

Notes to the Financial statements

Comments on the activity

The Banque Cantonale de Fribourg (BCF) is a legal entity under public law distinct from the State. Its headquarters are in Fribourg.

Staff

As at 31 December 2025, the Bank had 602 employees (compared with 548 as at 31 December 2024), representing 495 full-time positions according to the FINMA directive (compared with 458 as at 31 December 2024).

Activities

BCF offers the services of a local universal bank. It plays a key role in the Fribourg banking market thanks to its knowledge of the economic fabric and its strong presence. It offers its clients tailor-made solutions. It concentrates its activities in the following areas:

Interest operations

With a share of 80% of total revenues, interest operations are the main source of income. Advances are generally granted in return for mortgage cover on residential, commercial and industrial buildings. Commercial loans are granted in particular to SMEs in all economic sectors of the Canton.

Changes in value adjustments for default risks and losses related to interest transactions are deducted from gross interest income and thus directly impact the interest margin.

The majority of interbank transactions are short- and medium-term. For long-term refinancing, BCF uses recourse to the capital market. It issues bonds in its own name at irregular intervals and, as a member of the Pfandbriefzentrale Schweizer Kantonalbanken, participates in the bonds issued by this organisation.

Interest rate risks are managed mainly through interest rate swaps.

Customer deposits, including cash bonds, cover 72% of the advances to customers.

Commission and service business

The commission and service business accounts for 13.8% of total revenues. Securities trading, investment advisory, wealth management, and payment transactions make up the majority of the commission and service business. These financial services are used by private clients, institutional investors and commercial companies.

Trading business

Trading business, which accounts for 3.0% of total revenues, consists mainly of foreign exchange, precious metals and currency transactions carried out on behalf of clients. These transactions are carried out within specific limits, without any significant open positions.

Other areas of activity

To meet liquidity requirements, the Bank manages its own securities portfolio. It consists mainly of fixed-interest positions that can be discounted with the Swiss National Bank for high-quality repo transactions (Repurchase and Reverse Repurchase Agreements). In addition to its headquarters in Fribourg, BCF operates across a network of 26 branches throughout the canton. It also operates 56 ATMs, 24 depots and 11 self-service areas.

Outsourcing

BCF notably outsourced as per FINMA Circular 2018/3 ("Outsourcing – banks and insurers") its IT operations to Swisscom (Switzerland) Ltd, its rating, financial and credit pricing analysis models to RSN Risk Solution Network AG, its real estate evaluation models to Wüest Partner AG and document digitalisation operations to SPS Holding AG.

Exceptional or subsequent events

No events to report.

Accounting and valuation principles

General principles

The accounting and valuation principles comply with the Code of Obligations, Swiss Banking Act ("BankA") and its implementing ordinance ("BankO"), the FINMA Accounting Ordinance ("OEPC-FINMA") and its associated circular (FINMA 2020/1 "Accounting – banks"). The financial statements are established in accordance with the true and fair view principle (statutory individual accounts) as of 31 December.

The figures in the notes and supplementary information have been rounded for publication purposes. Potential discrepancies in addition are therefore possible.

Recording of transactions

All transactions are recorded in the Bank's books on the day they are concluded (trade date accounting).

Translation of foreign currency transactions and balances

Assets and liabilities expressed in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Income and expenses are translated at the exchange rates prevailing at the dates of the transactions. Gains and losses are recorded in the result of "Trading operations" or in "Other ordinary results".

Applied prices:	31/12/2025	31/12/2024
EUR	0.9309	0.9416
USD	0.7933	0.9045
GBP	1.06565	1.13405

Cash and cash equivalents

Cash and cash equivalents are recorded in the balance sheet at nominal value.

Loans and advances to banks and customers, mortgage loans

Loans and advances to customers and banks are recorded at nominal value. Impaired loans, i.e. loans for which there are indications that the contractual clauses will not be fully complied with, are valued at their liquidation value. Taking account of the guarantees provided, the risks of residual losses on these receivables are covered in part or in full by individual value adjustments depending on the counterparty's ability to repay. All of the counterparty's commitments are taken into account in measuring individual value adjustments.

When the value adjustment is first made, the expense is entered globally under the heading "changes in value adjustments for default risk and losses from interest transactions". Releases of value adjustments or provisions that have become free are also recorded under "changes in value adjustments for default risk and losses from interest transactions". In the event of changes in credit utilisation, the Bank makes a non-income-relevant reclassification between the value adjustment applicable to the corresponding balance sheet position and the provision made for the undrawn portion of the limit. The individual value adjustments are offset on the assets side of the balance sheet against the corresponding active positions.

Interest due and unpaid for more than three months, i.e. impaired interest, are automatically and fully classified as provision.

Amounts recovered from receivables written off in previous years are released through the income statement item "changes in value adjustments for default risks and losses from interest transactions".

At the end of each quarter, each impaired receivable is reassessed and the value adjustment is adjusted if necessary.

A value adjustment is also made to cover the inherent risk of default on the non-impaired loan portfolio.

Value adjustments for inherent default risks are created, used or released via the item "changes in value adjustments for default risks and losses from interest transactions" for off-balance sheet positions.

Provisions are made for interest on impaired loans and loans with collection problems, or interest due and unpaid after 90 days.

Securities and precious metals held for trading

Securities and precious metals trading portfolios are always valued and carried on the balance sheet at fair value. Price gains and losses are recognised in the result of "Trading operations". Interest and dividend income from trading portfolios is recognised in the result of "Interest operations".

Financial assets

Interest-bearing securities classified as financial assets are recorded in the balance sheet at their acquisition value, with the premium or discount being amortised until the maturity of the securities (accrual method).

Other financial asset securities and precious metals are valued according to the lowest value principle. The balance of the adjustments in value is recorded under "Other ordinary expenses" or "Other ordinary income".

Properties held for resale are valued at the lower of cost or liquidation value. The liquidation value also takes into account the retention period of the properties.

Repurchase and reverse repurchase agreements

Repurchase and reverse repurchase agreements are accounted for as follows:

- The cash amounts exchanged are reported in the balance sheet under "Receivables from securities financing transactions", respectively "Liabilities arising from securities financing transactions".
- Securities transferred for collateral purposes do not require a balance sheet entry, as the transferring Bank remains the beneficial owner.
- The subsequent disposal of securities received involves a balance sheet entry. This results in a non-monetary liability being recorded at market value.

Participations

Participating interests are valued at no more than their acquisition cost, less economically necessary depreciation.

In the case of participations in companies whose securities are listed on the stock exchange, the valuation is based on the stock exchange value, but not more than the acquisition cost.

Participations of an economic support or sponsoring nature, irrespective of the percentage holding, whose liquidation value is not significant, are valued at CHF 1 in the balance sheet.

Tangible fixed assets

Bank-owned buildings and land, carried at acquisition cost, are depreciated using the declining balance method based on their expected economic life. Land is not depreciated. Renovation work and investments are capitalised if the market value or value in use is increased on a permanent basis or if they lead to an increase in the useful life.

Fixed installations and conversions in own or leased bank premises, the costs of which exceed CHF 50,000, are capitalised and depreciated over a maximum life of 10 years. For leased premises, the remaining term of the lease is taken into account.

Other tangible fixed assets, such as furniture, machinery and vehicles, with a cost of more than CHF 5,000, as well as computer software licenses with a cost of more than CHF 50,000,

are recorded in the balance sheet at their acquisition value and depreciated over their useful life, but over a maximum of 5 years.

The principle of individual valuation is applied.

Accrued expenses and deferred income

The timing of income and expenses for the year is recorded in the accruals and deferrals accounts.

Provisions

Provisions for operating risks and for the economically necessary default risks of off-balance-sheet liabilities are valued individually on the reporting date.

Value adjustments to balance sheet receivables are deducted from the corresponding items and are therefore not included in this position.

Reserves for general banking risks

Reserves for general banking risks are set aside to cover latent risks in the business by debiting the item "Changes in reserves for general banking risks". They are recognised as core capital within the meaning of the Swiss Federal Banking Ordinance and are not subject to tax.

Reserves for general banking risks are exempt from income tax and tax on capital.

Commissions on credit business

The Bank records lending fees under "Interest income". Commissions on the conversion of variable rates into fixed rates are recorded under "Commission transactions".

Derivative financial instruments

As part of its Asset and Liability Management activities, the Bank enters into interest rate swaps (IRS) on its own behalf (payer swap and receiver swap) to hedge fixed-rate loans granted to customers as well as fixed-rate debt. These hedging transactions are subject to periodic effectiveness tests. The Bank documents the connection between the IRS hedging instrument and the basic operation on conclusion of the hedge.

Hedging transactions in derivatives are valued at market prices. The results of IRS hedging transactions are recorded under the same statement heading as hedged transactions.

The Bank also carries out forward exchange transactions and covered options on behalf of its clients and for its own account.

The positive and negative replacement values of open derivative financial instruments on the balance sheet date are recorded under the heading "Positive replacement values of derivative financial instruments" or "Negative replacement values of derivative financial instruments".

The volumes of all open contracts are shown off balance sheet.

Pension commitments

The Bank has an independent pension fund for the occupational benefits of its employees, known as the "Caisse de prévoyance du personnel de la Banque Cantonale de Fribourg", which is an institution under public law. The pension fund is registered with the Bernese supervisory authority for pension funds and foundations in accordance with Article 48 LPP.

The financial statements are prepared in accordance with Swiss GAAP FER 26.

The employer has no contribution reserves in the Fund.

As of 1 January 2026, 572 active insured and 218 pensioners are affiliated to the pension fund (previous year: 524 and 214).

The pension plan adopted is a so-called "defined contribution plan" and covers the usual pension risks, i.e. retirement and disability pensions, as well as the risk of death. The contributions paid by the Bank to the pension fund for 2025 amounted to CHF 10.3 million (see table on page 74).

Taxes

Taxes are calculated on the basis of the Bank's results and take into account the principle of linking to the reporting period.

There are no deferred taxes in the Bank's accounts. Therefore, no provision has been set aside for deferred taxes.

Changes in accounting and valuation principles

No changes were made.

Factors affecting the Bank's economic situation

The unpredictability of the current geopolitical situation continues to pose major challenges to the Swiss economy and is influencing prospects for 2026 and the probability of results. These uncertainties also impact our clients' financial situation depending on the business line. Where appropriate, the increase in risks stemming from credit transactions could necessitate extra value adjustments.

The Bank's approach to risk management

Objectives

Banking activities consist of taking strategic and business, credit and market risks in order to generate economic profit and, indirectly, by gaining an exposure to operational risks. Within BCF, all risks are managed in an integrated and consistent manner by a process that concerns all functions of the Bank and whose overall objectives are:

- Knowledge of risk exposure, in the sense that it is assessed, monitored and carried forward appropriately in relation to the economic and regulatory environment.
- A match between the Bank's risk-taking capacity and its risk profile.
- An optimisation of returns in comparison to the risks taken and thus to the equity capital committed.

The Bank's risk management is based on the following principles:

- The Bank takes strategic and business risks, credit risks and market risks with the aim of generating economic profit.
- The Bank seeks to minimize its exposure to operational risks arising from its operations.
- All risk-taking is clearly in line with the Bank's business activities and the risk profile concerned.
- The risk-taking level must be in line with the risk tolerance in terms of variability of the operating result and the target level of equity capital.
- The Bank shall enter into and maintain solely positions of which it is aware and can manage the risks.

- All risks are assessed and monitored with regard to their financial impact, their regulatory impact and their impact on the Bank's reputation.
- Risk management applies the same definitions, methodological principles and organisational principles throughout the Bank.
- The Bank is continuously improving its risk assessment and control methods and processes by seeking quality approaches in line with the risks taken.
- The Bank aims for a high level of risk management culture and skills. It is based on the Basel Committee's best practices and recommendations.

Risk structure

The Bank monitors five risk categories for all of its activities:

- **Strategic and business risk** that, in the case of strategic risk, results from the occurrence of a change in the economic or regulatory environment that affects the Bank's strategic choices in a negative way or, in the case of business risk, for a given strategy, results from the effects of economic or competitive changes that negatively affect business decisions.

Credit risk that results from the possible event of default by a counterparty. Credit risk is intrinsically associated with any credit exposure.

- **Market risk** arising from the possible event of adverse changes in market parameters, in particular prices and rates, implied volatilities, and other underlying effects in the markets.
- **Liquidity risk** is also considered to be a market risk both in terms of the possible difficulty of structural refinancing of the business and the potential problems associated with short-term liquidity management. Market risk is intrinsically linked to market exposures.
- **Operational risks** arising from the possible occurrence of an inadequacy or malfunction due to inappropriate processes, persons or systems, or to malicious acts. Operational risk includes non-compliance in the sense of risk of non-compliance with the Bank's legal provisions, norms and rules. Operational risks are intrinsically related to business operations. These risks are analysed and managed according to their potential impact.

There are three types of impact:

- **Financial impact**, i.e. a decrease in net profit, the book value and/or the economic value of the equity.
- **Regulatory impact**, i.e. intervention by the authorities resulting from a breach of the legal and regulatory framework to which the Bank is subject.

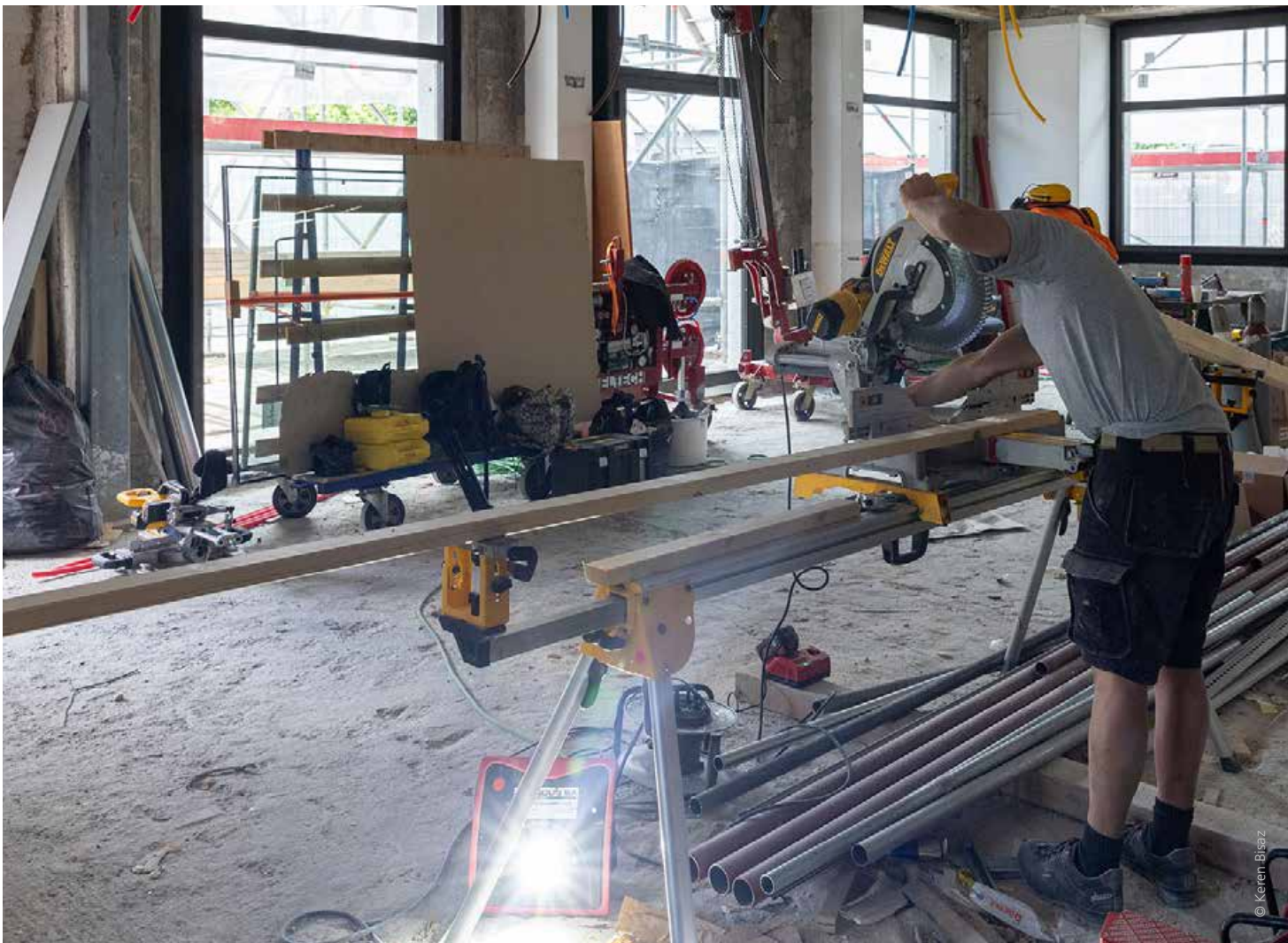
- **Reputational impact**, i.e. adverse public information about the Bank, the seriousness of which depends on the reaction of the Bank's main stakeholders.

Risk management governance

BCF's risk management governance and organisation are defined according to the same basic principles for all risks. The main responsibilities for risk management are summarised as follows:

- The Board of Directors (BoD) decides on the basic principles of risk management and the Bank's risk-taking strategy. The BoD adopts the BCF risk policy developed by the Executive Board (DIGE) and ensures that an effective internal control system (ICS) is in place.
- The Audit and Risk Committee (CAuR) is responsible for establishing and operating risk management in accordance with the framework defined by the BoD.
- The Executive Board (DIGE) is responsible for the development, implementation and operation of risk management and the ICS. It establishes the guidelines and instructions that regulate responsibilities, competencies and risk control measures.
- To this end, the DIGE has set up a Risk Committee. Each month, the Committee analyses the status of the main risks incurred by the Bank and of environmental and social risk factors.
- Risk Management coordinates risk management between the different units. It is responsible for developing and improving the Bank's risk control principles and methods. It is also responsible for monitoring the institution's risk profile and insuring risk reporting. It also reviews the suitability and effectiveness of the ICS in coordination with the business and risk managers.
- For any exposure to the Bank's credit risk, the Credit Risk Management is responsible for the portfolio-wide risk analysis and the monitoring of counterparty exposure. Responsibility for designing and monitoring the credit risk assessment models for the positions, particularly when dealing with credit processes, lies with the Bank. It is also responsible for defining and implementing criteria and standards for decision-making and credit monitoring.

Renovation of the Bulle branch, Place du Tilleul



Credit risk

Credit risk refers to a potential inability of a party to meet its obligations to the Bank. The non-performance or imperfect performance of a counterparty's commitments may ultimately result in a financial loss for the Bank.

More specifically, credit risk refers to the risk of default by the counterparty, i.e. the risk of losses incurred as a result of the default by a borrower of its contractual obligations. In addition to the financial loss of the total or partial amount of the credit (settlement risk or principal risk), credit risk includes also unrealised gains resulting from the non-payment of the debt (replacement cost risk).

As regards the entire credit risk, the Bank aims to protect itself against three possible types of impact, namely financial risk, regulatory risk and reputational risk.

Credit activity, general control and monitoring of credit risk

The Bank offers a wide range of conventional loans, covered or uncovered, conditional commitments as well as irrevocable commitments to both natural persons and legal persons.

The aim of the credit policy, laid down and validated by the Board of Directors, is to define the mandate for the organisation of credit risk, the strategy for taking credit risk, the delegated roles, responsibilities and competencies with regard to organisation and the process of analysing and granting credit as well as the rules and principles governing the control of credit risk. Moreover, the aim of the credit policy is to control exposure and distribution of credit risk by means of limits and thresholds that are applicable and useful for steering credit risk. Its application is designed to achieve expected quality targets across the credit portfolio. Thus, the pursuit of the objective of profitability for the credit business is framed by the risk approach arising from the credit policy in accordance with the applicable prudential rules.

Overall, the Bank aims to maintain a portfolio of high quality credit in line with the internal regulatory framework (maximum lending rate, maximum repayment and redemption periods, financial capacity calculation, debt capacity calculation, etc.) and, to limit counterparty and concentration risk diversified in terms of client segments, economic sectors, types of loans and geographical location with respect to both counterparties and real estate collateral in Switzerland.

In particular, the internal rulebook aims to ensure a uniform, credit-risk-appropriate analysis and authorisation practice. As a matter of precision, the internal regulatory framework sets out the rules, standards, principles and guidelines in effect and aims to establish an appropriate working framework and uniform code of conduct for the management and oversight of credit risk on a regular, accurate and comprehensive basis. On this basis, the Bank is in a position to monitor credit risk at both the level of individual transactions and at the level of the credit portfolio.

The organisation and operational delegation of powers with regard to granting loans is determined by the Board of Directors through the loan policy. Both the organisation and the delegation are risk-oriented and are based on multiple dimensions, such as counterparty risk (rating class), counterparty segment, level of overall exposure, type and coverage of collateral received as well as type of financing. The Credit Committee is the highest authority for granting credit within its competence. The Committee is chaired by the CEO, is composed of members of the Executive Board and is managed by the Credit Risk Management organizational unit. At the same time, the granting of credit to the governing bodies (members of the Board of Directors and members of the Executive Board) is the responsibility of the Board of Directors.

All counterparties requiring credit approval are subject to risk assessment. The creditworthiness of the counterparty is an essential component of the credit analysis. As such, any credit commitment requires prior analysis and validation of the counterparty's rating. The rating or risk class reflects the default risk of a counterparty. To measure and manage the risk of counterparty default, the Bank evaluates counterparties using a rating system that classifies debtors into twelve risk classes. At the same time, the Bank relies on segmentation using different risk models depending on the nature of the debtor. Counterparty ratings are determined and managed by means of expert rating systems for the following client segments: private clients, corporate clients (SMEs and big companies) and real estate professionals (natural or legal persons). The expert rating systems for counterparty ratings used by the Bank are provided by RSN Risk Solution Network AG. The evaluation of counterparty default risk is thus assessed on the basis of dedicated models and homogeneous criteria for the same population. These systems allow the Bank to adequately determine the requirements and conditions applicable to each financing.

Updating counterparty rating classes allows the Bank to monitor the default risk effectively and regularly throughout the term of the commitments. In addition, all credit commitments are reviewed periodically as part of a dynamic credit management, based on their risk, and then submitted for an extension of jurisdiction.

Generally, the Bank limits credit risk by splitting them and demonstrating a high level of caution about the quality of counterparties and collateral. Accordingly, the Bank will exclusively grant loans to counterparties who have the financial capacity to meet their commitments and ultimately repay them. Counterparties must be both solvent, honourable and trustworthy. Indeed, the integrity of counterparties, knowledge of the subject matter of financing, plausibility and proportionality of credit transactions are key aspects of the analysis and decision from the Bank's perspective.

The Bank conducts credit transactions primarily in the Canton of Fribourg and in an area bordering the cantonal borders. Alternatively and to a limited extent, the Bank exercises credit activity in a geographical area that is extended and

limited to Switzerland's borders. Geographical exposure to credit risk is controlled by means of risk tolerance and monitoring indicators.

Loans constituting one or more Exceptions to Policy (EtP) are specifically monitored both at the level of individual loans and at the level of the credit portfolio. EtP are loans secured by pledged real estate with one or more exceptions to the rules on lending rates, repayment periods and/or financial capacity calculation.

Throughout the individual credit management cycle, at regular intervals and in the absence of extraordinary events, a risk-based periodic control procedure is applied, depending on the counterparty segment and risk, the type and amount of credit commitments, the nature and coverage of collateral, and the presence or absence of EtP. The main purpose of this procedure is to reassess the creditworthiness of the counterparty (rating), to analyse the stability and development of contingent collateral and to conduct a financial capacity review. In addition, counterparty and collateral-related warnings and special events that have an impact on credit risk are actively monitored. If such signals or events are detected, a review of the credit exposure is carried out.

In addition, with respect to the loan portfolio of the Bank as a whole, additional aggregated risk measures are implemented in the form of both past and advanced indicators, such as the calculation of the migration of counterparty ratings or in the form of stress tests on all or part of the portfolio and according to the course of various stress scenarios. To this end, periodic reports are produced by the Credit Risk Management organisational unit and presented to the Bank's various committees and bodies. These reports also include a monitoring of the credit risk appetite as well as an analysis of the credit portfolio structure covering the allocation of the portfolio using multiple structural characteristics based on counterparty risk and concentration risk.

Credit collateral evaluation

Collateral pledged and deposited as security for loans is valued in accordance with standard, uniform norms.

Mortgage-backed loans

The market value of the properties is periodically estimated in accordance with established supervision rules and principles and by means of computer-based real estate valuation tools in line with the typology and allocation of the properties. In this regard, macro- and micro-location, construction standards, obsolescence and renovation cycles, as well as the sustainability of actual or projected income and vacancy rates for investment properties are taken into account.

The value of mortgages will be reviewed periodically depending on the typology of the property in question or in the event of an increase in credit risk caused by a restatement of the credit position (e.g. adjustment of credit limit, adjustment of depreciation, etc.) or detected in the context of normal monitoring activity.

Delays in payment of interest and/or principal are monitored and analysed in order to identify mortgage loans with actual risk exposure. On this basis, these claims are subject to detailed scrutiny which may require the implementation of risk reduction measures (e.g. partial redemption requirement, request for additional collateral, etc.) or individual adjustments in the event that there is insufficient collateral after calculating the liquidation value of the collateral.

Securities-backed loans

The liabilities and the value retained to cover loans secured by securities admitted by the Bank are calculated daily and monitored on a regular basis. These credits are provided against the pledge of securities such as book balances, current and liquid market securities, rights arising from insurance policies or any other eligible security under multiple applicable criteria taking into account mainly their transferability, liquidity and marketability.

The Bank calculates and applies discounts on market values in order to hedge against market and monetary risks of marketable and liquid securities as well as to determine the cover value or lending amount. Discounts are also calculated and applied for other types of securities that are not officially listed on a market, depending on the nature of the product or contract and the associated underlying risks.

If the pledged value of the collateral falls below the amount of the credit commitment, the Bank requires either a partial reduction of the debt or additional collateral in order to re-establish credit cover. If the collateral shortfall or extraordinary market conditions persist or increase, the Bank can realize the guarantees in order to unwind the credit commitment.

Unsecured loans

Unsecured loans are generally granted to counterparties in the segments of corporate clients, public-law entities or entities treated as public-law entities. These are commitments in the form of commercial loans and unsecured overdrafts or accounts overdrafts covering all counterparty segments.

The solvency of such counterparties is monitored annually through the provision and analysis of the annual financial statements, and, if necessary, through the provision of interim financial statements or other useful information enabling an appropriate monitoring of the development of the financial condition of the counterparty at periodic intervals. The underlying analysis carried out with this information may lead to the identification of a deterioration in the counterparty risk, respectively credit risk. The risk assessment may therefore lead to restructuring or reorganisation measures being defined, with individual value adjustments being issued at the same time if the credit exposure is considered impaired.

Identification of credit default risks

Overdue receivables

Overdue receivables are valued and monitored separately. Overdue receivables are receivables with contractually agreed payments of interest (including accrued interest), associated commissions and/or depreciation that are more than 90 days overdue and unpaid.

General monitoring of credit commitments

The general monitoring of credit commitments is organised and performed according to the nature of the counterparty and of the guarantees and other contractual credit clauses, using appropriate instruments and measures at appropriate intervals corresponding to the inherent or actual risks.

Determination of individual value adjustments for credit default risks relating to impaired receivables

Individual value adjustments are made and booked on a quarterly basis to prevent the risk of default on impaired receivables.

Any impaired receivables, that is, those resulting from a situation in which it is unlikely that the counterparty will be able to meet its future obligations, are valued at the liquidation value of the collateral. Any resulting decrease in value is covered by individual value adjustments. This impairment is measured by the difference between the value of the receivable and the amount that is likely to be recoverable, taking into account counterparty risk and the net proceeds from realising contingent collateral. The value of the receivable corresponds either to the credit limit or to the amount of credit used. The likely recoverable amount of the collateral, i.e. the liquidation value, is the alienation value that can potentially be realised after deducting the expected holding and liquidation costs. This approach is applied to the entire credit commitment of an individual counterparty or a group of related counterparties forming an economic group in order to take into account the whole perimeter with credit default risk.

Counterparties at risk, or risk positions, that are known and identified as such, are revalued four times a year. In addition to the review of the appropriate level of individual value adjustments, the strategy and related measures are reviewed. The Credit Risk Management organisational unit evaluates all individual value adjustments on risk positions and submits them to the Credit Committee, the decision-making body, for approval.

The Bank reviews the creditworthiness of the counterparties using risk models and rating models specific to the various client segments in order to determine the probabilities of default. The Bank applies the CreditMaster expert rating system of RSN Risk Solution Network AG. The Bank measures the creditworthiness of counterparties based on a 12-class ratings scale which is structured into three risk sub-categories:

- Actual risk-free counterparty in rating classes 01 to 08: no individual value adjustments are created on the receivables of such counterparties.

- Heavily supervised counterparty in rating class 09: no individual value adjustments are created on the receivables of such counterparties.
- Actual risk counterparty in rating classes 10 to 12 and subject to individual value adjustments. Counterparties in rating class 12 are in fact in actual or selective default and may, as the case may be, not require the booking of individual value adjustments.

Impaired receivables are again classified at their full value on the balance sheet when the principal and interest due and outstanding are paid according to contractual provisions and other credit-worthiness criteria are met.

Determination of individual value adjustments for inherent risks of default relating to non-impaired loans/receivables

Non-impaired receivables arise from situations where it is likely that the debtor will be able to meet its future commitments.

As a category 3 bank in accordance with Appendix 3 OB, the Bank is obliged under Article 25 para. 1 letter b of the Ordinance on the Swiss Financial Market Supervisory Authority (FINMA) to make value adjustments for inherent risks of default on non-impaired receivables.

Inherent risks of default result from risks present on the balance sheet date in an apparently healthy loan portfolio, which will only be realized later.

Accordingly, the inherent default risks of non-impaired loans, i.e. loans classified in rating categories 1 to 9, are also subject to value adjustments according to an internal model.

All receivables relating to banks, customers and public authorities, as well as debt securities held to maturity, included in the balance sheet or off-balance sheet, are taken into account.

A value adjustment rate (risk factor) expressed as a percentage is applied to the volume of each rating class concerned. This is reviewed annually and adapted if necessary.

The Bank has applied various macroeconomic and economic lead indicators, i.e. economic or real estate crisis risk indicators, to determine whether loss rates need to be adapted, namely:

- Switzerland's KOF Economic Barometer
- Switzerland's Manufacturing PMI (Purchasing Managers' Index)
- Level of use of credit limits (SNB)
- Scope: banks in Switzerland; non-mortgage loans
- Swiss Real Estate Bubble Index from UBS Switzerland AG
- Level of loans to the private sector in Switzerland (SNB)
- Monthly change in mortgage loans in Switzerland (SNB)

Changes in the risk factors used to determine the value adjustments for inherent default risks are disclosed, where applicable, in these notes to the annual financial statements, respectively in the notes to the half-yearly financial statements.

The monitoring of the inherent risk indicators did not require a change in the adjustment rates applied to each rating class. They were unchanged in 2025.

Use

Use of value adjustment and provisions (off-balance sheet positions) for inherent default risks depends on the need to create individual value adjustments for default risks pertaining to impaired loans. So, if there is a significant need for it, the Bank can use value adjustments and provisions for inherent default risks pertaining to unimpaired loans by reducing the creation of value adjustments for impaired loans. There is documentation with regard to this procedure. The need for individual value adjustments and provisions for impaired loans is considered high when it exceeds 10% of "Gross profit from interest operations".

Reconstitution

If value adjustments and provisions for inherent default risks for unimpaired loans are used to cover the need to create value adjustments for default risks from impaired loans (Art. 24 para. 1 OEPC-FINMA) and provisions (Art. 28 para. 1 OEPC-FINMA), reconstitution of the sums used must ensue within a maximum of five years.

At the end of the current financial year, a table summarising the calculation of the value adjustments for inherent risks per rating class shows the sum calculated and the actual amount of the adjustment made. In the event of a shortfall, it is disclosed in the annual report in accordance with Art. 25 para. 8 of OEPC-FINMA.

As of 31 December 2025, the need for value adjustments for inherent risks is fully covered.

Renovation of the Guin branch



Market risks

Market risks represent the potential for losses due to fluctuations in exchange rates, interest rates, securities prices and indices on all positions held by the Bank.

Interest rate risk

Interest rate risk arises from mismatches between the size and terms (rate-setting maturities) of the Bank's asset and liability balance sheet positions. For variable positions (variable-rate mortgages, savings and current accounts), models are used to replicate as closely as possible the pace and magnitude of changes in client rates in response to changes in market rates. Movements in the market yield curve, and the resulting changes in client behaviour, are the source of interest rate risk. These changes directly affect interest income and the present value of the Bank's equity.

Through its "Asset and Liability Management" (ALM) Committee, the Bank monitors various indicators relating to interest rate risk on the balance sheet:

Static indicators. The Bank calculates the duration of equity capital on a monthly basis, as well as the sensitivity of the value of equity capital to an interest rate shock.

Dynamic indicators. The Bank establishes quarterly interest rate and business scenarios combined with a refinancing/hedging strategy.

These dynamic simulations take into account the behavior of clients according to the interest rate scenarios and make it possible to simulate the interest margin, the duration of equity capital and the economic value of equity capital over different periods. In order to measure, assess, limit and manage this risk, a management and monitoring policy has been put in place by the ALM Committee. Risk tolerances are approved annually by the BoD.

The Bank uses derivative financial instruments (IRS) as part of its asset and liability management activities, mainly to manage its exposure to interest rate risk. These transactions are recorded as "Micro Hedges" and thus only their net interest flow impacts the income statement under "Interest and discount income". No ineffectiveness was observed at December 31, 2025.

Operational management of interest rate risk is carried out by the ALMT structural unit.

Other market risks

Other market risks, including foreign exchange risk and security price fluctuation risk, are constantly monitored within the limits set. The majority of the Bank's transactions are customer transactions. In principle, these transactions are carried forward to the market to cover the risk of losses. The residual exchange risk on foreign currency positions is thus limited.

Liquidity risks

Liquidity risk is the risk that the Bank will not have sufficient resources to meet its commitments at all times and on a continuous basis.

The Bank, through its "Asset and Liability Management" (ALM) Committee, monitors its exposure to liquidity risk by producing schedules of outstanding balance sheet items and by calculating balance sheet structure ratios. It also develops stress scenarios and carries out dynamic simulations of the future balance sheet structure. Using leading indicators, the Bank anticipates the occurrence and impact of potential crises and has drawn up a plan of measures for this purpose. These simulations enable the Bank to define its refinancing program on the capital market.

It thus complies with the quantitative and qualitative requirements of FINMA circular 2015/2.

Operational liquidity risk management is carried out by the ALMT structural unit.

Operational risks

Operational risks are defined as risks that the Bank does not actively incur. In doing so, the Bank has defined a method for managing operational risks and dedicated control approaches for certain specific diversities, particularly the key risks managed by Compliance, which are set out below. The overall concept of operational risk management used by the Bank is based on the best practice formulated by the Basel Committee and is in line with FINMA Circular 2023/1 on operational risks and resilience.

Operational risk management aims to control operational risk drivers by identifying areas for improvement and reinforcing operational and managerial control systems. In particular, the Bank aims to reduce its exposure:

- to a breach of the Bank's legal and regulatory requirements, standards or rules, including the possibility of an event of control risk (inadequate design of the control mechanism, implementation of the non-compliant control mechanism or lack of rigour in the application of the control mechanism);

- to inappropriate or malicious behaviour on the part of the actors, i.e. employees, suppliers, bank counterparties, clients or other external actors;
- to inappropriate characteristics of information systems (applications, interfaces and hardware) or other communication systems (telephony, fax, emails and social networks);
- to inadequate infrastructure;
- to an organisation – bringing together the concept (method, process, organisational chart) and the organisational framework (regulations, policies, directives and manuals) – which is inappropriate in relation to the Bank's activities;
- to natural hazards.

Reviews are conducted periodically to identify the main operational risks. They are supplemented by ad-hoc analyses, e.g. if new potential threats emerge, if FINMA requests it or if a significant risk event is detected at another bank. These reviews and analyses are conducted by the Management and professionals and seek to identify possible improvements to the risk management system, particularly operational and managerial controls.

In order to monitor the evolution of the operational risk profile, tolerance is expressed with regard to operational incidents in general and for each operational risk category. In the event of a significant operational risk event, the Bank bases its management of the incident on the application of clearly defined measures.

Operational risks are limited by an adequate organization and by the implementation of an appropriate and efficient internal control system (ICS) that respects the principle of separation of functions.

Risks in the compliance sector

FINMA defines compliance as "abiding by the relevant statutory, regulatory and internal rules and observing generally accepted market standards and codes of conduct". In this context, the Compliance function includes generalists from the global regulatory framework specializing in banking.

Compliance supports the Bank's governing bodies by ensuring compliance with due diligence obligations and standards to combat money laundering and terrorist financing, limiting reputational risks, and participating in meeting deadlines. This is the case in particular for the monitoring of new client relationships and transactions, the reporting of suspicious activity reports, the monitoring of market abuse as well as the implementation of economic sanctions. The Compliance function will thus ensure that the Bank offers assurance of proper business conduct, a sine qua non condition for maintaining the operating licence as a financial intermediary.

It also applies to limiting the occurrence of so-called compliance risks as part of the Risk Management function. These risks can take many forms, but can be broken down into BCF's risk of money laundering and terrorist financing, risk of cross-border activities, and the wider risk of non-compliance with the regulations.

Internal control system

The Bank's Internal Control System (ICS) has been defined in line with the Basel Committee's recommendations and in application of FINMA circulars 2017/1 on corporate governance and 2023/1 on operational risks and resilience. The aim of the ICS is to ensure the Bank's activities broadly correspond with the pursuit of its objectives.

The ICS contains all the control structures and processes to ensure the proper conduct of day-to-day business, adherence to legal, regulatory and internal provisions as well as the completeness and reliability of the reporting. The framework conditions underpinning the ICS, which ensure its smooth operation, are defined at the level of the control environment, the elements of which include, in particular, internal regulations, independent control bodies, organisational charts and job profiles required. At the level of processes, there is a clear interaction between processes, risks and controls. Risks are captured and evaluated for each process. On this basis, key controls are then defined, all of which are documented and recorded in the processes. In addition to key controls, there are numerous other risk mitigation measures. Conceptually, internal control at the Bank comprises three lines of defence. The first two are from the Executive Board (DIGE) and the third one from the BoD:

- The first line of defence comprises income-generating business units as well as support and back office units.
- The second line of defence comprises independent control units.
- The third line of defence is ensured by Internal Audit, which performs periodic independent audits of the first two lines of defence.

The Risk Management unit conducts a review of the adequacy and effectiveness of the ICS at least once a year and monitors the implementation of the resulting improvement measures. The reporting relating to the ICS is established quarterly in the context of the Risk Committee.

Business Continuity Management

As part of Business Continuity Management (BCM), the Bank implemented comprehensive measures to maintain its operations even in the event of a failure of critical resources (personnel, IT system, buildings, suppliers). A number of strategic options have been identified for specialised sectors so that they can maintain the functioning of key business processes.

All of the core IT systems were set up and implemented redundantly at several locations. In order to limit the damage as much as possible and to enable an effective and coordinated response by the Management, the Bank has prepared emergency plans. Regular tests and exercises are conducted to verify that the plans and organisation are up-to-date and operational. In order to guarantee their ability to ensure business continuity, the crisis unit and the organisation are regularly trained and tested using several scenarios. This procedure has proven successful in cushioning the impact of the pandemic and confirms the soundness of the BCM.

Data protection

The processing of customer data and the related security are handled in strict compliance with data protection legislation and FINMA circular 2023/1 "Operational risks and resilience – banks". Governance, as well as technical, organisational and infrastructural measures have been put in place to ensure optimal security of client data. These measures are active 24/7. In addition, employees are regularly made aware of the importance of complying with the standards and measures, through awareness campaigns and training, which are also addressed to interested customers. With regard to cybersecurity in particular, the effectiveness of the system is regularly reassessed and its resistance to cyberattacks tested.

In addition, the Bank relies on specialised information sources. In particular, it monitors the following categories of cyberattacks in collaboration with its service providers: malware attacks and phishing, cyber espionage, sophisticated cybercrime, denial of service attacks (DoS or DDoS), social engineering and unauthorised access. For each category of threat, measures have been defined to identify threats specific to the Bank, protect critical assets, and detect and respond to cyberattacks. Crisis governance and related exercises complement the protective measures in place to ensure that the Bank's operations can be reasonably maintained in the event of an attack.

Information relating to the balance sheet

Breakdown of securities financing transactions (assets and liabilities)

(in thousand CHF)

	Reporting year	Previous year
Book value of claims arising from cash collateral pledged in connection with securities borrowing or reverse repurchase agreements*	0	0
Book value of liabilities arising from cash collateral received in connection with securities lending or repurchase agreements*	0	0
Book value of securities held for own account, lent or transferred as collateral in connection with securities borrowing or repurchase agreements		
- Of which those that can be sold or repledged without restriction		
Fair value of securities received as collateral in connection with securities lending and those received in connection with securities borrowing and under reverse repurchase agreements, which can be sold or repledged without restriction	0	0
- Of which securities repledges as collateral	0	0
- Of which sold securities		

* Before netting agreements

Bulle branch, Place du Tilleul



Risk mitigants for loans and off-balance-sheet transactions

Impaired loans

(in thousand CHF)

	Type of risk mitigant			Total
	Mortgage	Others	Unsecured	
Loans (before impairment charges/reversals)				
Amounts due from customers	701,965	682,860	2,406,323	3,791,148
Mortgages	20,714,499		9,741	20,724,240
- Residential real estate	16,708,441			16,708,441
- Office and business premises	1,259,042			1,259,042
- Commercial and industrial property	1,182,122			1,182,122
- Other	1,564,894			1,564,894
Loans (before impairment charges/reversals)	20'724'241			20'724'241
Reporting year	21,416,465	682,860	2,416,064	24,515,389
Previous year	20,618,212	747,257	2,352,979	23,718,448
Loans (after impairment charges/reversals)				
Reporting year	21,305,431	550,912	2,416,064	24,272,408
Previous year	20,514,538	642,513	2,352,979	23,510,029
Off-balance-sheet transactions				
Contingent liabilities	13,506	27,217	209,460	250,183
Irrevocable commitments			157,746	157,746
Commitments relating to calls on shares and other equity securities			48,552	48,552
Confirmed credits				
Off-balance-sheet transactions				
Reporting year	13,506	27,217	415,758	456,481
Previous year	13,830	26,502	413,464	453,797

Impaired loans

(in thousand CHF)

	Gross receivables	Realization value of risk mitigants*	Net receivables	Individual impairment charge/reversal
Reporting year	469,475	327,153	142,322	148,482
Previous year	433,593	320,117	113,476	117,998

* Debt/realisation value per client: the lower of the two amounts is taken into account. The BCF determines the individual value adjustments on the basis of the credit limits granted, the total positions of the clients concerned and the impaired interests. The individual value adjustments therefore exceed the net amount of impaired loans.

Trading portfolio assets and liabilities / other financial assets and liabilities at fair value

(in thousand CHF)

	Reporting year	Previous year
Assets		
Trading portfolio assets	6,994	8,915
Debt securities	965	755
- Of which listed on a recognised stock exchange	949	755
Equity securities	5,620	7,484
Commodities and precious metals	409	677
Other		
Total	6,994	8,915
- Of which determined using a valuation model		
- Of which securities eligible for repurchase agreements in accordance with liquidity regulations		

No passive transactions as of 31 December 2025.

Renovation of the Guin branch



Derivative financial instruments (assets and liabilities)

(in thousand CHF)

	Trading instruments			Hedging instruments		
	Positive replacement value	Negative replacement value	Value of underlying asset	Positive replacement value	Negative replacement value	Value of underlying asset
Interest-rate instruments						
- Swaps				12,953	38,978	2,640,818
Foreign currencies and precious metals						
- Forward contracts and swaps	249	117	126,650			
Equity securities / indices						
- Options (exchange traded)						
Total before netting agreements:						
Reporting year	249	117	126,650	12,953	38,978	2,640,818
- Of which determined using a valuation model				12,953	38,978	2,640,818
Previous year	573	479	83,722	17,770	56,409	3,303,620
- Of which determined using a valuation model				17,770	56,409	3,303,620
Total after netting agreements:						
	Positive replacement value			Negative replacement value		
Reporting year	13,202			39,095		
Previous year	18,343			56,889		

Breakdown by counterparty:

	Central clearing houses	Banks and securities dealers	Other clients
Positive replacement value (after netting agreements)		13,177	25

Financial investments

(in thousand CHF)

	Book value		Fair value	
	Reporting year	Previous year	Reporting year	Previous year
Debt securities	1,174,766	1,185,690	1,177,029	1,182,374
- Of which securities intended to be held until maturity	1,174,766	1,185,690	1,177,029	1,182,374
- Of which securities available for sale				
Equity securities	48,863	226,383	74,423	247,501
- Of which significant participations (minimum of 10% of capital or voting rights)				
Precious metals	780	780	8,616	5,952
Real estate	14,180	12,749	14,180	12,749
Total	1,238,589	1,425,603	1,274,248	1,448,576
- Including securities eligible for repurchase agreements in accordance with liquidity regulations	984,795	987,702		

Counterparty breakdown

(in thousand CHF)

	Best quality	High quality	Average quality	Speculative	In default	not rated
Debt securities: book value	1,025,210	110,439	39,118			

Participations

(in thousand CHF)

				Reporting year						
	Cost	Accumulated depreciation and write-offs	Book value at year-end	Change in allocation	Investments	Divestments	Depreciation and write-offs	Value adjustments in case of equity method / reversal of depreciation	Book value at year-end	Market value
Other participations										
- Listed										
- Unlisted	123,033	43,546	79,487						79,487	
Participations total	123,033	43,546	79,487						79,487	

Companies in which the bank has a significant long-term direct or indirect holding

(in thousand CHF)

Company name and headquarters	Main business	Capital (in 1'000)	% of share capital held	% of voting rights held	% of stake held directly	% of stake held indirectly
Investissements Fonciers SA, Lausanne	Fund management	1,000	28,6	28,6	28,6	0
Capital Risque Fribourg SA, Fribourg	Investment company	12,000	31,6	31,6	31,6	0
EdgEvooq Holding SA, Fribourg	Investment company	684	48,7	46,0	48,7	0
BCF SICAV in liquidation, Fribourg	Real estate funds	500	100,0	100,0	100,0	0

The Bank does not create or publish consolidated financial statements, as majority shareholdings are insignificant for financial information or the risk situation within the meaning of Art. 35 para. 1 (a) BankO.

Tangible fixed assets

(in thousand CHF)

	Acquisition value	Accumulated depreciation and write-offs	Book value at end of pre- vious year	Reporting year					Book value at year-end
				Changes in allocation	Investments	Divestments	Depreciation and write-offs	Repossessions	
Bank premises	187,574	123,582	63,992		11,070		-3,343		71,719
Other real estate	16,478	-12,403	4,075		92		-117		4,049
Computer programs separately acquired or internally developed	15,572	-4,053	11,519		7,126		-5,767		12,878
Other tangible fixed assets	2,579	-1,534	1,045		2,251		-787		2,509
Tangible fixed assets	222,202	-141,573	80,630		20,538		-10,013		91,154

Other assets and liabilities

(in thousand CHF)

	Other assets		Other liabilities	
	Reporting year	Previous year	Reporting year	Previous year
Offset accounts	26,025	38,546		
Order accounts	8,058	4,738	7,154	7,179
Balances arising from internal bank business operations	5	257		
Coupons / coupons and securities due				16
Indirect taxes	3,257	2,940	3,414	13,188
Total	37,344	46,481	10,568	20,383

Assets pledged or assigned as collateral for own liabilities*

(in thousand CHF)

	Amount or book value of pledge	Real liability
Total assets pledged or assigned		
BNS guarantee account covering irrevocable commitments towards esisuisse	85,193	42,597
Mortgage-backed securities to cover claims pledged to the Pfandbriefzentrale Schweizer Kantonalbanken	7,129,066	4,739,000
Securities deposited as collateral for SNB Lombard loan	58,193	-
Other pledged assets with counterparties for margin calls on derivative financial products	27,899	31,804

* Without securities financing transactions (see separate breakdown of related transactions on page 68).

Commitments relating to own occupation pension funds as well as shares held by own occupational pension funds

(in thousand CHF)

	Reporting year	Previous year
Amounts due in respect of client deposits	11,174	23,776
Cash bonds	1,750	1,500
Total	12,924	25,276

Economic situation of own occupational pension funds

(in thousand CHF)

Economic benefit/liability and pension expenses	Surplus / deficit at reporting year end	Economic share of the bank / financial group		Change in the economic share compared to the previous year (economic benefit / commitment)	Contributions paid for reporting year	Pension costs in personnel expenses	
		Reporting year	Previous year			Reporting year	Previous year
Pension plans with no surplus or shortfall					10,321	10,321	9,683

The assessment is based on the annual financial statements of the pension fund as at 31/12/2024. As of 31/12/2024, the coverage ratio of the Pension Fund is over 100%. Further information is provided on page 57 under "Pension liabilities".

Outstanding bonds

(in thousand CHF)

Year of issue	Rate in %	Reimbursement	Nominal value
2018	0.200	20/02/2026	200,000
2023	1.900	08/09/2026	150,000
2017	0.300	17/02/2027	200,000
2015	0.600	09/04/2027	150,000
2012	1.450	07/06/2027	175,000
2019	0.500	23/02/2028	260,000
2024	0.8125	05/12/2028	150,000
2025	0.7999	09/02/2029	110,000
2019	0.250	24/05/2029	200,000
2020	0.000	26/02/2030	200,000
2020	0.140	12/06/2030	165,000
2021	0.000	05/02/2031	240,000
2024	1.100	09/09/2031	100,000
2022	0.3126	02/02/2032	140,000
2025	0.9524	02/02/2035	175,000
2025	1.300	02/05/2040	200,000
2019	0.100	01/11/2044	255,000
Total reporting year			3,070,000
Total previous year			2,935,000

None of the bonds issued by BCF can be called in for redemption before the maturity date.

Bonds and mortgage-backed bonds

(in thousand CHF)

Total reporting year	4,739,000
Total previous year	4,629,000

Provisions, reserves for general banking risks and variation during reporting year

(in thousand CHF)

	Status at end of previous year	Used as allocated	Changes in scope	Currency translation differences	Recoveries, overdue interest	New provisions changed to income statement	Releases credited to income statement	Status at end of reporting year
Provisions for credit risks	5,332	-515					-772	4,045
Provisions for other operating risks	100							100
Other provisions	6,341	-710				500	-2,070	4,061
Total provisions	11,773	-1,225				500	-2,842	8,206
Reserves for general banking risks	782,000					25,000		807,000
Provisions for credit risk and country risk	214,839	-3,939				36,235		247,136
- Of which provisions for impaired loans	117,998	-3,939				34,422		148,482
- Of which provisions for non-impaired loans	96,841					1,813		98,654

Share capital

(in thousand CHF)

	Reporting year	Previous year
Endowment capital	70,000	70,000

The endowment capital is made available in its entirety by the Canton of Fribourg, in accordance with the law on the Banque Cantonale de Fribourg.

Receivables and commitments with respect to related parties

(in CHF thousands)

	Receivable		Commitment	
	Reporting year	Previous year	Reporting year	Previous year
Significant shareholder *	188,000	149,000	394,075	390,292
Affiliated companies *	230,412	260,043	102,946	92,539
Governing cases **	27,664	26,045	14,491	12,463
Other related parties *			11,174	25,276

Receivables and commitments with respect to related parties

(in thousand CHF)

	Receivable		Commitment	
	Reporting year	Année précédente	Reporting year	Année précédente
Affiliated companies *			2,434	1,503
Governing cases **			18	21

* Transactions were granted on the terms for customers.

** Transactions with members of the Board of Directors and with members of the Executive Board were granted on the standard terms for customers, respectively on those on the standard terms for BCF employees.

Maturity structure of financial instruments

(in thousand CHF)

		Maturity							
		Sight	Callable	up to 3 months	3 to 12 months	12 months to 5 years	Over 5 years	Fixed assets	Total
Assets / Financial instruments									
	Cash and cash equivalents	3,554,407	42,597						3,597,004
	Receivables from banks	120,115							120,115
	Amounts due from securities financing transactions								
	Amounts due from customers	5,966	1,130,929	644,849	233,356	1,021,980	626,726		3,663,805
	Mortgage loans	7,805	4,447,544	921,543	1,979,588	8,794,204	4,457,919		20,608,603
	Trading portfolio assets	6,994							6,994
	Positive replacement value of derivative financial instruments	13,202							13,202
	Financial investments	107,355			135,483	416,410	565,162	14,180	1,238,589
Total	Reporting year	3,815,843	5,621,069	1,566,392	2,348,427	10,232,595	5,649,806	14,180	29,248,312
Total	Previous year	3,735,989	3,979,131	1,883,962	2,030,934	10,913,225	5,899,166	12,749	28,455,156
Foreign funds / Financial instruments									
	Due to banks	47,458		202,000	275,000	530,000	220,000		1,274,458
	Repurchase agreements								
	Amounts due in respect of client deposits	4,405,130	8,693,735	1,316,821	865,538	1,226,050	446,000		16,953,275
	Negative replacement value of derivative financial instruments	39,095							39,095
	Cash bonds			22,076	82,423	341,748	54,415		500,662
	Bonds and mortgage-backed bonds			261,000	524,000	3,948,000	3,076,000		7,809,000
Total	Reporting year	4,491,683	8,693,735	1,801,897	1,746,961	6,045,798	3,796,415		26,576,490
Total	Previous year	3,687,601	8,060,500	1,943,190	1,804,206	6,116,016	4,233,910		25,845,424

Notes to off-balance-sheet transactions and to income statement

Contingent liabilities

(in thousand CHF)

	Reporting year	Previous year
Credit hedging commitments	101,716	78,525
Performance guarantees and similar	119,202	104,379
Other contingent liabilities	29,265	31,329
Total contingent liabilities	250,182	214,233

Fiduciary transactions

(in thousand CHF)

	Reporting year	Previous year
Fiduciary investments with third parties	0	0

Net trading income

(in thousand CHF)

	Reporting year	Previous year
Securities transactions / realised and unrealised income	573	308
Currencies	11,280	11,098
Precious metals	306	343
Net trading income	12,159	11,748

Disclosure of significant refinancing income under interest and discount income and significant negative interest

(in thousand CHF)

Negative interest	Reporting year	Previous year
Negative interest on active operations (reduction of interest income)	-4	0
Negative interest on passive operations (reduction of interest expenses)	72	0

Personnel costs

(in thousand CHF)

	Reporting year	Previous year
Fixed and variable compensation	63,035	59,631
Employee benefits / Contribution to staff pension funds	20,243	20,350
Other personnel expenses	3,014	2,887
Total personnel costs	86,292	82,869

Other operating expenses

(in thousand CHF)

	Reporting year	Previous year
Premises	5,377	5,157
IT and communication costs	27,616	24,403
Machinery, furniture and vehicles costs	222	183
Auditor fees	390	399
- Of which for financial and prudential audits	377	370
- Of which for other services	12	29
Other operating expenses	20,296	18,571
Total other operating expenses	53,902	48,713

Comments on significant losses and extraordinary income

(in thousand CHF)

	Reporting year	Previous year
Extraordinary income	0	0
Extraordinary expenses	0	0

Taxes and payments to Fribourg communities

(in thousand CHF)

	Reporting year	Previous year
Payments to Fribourg communities		
Cantonal, municipal and parish taxes	8,738	9,867
Compensation for cantonal guarantee	30,000	30,000
Remuneration of the endowment capital	38,000	48,000
Extraordinary payment to the State	7,500	20,000
Total	84,238	107,867
Weighted average tax rate *	44.87%	45.60%
Tax payment details		
Cantonal taxes	4,783	5,278
Municipal taxes	3,512	4,057
Parish taxes	443	532
Total paid taxes	8,738	9,867
Weighted average tax rate *	4.65%	4.17%

* Based on operating profit