energy, finance and generational transfer". At four information events held at different locations in the Canton, AKB explained why the life cycle of a property is also important from a banking perspective and presented the advisory services and products it offers in this context.

In accordance with the AKB Climate Strategy, AKB also aims to support sustainability ratings for SMEs. During the reporting year, various tools were evaluated and a pilot project with *esg2go* was successfully carried out. The findings will be incorporated into the further expansion of AKB's sustainability product range.

Outlook

In order for AKB to be able to cooperate with official bodies also in the area of corporate credit in future, discussions were held with various advisory bodies within the federal government and the cantons on various sustainability topics such as the circular economy and energy efficiency. In addition, the entire advisory process for corporate loans is to be expanded, taking account of sustainability aspects. Both projects will be pursued over the coming reporting year.

AKB also plans to launch a new sustainable lending product for energy-related renovation. The focus will be placed on replacing heating systems and windows, facade and roof renovation and solar systems.

Targets for 2026

Within the financing business, a mortgage product is being developed that specifically promotes energy-efficient renovation.

Key figures

Topic	GRI	Unit	2023	2024	2025
Mortgage loans	Own standard	in CHF million	24 228	25 869	27 288
Breakdown according to property type	GRI G4-FS6: Composition of the lending business by specific region, size and type of borrower	Number (total)	38 309	39 255	40 477
Residential properties		Number	34 517	35 364	36 487
Commercial properties		Number	2 165	2 251	2 334
Other properties		Number	1 627	1 640	1 656
AKB green mortgages	G4-FS8: Lending business with specific environmental benefits	in CHF million	389	495	545
AKB green mortgages as a proportion of mortgage loans		in percent	1.6 %	1.9 %	2.0 %
Proportion of mortgage loans for properties with an energy and CO ₂ rating of A or B		in percent		22.0 %	25.8 %
Proportion of mortgages for Minergie-certified buildings		in percent		6.5 %	7.0 %
Loans for non-profit housing developers	G4-FS8: Lending business with specific environmental benefits	in CHF million			341

Topic	GRI	Unit	2023	2024	2025
Composition of corporate client business including credit volume drawn down					
1-49 employees	G4-FS6: Composition of the lending business by specific region, size and type of borrower	Number			4 545
		in CHF million			8 056
50-249 employees		Number			333
		in CHF million			1 253
250+ employees		Number			139
		in CHF million			1 549
No information		Number			230
		in CHF million			343
Total corporate client business		Number	-	-	5 247
		in CHF million	-	10 679	11 201
AKB sustainability-linked loans	GRI G4-FS7 and GRI G4-FS8: Lending business with specific environmental and social benefits	Number	1	1	1
AKB sustainability loans		Number	0	1	3
AKB green corporate mortgages		Number	-	9	10
Portfolio volume of loans under ESG sensitivity	Own standard	in CHF million	29.4	5.2	15.1
Volume contribution margin including amount carried forward	Own standard	in CHF	583 524	348 158	475 957
Volume usage of contribution margin	Own standard	in CHF	790 102	1 098 639	1 234 067

Sustainable investment products offering

Relevance of the material topic for AKB

Revenues from asset management and investment advice account for a significant proportion of AKB's undifferentiated income. The Bank exerts a significant influence on how its clients' assets are invested and takes seriously its responsibility for the positive and negative effects on sustainable development of the respective investments. Wherever possible, AKB therefore takes account of sustainability criteria when assessing investment opportunities.

Management system of material topics

AKB's Sustainable Investment Policy aims to invest only in investments that have robust sustainability strategies. This reflects a sustainable tolerance objective in accordance with the self-regulatory instruments of the Swiss Bankers Association (SBA) and the Asset Management Association of Switzerland (AMAS).

The Bank is convinced that the incorporation of sustainable criteria into the process of selecting investments improves their risk profile and also opens up opportunities for companies and issuers alike, and thus also for investors, thanks to good sustainability management.

All asset management mandates for private clients along with the AKB funds ESG Fokus are subject to the AKB Sustainable Investment Policy. AKB does not pay retrocessions or passes any such amounts on to clients. The investor profile that determines the client's investment strategy is regularly updated. Where possible, the advisory universes for advisory clients also contain only investments that comply with the AKB Sustainable Investment Policy.

ESG preferences

At AKB, clients can choose between two ESG preferences: "neutral to interested regarding sustainability" and "very interested in sustainability". The investment approaches "exclusions," "solid sustainability management," "corporate engagement" and "engagement with real estate funds" are used for "neutral to interested regarding sustainability". Under the "very interested in sustainability" preference, these three investment approaches are supplemented by the "impact" investment approach.

Investment concept with four sustainability approaches

Exclusions

For direct investments in equities and bonds, the sustainability approaches "exclusions" and "solid sustainability management" are applied. During the first stage, business models involving high sustainability and reputational risks are excluded. These exclusion criteria are periodically

reviewed. Companies that violate any of the ten principles of the UN Global Compact (UNGC) are excluded. The principles require companies to respect international labour standards, to prevent damage to the environment and the combat corruption. AKB's portfolio companies and issuers respect the declaration of human rights by the application of exclusions in accordance with the UNGC Principles.

Solid sustainability management (best-in-class)

During the second stage, the sustainability performance of companies and issuers is assessed with reference to sustainability criteria. The sustainability performance of a company or issuer is considered to be solid by AKB if it is rated by the sustainability rating agency MSCI ESG as at least "BBB". This assessment guarantees that the management of the most important sustainability issues is done at least at an average level compared to the respective industry. The current catalogue of exclusion criteria and the detailed descriptions, including revenue thresholds, can be consulted at any time at akb.ch/nachhaltig-anlegen.

Around 14% of issuers have been excluded from the global bond universe with reference to exclusions and the assessment of sustainability management, and around 26% of companies from the global equity universe. The sustainability assessments of companies and issuers are reviewed monthly. Any stocks that are no longer sustainable are sold from the portfolio within a defined period of time (asset management business) or their sale is recommended (Advisory business) and the investment universe is adjusted accordingly.

The sustainability approaches "exclusions" and "solid sustainability management" are applied to the entire investment universe, within both asset management as well as advisory business.

Corporate engagement and engagement with real estate funds

In addition to these two sustainability approaches, working in partnership with Ethos Services AG, AKB has been conducting a dialogue (engagement) on sustainability topics since July 2024 with companies that have invested in the equity holdings of AKB funds and AKB asset management mandates. In addition, Inrate AG has been pursuing engagement with the fund management companies of listed Swiss real estate funds on behalf of AKB since January 2025.

In doing so, the Bank is fulfilling its responsibility as an active investor. The aim of the engagement is to improve

how companies and real estate funds deal with key sustainability topics.

Corporate engagement is currently focusing on the following topics:

- Climate protection
- Nature and biodiversity
- Working conditions and human rights
- Corporate governance

Ethos approaches the companies in the event of serious controversy on these topics (= reactive engagement). In Switzerland, Ethos systematically engages with the top 150 companies in the Swiss Performance Index (SPI). For international companies, the focus is on large-cap companies with exposure to the focus topics. In the event of any conflicts of interest with regard to the AKB client base, the interests of investment clients take precedence.

Within the dialogue, companies are shown where there are gaps compared to best practice and what improvements are expected based on the analyses of Ethos. In most cases, the engagement takes place over several years. However, if the engagement does not produce the expected results, Ethos may take intensification measures: these may include intervention at the Annual General Meeting, the issue of voting recommendations against motions and members of the Board of Directors or the submission of a shareholder proposal. If engagement does not bear fruit despite intensification measures, the positions of the company in question within the portfolios actively managed by AKB are significantly underweighted or sold.

Engagement with fund managers of real estate funds is currently focusing on the following topics:

- Climate
- Resource use
- Quality of life

The aim is to reduce greenhouse gas emissions from the properties included in the funds to net zero by 2050 by improving the management of these topics. The natural resources used by the properties should be protected and biodiversity preserved. Improving tenants' quality of life is another key objective.

A form of "light engagement" is pursued with all real estate funds listed on the Swiss Stock Exchange by e-mail or telephone. The primary objective is to exchange views on the results of the "ESG Impact Ratings for Real Estate," which Inrate prepares for all funds once a year. Five funds are selected each year for "full engagement" in partnership with AKB. Personal discussions are held with the fund managers on the topics for which Inrate has identified the greatest potential for improvement. In the event of any conflicts of interest with regard to the AKB client base, the interests of investment clients take precedence. During this engagement, fund management companies are shown where there are gaps to best practice and which improvements are expected based on Inrate's analyses. In most cases, the engagement takes place over several years.

If a commitment remains unsuccessful for an extended period of time and it is apparent, following consultation with Inrate, that this will not change in the foreseeable future, this may have a negative impact on the Inrate ESG Impact Rating for Real Estate, which is incorporated into the AKB rating system for the fund in question. AKB's investment in the fund concerned may be reduced or the fund may be removed from AKB's list of recommendations. The relevant decisions are documented internally and listed in the report on dialogue with Swiss real estate funds.

Further information on this engagement can be found in the "AKB Guidelines for Corporate Engagement on Sustainability Issues in the Investment Business" and the "AKB Guidelines for Engagement on Sustainability Issues with Real Estate Funds in the Investment Business" at akb.ch/nachhaltiges-anlegen.

Corporate engagement is one of AKB's stewardship measures for companies. As regards the second measure, the exercise of voting rights, the Fund Management Company Swisscanto exercises voting rights for AKB investment funds in accordance with ESG criteria. Further details can be found in the voting policy at annual general meetings of Swisscanto.¹

Impact

For clients who are "very interested" in sustainable investments, the "impact" sustainability approach is also applied. This includes investments that are classified by AKB as "sustainability leaders". Sustainability leaders are companies or issuers whose sustainability management is leading according to an industry or country comparison and therefore receive a rating of AAA from MSCI ESG. Impact-oriented bonds such as green bonds also fall into this category. In the case of collective investments, the following funds count amongst the sustainability leaders: Funds that meet AKB's selection criteria for collective investments to a very high degree, as well as impact-oriented collective investments that aim to achieve a previously identified and measurable impact on sustainable development. AKB is guided by the definition of impact used by the Global Impact Investing Network (thegiin.org).

Since 2024, AKB has been offering product lines that take into account all four sustainability approaches described above and thus specifically cover the needs of clients that are "very interested" in sustainable investing, including a "sustainable plus" asset management mandate. Currently, at least 40% of the portfolio for the "very interested in sustainability" investment solution is invested in investments that are classified as sustainability leaders by the Bank.

In 2025, 2.8% (previous year: 4.7%) of asset management and advisory clients profiled opted for the "very interested in sustainability" sustainability preference.

¹⁾ swisscanto-fondsleitungen.com/media/swcfl/dokumente/abstimmungspolitik-flag-de.pdf

Coverage of investment universes

Until now, the Sustainable Investment Policy of AKB has covered the investment categories of equities and bonds as well as the thematic areas of micro-finance, insurance-linked securities and gold. At the start of 2025, the sustainability approach was also implemented for fund of funds structures for listed Swiss real estate funds. Real estate funds that do not have a sustainability strategy are excluded. Sustainable criteria based on the Inrate ESG Impact for Real Estate are integrated into the model for selecting individual real estate funds. As described in the "Corporate engagement and engagement with real estate funds" section, engagement is also conducted with the managers of the real estate funds on sustainability topics. AKB applies accordingly the sustainable investment approaches "exclusion" and "ESG integration and dialogue (engagement)" for real estate funds of funds. When doing so, AKB pursues the objective of promoting sustainable business strategies and practices. Accordingly, the name of the retail fund AKB Immobilienwerte now also features the supplement "ESG Fokus", which has been approved by FINMA.

Other investments such as commodities are classified by AKB as "unrated" owing to the lack of any sustainability standards. The proportion of unrated or unsustainable investments may not exceed 30% for all AKB funds and AKB asset management mandates for private clients. The respective proportions for AKB funds can be found on the sustainability factsheets at akb.ch/anlagefonds. Statements of assets also contain this information.

The Bank closely monitors developments in terms of the offering of sustainable products and policies and regularly reviews whether to expand the Sustainable Investment Policy to additional investment categories and themes. A list of the other – clearly justified – exceptions from the Sustainable Investment Policy can be found at akb.ch/nachhaltig-anlegen.

Sustainability assessments of third-party funds and ETFs

The system of sustainability assessments for investment products of third-party providers is based on two pillars. First of all, the ESG Policy applied by the provider of the product is compared with that of AKB and assessed in order to establish its compatibility. Secondly, AKB makes sure whether the strategies referred to in the policy are being implemented within the product and whether there are any discrepancies with the AKB approach in terms of implementation. For thematic products, the assessment examines whether the theme is deemed to be sustainable from the perspective of AKB as well as the quality of implementation.

Two types of collective investment schemes qualify as "sustainability leaders":

- Collective investments that fulfil AKB's selection criteria to a very high degree
- Impact-oriented collective investments that aim to achieve a previously identified and measurable impact on sustainable development

In 2021 to 2025, AKB assessed more than 200 third-party products and was able to confirm the robustness and

reliability of its approach. 36 third-party products were classified as "sustainability leaders" at the end of 2025. Classifications are reviewed at least once a year.

Comprehensive transparency

AKB transparently indicates in periodic statements of assets, in asset reports and in e-banking how the relevant investment has been assessed by AKB in terms of the sustainability approach and focus. The reasons for classifying a company or issuer as "unsustainable" are also indicated in the statement of assets. In its investment proposals and statements of assets, AKB also discloses the proportion of portfolio positions that are regarded as sustainable and sustainability leaders. During the reporting year, a chart showing the distribution of direct investments in equities and bonds according to MSCI ESG ratings was added to investment proposals and statements of assets. A chart showing the proportion of each custody account for which engagement on ESG topics is being conducted on behalf of AKB with issuers of equities and bonds was also added. This informs clients about how their ESG preferences are reflected in their portfolios. Mandates for clients with the sustainability preference "very interested in sustainability" are reviewed quarterly to ensure compliance with the minimum proportion of sustainability leaders.

AKB prepares annual reports on corporate engagement and engagement with Swiss real estate funds conducted during the previous financial year, which it publishes on its website. The first report on corporate engagement was published in 2025. The first report on engagement with the fund management companies of real estate funds is planned for the second quarter of 2026.

AKB publishes quarterly sustainability factsheets on the AKB ESG portfolio funds. These provide information on the products' most important sustainability characteristics, including Swiss Climate Scores since early 2025. As such, AKB is making a contribution to transparency concerning sustainable investment, thereby preventing greenwashing.

Procurement of precious metals

AKB acts in accordance with the "Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (VSoTr; SR 221.433)" and declares that it procures physical precious metals for its clients exclusively via Zürcher Kantonalbank (ZKB). Under the terms of the contract concluded with ZKB, the Bank only purchases and sells precious metals that comply with the relevant market standards. For gold and silver these are the "Good Delivery Rules" of the London Bullion Market Association (LBMA), and for platinum and palladium the "Good Delivery Rules" of the London Platinum and Palladium Market Association (LPPM). These standards ensure that no breaches of human rights and no child labour occur and that no minerals are obtained from conflict-affected areas. This means that AKB is not subject to an additional due diligence obligation.

Developments during the reporting year

Achievement of targets in 2025

The development of sustainable selection criteria for individual real estate funds planned for 2025 has been

implemented. As of 1 December 2025, listed Swiss real estate funds have been marked as sustainable or unsustainable based on the Inrate ESG Impact Ratings for Real Estate.

Implementation of Self-Regulation 2.0

The revised versions of the self-regulations on sustainable investing, taking account of clients' ESG preferences issued by the industry associations AMAS and SBA in 2024 (SR 2.0) affect AKB's investment business in several respects and have had to be implemented since 1 January 2026. They focus on client documentation and reporting on the sustainability focus of asset management mandates and advisory accounts. According to the self-regulation, investment solutions that are marketed as sustainable (ESG Focus mandates and AKB funds) must comply with stricter requirements as regards sustainability objectives and the measurement of the sustainability approach. In order to comply with these regulations, AKB has updated all client documentation and included additional information in statements of assets on the sustainability focus of the investments held in client custody accounts. Statements of assets issued on 31 December 2025 contain information on the percentage distribution of MSCI ESG ratings for direct investments in equities and bonds as well as on the proportion of the portfolio for which AKB pursues corporate engagement on sustainability topics.

Although AKB's sustainable investment policy remained unchanged, its description has been clarified with regard to self-regulation and legal aspects. The fund documents of ESG Fokus AKB funds have also been amended in accordance with Self-Regulation 2.0. The revised fund documents took effect on 4 November 2025.

Implementation of the Climate Strategy

Various measures were taken to implement the Climate Strategy within the investment business in accordance with the 2028 Target Vision. Further information can be found in the Climate Report on page 54*.

Reporting on the sustainability characteristics of investment solutions

Since 2024, AKB has provided institutional clients with sustainability reports on their custody accounts that meet with the requirements of the Swiss Pension Fund Association (ASIP). Since the start of 2025, AKB has been publishing supplementary quarterly sustainability factsheets on behalf of investors in AKB ESG Fokus portfolio funds which, in addition to providing a range of sustainability indicators, also include the Swiss Climate Scores recommended by the Federal Council. At the end of 2025, statements of assets also started to include the MSCI ESG rating distribution of direct investments as well as the proportion of the portfolio for which corporate engagement is being conducted on behalf of AKB. In doing so, AKB is further increasing transparency regarding the sustainability focus of its investments.

The first report on the corporate engagement on sustainability topics was published in June 2025: akb.ch/unternehmensdialog-nachhaltigkeit-anlagen.

Introduction of engagement with real estate funds

Since January 2025, Inrate has been conducting engagement on ESG topics with listed Swiss real estate funds on behalf of AKB. The new sustainable focus of real estate funds of funds features the exclusion of real estate funds that do not have a sustainability strategy as well as the integration of sustainability criteria into the selection process.

Asset management mandates

AKB investment funds and standardised asset management mandates have been fully aligned with the Sustainable Investment Policy of AKB since the middle of 2021. Accordingly, as at 31 December 2025, 100% of private client mandates as well as the AKB investment funds ESG Fokus were invested according to the AKB Sustainable Investment Policy. The proportion for institutional mandates was 41.9%, which was slightly higher than the previous year (34.9%). In most cases, these mandates reflect specific client requirements, which are as a rule set out in separate investment regulations, and are not compatible with the application of the Sustainable Investment Policy in all instances. Over the longer term, AKB aims to further enhance the reach of sustainable investment by raising its clients' awareness of the benefits of a sustainable investment strategy.

The "sustainable plus" asset management mandates used for the sustainability preference "very interested in sustainability" accounted for 1.2% of all private asset management mandates at the end of 2025, representing a slight increase year on year (0.8%). The proportion of sustainability leaders within these mandates was between 44 and 48%.

Advisory mandates

Where possible, the investment advisory universes (equities, bonds, funds) only include sustainable investments. Clients are periodically informed about unsustainable investments in their custody accounts or about investments that deviate from their ESG preferences, and sustainable investment alternatives are recommended to them. At the end of 2025, 9.1% of the Portfolio and Fokus advisory accounts were invested by clients in sustainability leaders and 47.4% in sustainable investments. 38.9% originated from unrated investment categories (around 11.5% of which are indirect real estate investments) and 4.5% were rated by AKB as not sustainable. Under the sustainable investment approach for real estate introduced in 2025, the proportion of unrated asset classes has fallen by three percentage points.

Clients who manage securities positions independently without any advice from AKB are classified as "execution only". Since AKB is unable to exert any decision-making influence over these assets held in custody, they have not been assessed.

Green time deposit

Since 2022, AKB has been offering a sustainable alternative to the existing time deposit in the form of the "green time deposit". Until the end of 2025, the green time deposit was used exclusively to refinance the AKB green mortgage. As a result of the adjustment of the Green and Social Investment Products Framework in 2025, receivables relating to Miner-gie-certified properties will now be refinanced. With a small interest discount of 0.05% compared to conventional time

*The English version of the 2025 Sustainability Report is available for download at report.akb.ch.

deposits, clients support environmentally friendly construction projects. The new framework for the green time deposit has been externally certified by ISS Corporate. The portfolio of green time deposits declined (volume -37.5%) in 2025 as a result of interest rate cuts by the Swiss National Bank (SNB) and the corresponding interest rate adjustments.

Training employees in the investment business

In November 2025, all client advisors at the Bank received training on the changes associated with Self-Regulation 2.0. Further training in the area of sustainable investing was provided on the new reporting (ASIP Reports and Swiss Climate Scores).

The internal publication "Sustainable Investment News" provides monthly updates concerning sustainability issues, including articles on the following topics in 2025:

- Emissions trading schemes (ETS)
- Swiss climate scores
- AKB green bond and AKB green mortgage
- Exclusion criterion: weapons
- Reporting on corporate engagement in the investment business
- Impact of sustainable investment approaches on the real economy
- Sustainability approach for real estate funds

Outlook

Targets for 2026

For 2026, AKB has set itself the target of ensuring that at least 90% of impact bonds in its investment universes have the documentation required by the most important and widely used standards, such as a second-party opinion and an impact report.

Key figures

Topic	GRI	Unit	2023	2024	2025
Delegation Proportion of assets managed according to the Sustainable Investment Policy of AKB ¹⁾	GRI G4-FSII: Assets subject to positive and negative environmental or social screening				
Private clients (VVA ²⁾)		in CHF million	1 531	1 752	2 004
		in percent	100 %	100 %	100 %
AKB investment funds ESG Fokus ³⁾		in CHF million	1 698	1 996	2 399
		in percent	100 %	100 %	100 %
Institutional clients (VVA ²⁾ and AKB funds)		in CHF million	1 347	1 516	1 958
		in percent	33.8 %	34.9 %	41.9 %
Advisory Portfolio and Fokus advisory accounts ⁴⁾					
Proportion of sustainable investments		in percent	58.8 %	54.7 %	56.6 %
Proportion of non-sustainable investments		in percent	2.9 %	3.5 %	4.5 %
Proportion of unrated investments		in percent	38.3 %	41.8 %	38.9 %

¹⁾ The AKB Sustainable Investment Policy exclusively is applied to asset management mandates of private clients and AKB's own funds. In most cases client requirements, which only embrace the Sustainable Investment Policy to a limited extent, are most relevant for institutional clients.

²⁾ Asset management mandates

³⁾ Covers all category, portfolio and pension funds admitted for public distribution, excluding holdings in VVA.

⁴⁾ Investments in advisory accounts are based on individual recommendations.

Expansion of reporting

In 2026, AKB will publish detailed reports on corporate engagement as well as on engagement with real estate funds. The report on impact investments within "sustainable plus" asset management mandates, which will also be published for the first time in 2026, will provide AKB clients with information on the impact that their investments are having on the environment and society.

Implementation of the Climate Strategy

Implementing the measures defined in the Climate Strategy remains a priority. Clarification of the selection criteria for Paris-aligned investments as well as their integration into portfolio and fund construction will be further pursued during the 2026 financial year. Further details are explained in the Climate Report on page 54*.

