



**QNB (Suisse) SA**  
**Annual Report 2020**

For the year ending  
December 31<sup>st</sup>, 2020

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### **Demonstrating resilience in a challenging environment**

As we publish this report, the world remains in the midst of the COVID-19 pandemic. After more than a year since the first cases were reported, it has significantly re-shaped the environment we operate in. The pandemic added another layer of complexity to the challenges faced by banks globally, accelerating major trends that were already taking place, including key topics such as credit quality, liquidity, core profitability, digitisation, cyber security and sustainability.

When the true scale of the nature of the pandemic revealed itself in the beginning of the year, we re-prioritised the way we look at our business, focusing on the very basic question of how do we protect our customers, our employees and our community. With income losses compounding on top of quarantines and health issues, we are conscious that this year was life-changing for some of our customers. Throughout the pandemic, we remained steadfast in our focus to not only ensure the safety of our customers – both offline and online – but also to support them in navigating through the crisis.

### **Delivering operational excellence**

Despite these headwinds, I am pleased at the solid performance delivered by QNB (Suisse) SA ('the Bank'). This was supported by another record-breaking year at the parent entity, QNB Group. I am proud to announce that QNB Group, for the first time in its history and as the first bank in the region, surpassed the one trillion Qatari Riyal watermark in total assets.

Throughout the year, we worked tirelessly to accommodate the new realities of our customers, whilst at the same time protecting the Bank from potential risks and service disruptions. In a rapidly changing investment landscape influenced by prolonged uncertainty and higher risks, our business was able to identify and provide higher yielding and innovative products to our clients. Our engaging communication with clients and robust product performance ensured that we did not have any material net outflows throughout the year.

Our robust governance framework ensured the continuation of our business as a going concern. QNB focused on cementing the philosophy of corporate governance into all its practices and emphasised the key governance principles of accountability, transparency, independence and fairness. This has helped us ensure compliance not only with the requirements of the local regulators, but also with the Group-wide requirements.

### **Looking beyond**

Next year, we will continue to operate in a challenging environment. Nevertheless, we are optimistic that we already entered a recovery path.

I would like to thank each and every employee for their courageous effort in these trying times. Their commitment to continuing to provide our customers the outstanding service they have come to expect from QNB is truly exemplary.

I would also like to thank our customers, who have understood, trusted and stuck with us throughout this voyage.

## MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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I would like to conclude by expressing my appreciation to the Executive Management of QNB (Suisse) SA and extend my sincere gratitude to the Board of Directors for their strong support and advice.

**Abdulla Mubarak Al-Khalifa**  
Chairman of the Board of Directors  
QNB (Suisse) SA  
February 1st 2021

I am delighted to present the financial results of QNB (Suisse) SA ('the Bank') for 2020. In this time of global uncertainty and increased challenges, we remain dedicated and confident in our ability to develop our business proposition in Switzerland whilst delivering a truly outstanding service to our clients.

In spite of the economic downturn provoked by the COVID-19 pandemic, the Bank remained profitable and achieved positive Net New Money.

Client assets (excluding loans) totaled CHF 2.3 billion as at 31.12.2020, compared to CHF 2.4 billion at the end of 2019. Whilst Net New Money was positive, market movements driven by an increase in the value of the Swiss Franc during 2020 resulted in an overall decline in client assets.

Total client loans declined from CHF 780 million to CHF 713 million during 2020 due to the repayment of existing loans and the appreciation of the Swiss Franc.

The Bank's revenues remained stable at CHF 18.5 million. Net Commission income rose by 24% compared to 2019, whilst Net Interest Income fell by 8%.

The Bank generated a net profit of CHF 1.2 million in 2020, which was CHF 0.4 million less than 2019. This reflects our continued expenditure on developing and enhancing our platform and product offering.

Similar to previous years, the Bank remains well capitalized, having CHF 148 million of shareholder's equity in addition to a subordinated loan of CHF 25 million from QNB Group.

With a focus on adapting to the new regulatory environment and developing a sustainable business model, I am pleased to announce that the Bank finalized the preparation of its Investment Advisory services in 2020, which will be launched in 2021. The new offering will form an integral part of the Bank's proposition and extended strategy for the coming years.

On behalf of the Bank's management, I take this opportunity, first, to extend our appreciation to our esteemed clients for their continued trust and confidence. Secondly, we wish to thank our team for their efforts and commitment through this unprecedented and challenging year.

Finally, I would like to conclude by expressing my sincere gratitude to QNB (Suisse) SA Chairman and Board members, and to QNB Group for their continuous support and considerate guidance to manoeuvre safely and successfully throughout 2020.

**Ghadeer Abu Hijleh**

Chief Executive Officer

QNB (Suisse) SA

February 1st 2021



**QNB (Suisse) SA**  
**Report of the Statutory Auditors**



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Report of the Statutory Auditor to the General Meeting of Shareholders of

**QNB (Suisse) SA, Geneva**

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### **Report of the Statutory Auditor on the Financial Statements**

As statutory auditor, we have audited the accompanying financial statements of QNB (Suisse) SA, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (page 10 to 35) for the year ended 31 December 2020.

### **Board of Directors' Responsibility**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.



**QNB (Suisse) SA, Geneva**  
*Report of the Statutory Auditor  
on the Financial Statements  
to the General Meeting of Shareholders*

**Report on Other Legal Requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Olivier Gauderon  
Licensed Audit Expert  
Auditor in Charge

Romain Tranchant  
Licensed Audit Expert

Geneva, 1 February 2021





**QNB (Suisse) SA**  
**Financial Statements**  
**As at and for the year ended**  
**31 December 2020**

## Balance sheet

As at 31 December 2020

<b>Assets</b>	Notes	<b>31.12.2020</b>	<b>31.12.2019</b>
CHF 1'000			
Liquid assets		45,638	57,131
Amounts due from banks		241,324	233,976
Amounts due from customers	3.1	671,642	749,588
Mortgage loans	3.1	41,200	30,727
Financial investments	3.2	7,422	7,828
Accrued income and prepaid expenses		2,918	3,694
Tangible fixed assets	3.3	1,902	2,244
Other assets	3.4	342	286
<b>Total assets</b>		<b>1,012,388</b>	<b>1,085,474</b>
Total subordinated assets		-	-
<b>Liabilities and shareholder's equity</b>	Notes	<b>31.12.2020</b>	<b>31.12.2019</b>
CHF 1'000			
Amounts due to banks		695,291	746,360
Amounts due to customers		164,821	186,159
Accrued expenses and deferred income		4,398	6,357
Other liabilities	3.4	131	41
Provisions	3.7	60	60
<b>Total liabilities</b>		<b>864,701</b>	<b>938,977</b>
Share capital	3.8	150,000	150,000
Statutory retained earnings reserve		1,775	1,775
Loss brought forward		(5,278)	(6,913)
Profit for the year		1,190	1,635
<b>Total shareholder's equity</b>		<b>147,687</b>	<b>146,497</b>
<b>Total liabilities and shareholder's equity</b>		<b>1,012,388</b>	<b>1,085,474</b>
Total subordinated liabilities		25,057	25,000
<i>of which subject to mandatory conversion and/or debt waiver</i>		25,057	25,000

## Off-balance sheet transactions

As at 31 December 2020

	Notes	31.12.2020	31.12.2019
CHF 1'000			
Contingent liabilities		1,657	213
Irrevocable commitments		49,251	22,632
<b>Total off-balance sheet transactions</b>		<b>50,908</b>	<b>22,845</b>

## Income statement

For the year ended 31 December, 2020

	Notes	2020	2019
CHF 1'000			
<b>Result from interest operations</b>			
Interest and discount income		16,438	24,213
Interest and dividend income from trading portfolio		-	-
Interest and dividend income from financial investments		106	119
Interest expense		(4,429)	(10,763)
<b>Gross results of interest operations</b>		<b>12,115</b>	<b>13,569</b>
Changes in value adjustments due to default risk as well as losses from interest operations		262	(130)
<b>Net results of interest operations</b>	5.1	<b>12,377</b>	<b>13,439</b>
<b>Result from commissions business and services</b>			
Commission income from securities trading and investment activities		4,759	5,901
Commissions income from lending activities		84	82
Commission income from other services		801	465
Commission expenses		(83)	(1,969)
<b>Results of commissions from business and services</b>		<b>5,561</b>	<b>4,480</b>
<b>Net result from trading operations and from the fair value option</b>	5.2	<b>82</b>	<b>121</b>
<b>Other result from ordinary activities</b>			
Result from the disposal of financial investments		-	4 *
Result from real estate		544	549 *
Other ordinary income		14	29 *
Other ordinary expenses		(53)	(50)
<b>Other result from other ordinary activities</b>		<b>505</b>	<b>532</b>
<b>Operating expenses</b>			
Personnel expenses	5.3 - 3.6	(8,121)	(8,104)
Other general and administrative expenses	5.4	(7,332)	(6,304)
<b>Operating expenses</b>		<b>(15,453)</b>	<b>(14,408)</b>
<b>Value adjustments on equity interests as well as depreciation on fixed assets</b>		<b>(906)</b>	<b>(1,176)</b>
<b>Changes in provisions and other value adjustments as well as losses</b>		<b>(128)</b>	<b>(607)</b>
<b>Operating result</b>		<b>2,038</b>	<b>2,381</b>
Extraordinary income	5.5	-	415
Extraordinary expenses	5.6	-	(386)
Taxes	5.7	(848)	(775)
<b>Profit for the year</b>		<b>1,190</b>	<b>1,635</b>

\*The amounts have been amended for comparability purpose.

## Appropriation of accumulated loss

As at 31 December 2020

	Notes	2020	2019
CHF 1'000			
<b>Result appropriation</b>			
Profit for the year		1,190	1,635
Loss carried forward		(5,278)	(6,913)
<b>Net accumulated loss</b>		<b>(4,088)</b>	<b>(5,278)</b>

## Statement of cash flow

For the year ended 31 December 2020

CHF 1'000	2020		2019	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
<b>Cash flow from operation results (internal financing):</b>				
Profit or loss for the year	1,190	-	1,635	-
Change in reserves for general banking risks	-	-	-	-
Value adjustments on depreciations on fixed assets	906	-	1,176	-
Value adjustments on equity interests	-	-	-	-
Change in value adjustments for default risks and losses	-	262	130	-
Depreciation of financial investments	-	-	-	-
Net income from disposal of investments in associated companies	-	-	-	-
Net income from disposal of fixed assets	-	-	-	-
Reserves for general banking risks	-	-	-	-
Accrued income and prepaid expenses	776	-	609	-
Accrued expenses and deferred income	-	1,958	-	48
Other assets	-	57	43	-
Other liabilities	90	-	13	-
<b>Balance</b>	<b>685</b>	<b>-</b>	<b>3,558</b>	<b>-</b>
<b>Cash flow from changes in shareholder's equity:</b>				
Capital increase paid-in	-	-	-	-
Other reserves	-	-	-	-
<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow from transactions in equity interests and fixed assets:</b>				
Financial Investments	-	-	-	-
Fixed assets	-	563	-	571
<b>Balance</b>	<b>-</b>	<b>563</b>	<b>-</b>	<b>571</b>
<b>Cash flow from medium to long-term banking business (&gt;1year):</b>				
Amounts due to banks	-	51,069	-	57,982
Amounts due to customers	-	-	-	-
Amounts due from banks	-	-	-	-
Amounts due from customers	78,208	-	41,995	-
Mortgage loans	-	10,473	6,728	-
Financial investments	406	-	74	-
<b>Balance</b>	<b>17,072</b>	<b>-</b>	<b>-</b>	<b>9,185</b>
<b>Cash flow from short-term banking business:</b>				
Amounts due to banks	-	-	-	-
Amounts due arising from securities financing transactions	-	-	-	-
Liabilities from customer deposits	-	21,338	93,319	-
Money market paper issued	-	-	-	-
Amounts due from banks	-	7,348	-	46,627
Amounts due from customers	-	-	-	-
Fixed assets	-	-	-	-
Accrued income and prepaid expenses	-	-	-	-
<b>Balance</b>	<b>-</b>	<b>28,686</b>	<b>46,692</b>	<b>-</b>
Liquid assets at the beginning of the year	-	57,131	-	16,637
<b>Net movement of the liquid assets</b>	<b>-</b>	<b>(11,493)</b>	<b>-</b>	<b>40,494</b>
Liquid assets at the end of the year	-	45,638	-	57,131

<b>Statement of changes in equity</b> For the year ended 31 December 2020	<b>Share capital*</b>	<b>Statutory Retained earnings Reserves**</b>	<b>Voluntary retained earnings and retained earnings / (losses) brought forward</b>	<b>Profit or (loss) for the Year</b>	<b>Total</b>
CHF 1'000					
<b>Shareholder's equity as at 31 December 2019</b>	150,000	1,775	(6,913)	1,635	146,497
Attribution of previous year's result	-	-	1,635	(1,635)	-
Profit for the year ended December 31, 2020	-	-	-	1,190	1,190
<b>Shareholder's equity as at 31 December 2020</b>	<b>150,000</b>	<b>1,775</b>	<b>(5,278)</b>	<b>1,190</b>	<b>147,687</b>

**\* Share Capital**

CHF 1'000

Fully paid up capital 150'000

\*\* Statutory retained earnings reserves of KCHF 1,775 is the net assets of QNB Real Estate Switzerland Ltd. absorbed by QNB (Suisse) SA in 2017.

## **1. Comments on business activities and risk management**

### **1.1 General**

QNB (Suisse) SA, formerly QNB Banque Privée (Suisse) SA, (the "Bank"), a Swiss limited liability company, located in Geneva, is a wholly owned Swiss private banking subsidiary of Qatar National Bank (Q.P.S.C.) in Doha, the largest bank in the State of Qatar.

The entity was incorporated on September 28<sup>th</sup>, 2007 and received its banking licence on May 19, 2009.

The Bank is regulated by the Swiss Financial Market Supervisory Authority ("FINMA") and is subject to Swiss banking rules and regulations. The Bank offers a full range of private banking and wealth management services.

### **1.2 Personnel**

As of December 31<sup>st</sup>, 2020, the Bank has 30 full time employees (vs. 29 in 2019).

### **1.3 Major Events**

A new Head of Private Banking (Mr. Zakaria Sibli) commenced working at the Bank in January 2020 and was appointed to the Executive Management Committee in April 2020.

The Bank finalised the preparation of its Investment Advisory services in 2020. Those services will be launched in 2021 and form an integral part of the Bank's strategy for the coming years.

### **1.4 Outsourcing**

The Bank outsources the management, development and maintenance of its core banking system (Avaloq) software and its back office operations to Avaloq Sourcing in Switzerland, a Swiss market leader in this field.

Outsourcing services are provided under the terms of a bespoke Service Level Agreement and managed via continuous quality and performance reviews performed by Avaloq Sourcing as well as stringent monitoring by the Bank. The Bank's IT infrastructure is maintained by Swisscom.



### 1.5 Risk Management Principles

Risk management principles are based on the Bank's organization rules and the broader range of policies and procedures in place. Policies are reviewed periodically by management and approved by the Board of Directors.

The management committee of the Bank as well as the Board of Directors are regularly updated on the overall risk profile of the Bank. In addition, at a minimum on a yearly basis, the Board of Directors shall set a defined risk appetite for the Bank.

Risk management ensures that all significant risks associated with the Bank's activities are identified, assessed and mitigated in a proper and timely manner.

Specific limits are allocated to different types of risk and adherence to such limits is monitored regularly.

A permanent monitoring of the financial situation and performance, regulatory changes, and overall risk and compliance issues, allows the Executive Management Committee to be regularly informed.

In relation to organizational structure, the Bank has three levels of risk management / risk controlling responsibilities:

1. Overall guidance and supervision performed by the Board of Directors, who are responsible for the risk appetite and the risk management strategy.
2. Overall Management and operational supervision by the Executive Management Committee (implementation of risk management strategies).
3. Risk control, primarily by the Risk department and under the responsibility of the Head of Risk

Moreover the Executive Management Committee has established bespoke committees (e.g. Risk and Credit Committee, Asset Liability Management Committee , Investment Committee and KYC and AML Committee) to ensure adequate monitoring and risk mitigation.

#### Credit Risk

Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. Traditionally, it refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection.

The default risk is mitigated by the fact that exposures are in most cases secured by collateral.

All facilities are reviewed according to the approved delegation authority.

### ***Authorization structure***

#### ***Collateral***

For secured lending, the Bank mitigates credit risk by pledging eligible collateral. Collateral in most cases would be liquid assets or bank guarantees issued by reputable banks.

#### ***Monitoring***

Daily monitoring is performed on facilities and the Bank promptly initiates corrective action.

#### ***Bank exposures***

The Bank has a set of defined limits. Adherence to the limits is monitored on a daily basis.

#### ***Market risks***

Market risk is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets in which he or she is involved. The main risk factors relate to interest rates, prices of equity-type securities, exchange rates and prices of precious metals.

#### ***Interest Rate Risk***

Interest rate risk arises from interest bearing financial instruments and reflects the possibility that change in interest rates will adversely affect the value of the financial instruments and the related income. Exposure to interest rate risk is monitored regularly and sensitivity analysis on future cash flows is undertaken.

#### ***Foreign Exchange Risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Bank's functional currency is the Swiss Franc.

Foreign exchange risk is controlled by the use of overnight exposure limits and a daily review of the foreign exchange position in each currency.

#### ***Liquidity Risk***

Liquidity or funding risk is the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities. Regulatory liquidity ratios are to be adhered to at all times.

QNB considers the prudent management of liquidity as essential in ensuring a sustainable and profitable business and in retaining the confidence of the financial markets.

### **Operational Risk**

Operational risk is the risk of a direct or an indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit and market risks. Operational risk may arise from all of the Bank's operations.

The mitigation of operational risk is achieved with an established framework of policies and procedures.

Compliance with policies and procedures is also achieved by periodic reviews undertaken by internal and external auditors. The results of these reviews are discussed with the Executive Management and a summary is provided to the Board of Directors.

### **Compliance and Legal Risks**

The Head of Compliance & Internal Control ensures the Bank adherence to prevailing laws and regulations and the enforcement of best market practices within the private banking industry. He promotes the creation of a sound compliance culture throughout the Bank and the ethical values of QNB Group. He reports quarterly to the Audit & Compliance Committee his analysis of the Bank's compliance risks and issues, as well as to the Group Chief Compliance Officer on a monthly basis.

The Head of Compliance & Internal Control has also a direct access to the Board of Directors and reports on a daily basis to the Bank's Chief Executive Officer. He also supports the Bank's Executive Management Committee in reviewing new legislation being developed by supervisory authorities, the Government, Parliament or other regulatory bodies.

The Executive Management Committee also ensures that the Bank's internal directives are updated according to new legislation or regulations. External legal counsel is used where necessary for legal questions or assistance.

### **1.6 Impact of COVID-19**

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment.

The Bank is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption that the COVID-19 outbreak may have on its operations and financial performance.

Furthermore, markets remain volatile and the Bank is continuing to monitor its exposure to economically sensitive sectors such as tourism and transportation.

The Bank did not incur any losses directly related to the pandemic during 2020. However, the performance of the Bank's enhanced offering may be affected by the slowing pace of business growth, especially if the global effects of COVID-19 continue throughout 2021.

## 2. Accounting and valuation principles

### 2.1 Accounting and valuation principles

The Bank's financial statements, bookkeeping and accounting are prepared in accordance with the Swiss regulations, the Swiss Federal Law on Banks and its relative Implementing Ordinance, as well as the statutory provisions and directives issued by FINMA governing the preparation of financial statements (Circular 2020 /1 Accounting - Banks).

### 2.2 Recording of transactions

All transactions made up to the date of the balance sheet are accounted for and valued on a daily basis according to recognized principles. The results of these operations are included in the income statement. Transactions performed (including money transactions and spot securities transactions) are included in the balance sheet based on the transaction date.

### 2.3 Foreign currencies

Transactions in foreign currencies occurring during the course of the year are converted at the rate in effect at the time the transaction was recognized. Gains and losses arising from foreign currency transactions are included in the income statement as realized during the course of the year .

Foreign currency assets and liabilities existing at the balance sheet date were converted into Swiss Franc equivalents using the year-end foreign currency rates disclosed below, the effects of which are included in results from trading operations.

	<u>31.12.2020</u>	<u>31.12.2019</u>
QAR/CHF	0.2428	0.2656
USD/CHF	0.8838	0.9669
GBP/CHF	1.2086	1.2759
EUR/CHF	1.0816	1.0854

## 2.4 Cash and other liquid assets and amounts due from banks

These items are recorded at nominal value. Provisions for impairments, if any, are directly deducted from the relevant asset in the balance sheet.

## 2.5 Loans and advances to clients

Loans are recognized at nominal value in the balance sheet, less value adjustments for impairment if any. A loan is considered impaired when strong evidence indicates that the debtor is unlikely to be in a position to meet future obligations, such as recognized financial difficulties or an actual default on contractual payments (default or delay of more than 90 days on payments of interest or principal).

This information is automatically generated and the assessments are made for collectability of the balances. During the assessments, the Bank takes into account the collateral's market value, co-signatures of third parties of pledge agreements and the client's financial situation. Impaired loans are valued individually and any loss in value is covered by specific valuation adjustments and provisions. Off balance sheet items such as irrevocable commitments, guarantees and other derivative financial instruments are included in this valuation.

Any interest overdue by more than 90 days is considered non-performing. Any non-performing or impaired interest is no longer booked to the profit and loss account but directly to "Changes in value adjustments due to default risk as well as losses from interest operations".

A loan is no longer considered impaired if capital and interest in arrears are repaid. The servicing of the debt has resumed normally, additional tangible guarantees have been obtained for value in excess of the existing unsecured debt and other solvency criteria have been met. Loan recoveries with provisions or written off in prior periods are recorded in "Changes in value adjustments due to default risk as well as losses from interest operations".

When a loan is considered totally or partially irrecoverable, or should the Bank decide to abandon loan recovery, it is fully written off. Write offs are charged against previously established provisions and reduce the principal loan amount. Amounts recovered on loans that have been fully amortized are credited to the P&L line "Changes in value adjustments due to default risk as well as losses from interest operations".

Value depreciation corresponds to the difference between the loan book value and the amount which the Bank can expect to recover, with due consideration for the counterparty risk and the net proceeds from the realization of any collateral held. Valuation adjustments and provisions are directly deducted from corresponding assets.

Collateral obtained on loans and advances to clients is valued at its liquidation value. The liquidation value is the net proceeds that can be realized after deducting the holding costs and liquidation charges.

The collateral valuation is processed daily based on available prices for each asset, with a price update frequency depending on the nature of each asset.

## 2.6 Financial investments

Investment securities purchased to meet the Bank's long-term or medium-term requirements are booked as "Financial Investments". Those purchased for short-term requirements are booked as "Securities and precious metals held for trading purpose". The management determines the appropriate classification of its investments according to its investment objectives.

Any bond investments held for trading purposes are booked at fair value.

Any bond investments held for long-term requirements (i.e. where management has both the intent and the ability to hold to maturity) are booked at the amortized cost using the accrual method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, and ensuring that this difference is spread over the period remaining to maturity.

Bond investments held for medium-term requirements as well as any other medium to long term share or fund investments are valued at the lower of cost or market value. Any impairment in value as well as any subsequent recoveries in value is booked to "Other ordinary expenses" or "Other ordinary income".

Interest earned while holding financial securities is reported as "Interest and dividend income from financial investments."

## 2.7 Fixed Tangible assets and Intangible assets

Fixed assets are stated in the balance sheet at their cost price and depreciated using the straight line method over a period corresponding to the estimated useful economic life of the different types of assets. The estimated useful economic lives are as follows:

Building	25 years
Furniture and fixtures	7 years
Leasehold improvements	4 years
IT equipment	3 years
Software	3 years

The carrying amounts are reviewed at each balance sheet date for indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized in the income statement to the extent that carrying values exceed the recoverable amounts.

## **2.8 Liabilities to own pension fund institution**

The Bank's employees participate in a 2nd-pillar defined contribution plan provided by Swiss Life. This pension plan is structured as a Collective LPP Foundation and provides the following benefits:

- Risk - death, disability, longevity (defined benefits pension plan)
- Retirement Savings (defined contribution plan)

Swiss Life provides a 100% nominal value guarantee on retirement savings. This ensures that fluctuations in market prices of investments have no negative consequences for the Bank.

The Bank's contributions are recorded in the income statement as personnel expenses.

## **2.9 Provisions**

For all potential and identifiable risks existing at the balance sheet date, valuation adjustments and provisions are established on a prudent basis. These risks are periodically reviewed by the Executive Management Committee. If valuation adjustments and provisions are considered necessary, they are recorded in the relevant income statement account when the risk is identified.

## **2.10 Derivative instruments**

Subject to prior internal approval, the Bank allows clients to use derivative financial instruments.

Derivative instruments include options, futures and swaps on equities, stock indices, foreign exchange, commodities and interest rates, forward rate agreements and forward contracts on currencies, securities and commodities.

Derivative financial instruments are reported at their fair value. Fair value is determined from the price provided by a liquid and efficient market or from the price established by a valuation model. The gross replacement value of derivative contracts reflects the fair value of all unsettled trades at the year-end. The positive replacement value is included in "Positive replacement values of derivatives", the negative replacement value in "Negative replacement values of derivatives". Realized and unrealized profits and losses are disclosed under "Net result from trading operations".

The Bank had no transactions in derivatives during the reporting period.

## **2.11 Taxes**

Current taxes affecting the earnings and capital of the corresponding period are determined in accordance with the fiscal requirements in force. Unpaid taxes are recorded as a tax charge of the

accounting period during which the related profits were made or the related capital was in force. They are shown as liabilities in the balance sheet under "Accrued expenses and deferred income".

### **2.12 Contingent liabilities and irrevocable commitments**

These transactions are recorded as off-balance sheet items at their nominal value.

### **2.13 Islamic transactions**

From an accounting perspective, Islamic deposits are treated as deposits and Islamic financings are treated as loans.



### 3. Information concerning the balance sheet

#### 3.1 Presentation of the collateral for loans and off-balance sheet transactions, as well as doubtful receivables

<b>Loans and advances</b>				
CHF 1'000	Secured by other			Total
	Mortgage coverage	collateral	Unsecured	
Amounts due from customers	-	655,423	16,219	671,642
Mortgage Loans	41,200	-	-	41,200
<i>Residential property</i>	41,200	-	-	41,200
<i>Commercial property</i>	-	-	-	-
<i>Commercial and industrial real estate</i>	-	-	-	-
<i>Other</i>	-	-	-	-
<b>Total loans (before netting with value adjustments)</b>	<b>41,200</b>	<b>655,423</b>	<b>16,219</b>	<b>712,842</b>
Previous year	30,727	712,886	36,964	780,577
<b>Total loans (after netting with value adjustments)</b>	<b>41,200</b>	<b>655,423</b>	<b>16,219</b>	<b>712,842</b>
Previous year	30,727	712,886	36,702	780,315

<b>Impaired receivable</b>	Gross amount	Estimated liquidation proceeds of the collateral		Individual value adjustments
		Net amount due		
CHF 1'000				
Current Year	-	-	-	-
Previous year	262	-	262	262

<b>Off-balance sheet</b>	Secured by other			Total
	Mortgage coverage	collateral	Unsecured	
CHF 1'000				
Contingent liabilities	-	1,657	-	1,657
Irrevocable commitments	-	49,111	140 *	49,251
Liabilities for calls on shares and other equities	-	-	-	-
Confirmed credits	-	-	-	-
<b>Total off-balance</b>	<b>-</b>	<b>50,768</b>	<b>140</b>	<b>50,908</b>
Previous year	-	22,845	132 *	22,977

\* Amount of commitment for the Swiss deposit protection scheme as required by FINMA.

#### 3.2 Analysis of financial investments

<b>Financial investments</b>	Book value		Fair value		w/o Rating
	Reporting year	Prior year	Reporting year	Prior year	
CHF 1'000					
Debt instruments	7,422	7,828	7,750	8,312	
<i>Held-to-maturity</i>	7,422	7,828	7,750	8,312	
<b>Total financial investments</b>	<b>7,422</b>	<b>7,828</b>	<b>7,750</b>	<b>8,312</b>	
of which securities allowed for repos as per liquidity provision	3,007	3,008			
	AAA TO AA-	A+ TO A-	BBB+ TO BBB-	BB+ TO B	Lower Than B-
<b>Breakdown of the counterparty according to rating *</b>					
CHF 1'000					
Debt instrument : Book value	7,422				
* S&P					

### 3.3 Analysis of tangible fixed assets

Tangible fixed assets	Historical costs	Accumulated depreciation	Net book value at 31.12.2019	Additions / Disposals in 2020	Amortization / Depreciation in 2020	Net book value at 31.12.2020
CHF 1'000						
Real Estate	1,364	466	898	-	50	848
Leasehold improvements	4,392	4,175	217	-	189	28
Furniture and fixtures	1,090	911	179	-	50	129
IT equipment	529	500	29	3	23	9
Software	2,967	2,046	921	560	593	888
<b>Total Tangible fixed assets</b>	<b>10,342</b>	<b>8,098</b>	<b>2,244</b>	<b>563</b>	<b>905</b>	<b>1,902</b>

### 3.4 Other assets and liabilities

Other assets	31.12.2020	31.12.2019
CHF 1'000		
Indirect taxes	125	30
Loss after sale on Financial Investments (HTM)	207	246
Other assets	10	10
<b>Total other assets</b>	<b>342</b>	<b>286</b>

Other liabilities	31.12.2020	31.12.2019
CHF 1'000		
Indirect taxes	114	12
Other liabilities	17	29
<b>Total other liabilities</b>	<b>131</b>	<b>41</b>

### 3.5 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

Pledged / assigned assets	Book values	Effective commitments
Pledge with financial counterparty	3	-
<b>Total other liabilities</b>	<b>3</b>	<b>-</b>

The Bank has pledged or assigned assets to secure own commitments or assets subject to reservation of title for KCHF 3. As at 31 December 2020 there is no effective commitment.

### 3.6 Liabilities towards pension fund institutions

QNB (Suisse) SA is affiliated to the Swiss Life LPP-Collective-Foundation, Zurich since November 2009.

The Bank's employees participate in a 2<sup>nd</sup>-pillar provided by Swiss Life. This pension plan is structured as a Collective LPP Foundation and provides the following benefits:

- Risk - death, disability, longevity (defined benefits pension plan)
- Retirement Savings (defined contribution plan)

Current liabilities to pension fund	31.12.2020	31.12.2019
CHF 1'000		
<b>Current liabilities towards pension fund</b>	<b>112</b>	<b>107</b>

### Economic advantage/obligations and Bank's contributions

Occupational pension plans are generally subject to fundamental insurance and investment risk. However, the Swiss Life scheme provides full insurance with the following features:

- All risks are insured - there are no additional payment obligations. Stock markets fluctuations or a poor investment policy have no negative consequences for the Bank.
- No fluctuation reserves are required.

Swiss Life provides a 100% nominal value guarantee on retirement savings. This ensures that fluctuations in market prices of investments have no negative impact related to pension fund.

	Surplus / deficit as at 31.12.2020	Net advantage / obligation for the Bank 31.12.2020	31.12.2019	Variation in the period	Adjusted contribution in the year ending 2020	Pension fund contribution included in personnel expenses in 2020	2019
CHF 1'000							
<b>*Pension fund without surplus or deficit</b>	-	-	-		<b>874</b>	<b>874</b>	<b>810</b>

*\*As at 31 December 2020, the Bank has no employer contribution reserve.*

### 3.7 Provisions

Valuation adjustments and provisions	Balance at 31.12.2019	Use in conformity with designed purpose	Change in purpose	Past due interest, Recoveries	New adjustments debited to income	Balance at 31.12.2020
CHF 1'000						
<b>Value adjustments and provisions for default and other risks:</b>						
- Other provisions for other business risk	60	-	-	-	-	60
<b>Total</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>
Value adjustments for default and country risks	262	-	-	(262)	-	-
<b>Total</b>	<b>262</b>	<b>-</b>	<b>-</b>	<b>(262)</b>	<b>-</b>	<b>-</b>

### 3.8 Share capital

Share Capital	31.12.2020			31.12.2019		
	Share Capital	Units	Dividend bearing capital	Share Capital	Units	Dividend bearing capital
CHF 1'000						
Share Capital	150,000	1,000	150,000	150,000	1,000	150,000
<b>Total company capital</b>	<b>150,000</b>	<b>1,000</b>	<b>150,000</b>	<b>150,000</b>	<b>1,000</b>	<b>150,000</b>
<i>thereof unpaid capital</i>	-					

Significant shareholders and groups of shareholder with pooled voting rights	31.12.2020		31.12.2019	
CHF 1'000				
Qatar National Bank (Q.P.S.C.), Doha	150,000	100%	150,000	100%

Qatar National Bank (Q.P.S.C.), Doha is 50% owned by Qatar Holding LLC, Doha, which is fully owned by the sovereign wealth fund of the State of Qatar, the Qatar Investment Authority (QIA), with the remaining 50% publicly traded on the Qatar Stock Exchange. QIA is 100% owned by the State of Qatar.

### 3.9 Amounts due to/from related parties

Related companies includes all QNB Group companies other than the parent company itself. Other related parties are those parties able to influence the Bank's financial or operational decisions either directly or indirectly to a significant extent.

Transactions were at arm's length and followed market terms during the year, except for guarantees issued by Head Office.

#### Holders of qualified participations

Balance sheet	31.12.2020		31.12.2019	
	Assets	Liabilities	Assets	Liabilities
CHF 1'000				
Amounts due from banks	145,216	-	106,073	-
Amounts due to banks*	-	695,291	-	746,360
Amounts due to customers	-	-	-	-
Accrued income and prepaid expenses	44	-	38	-
Accrued expenses and deferred income	-	338	-	511
<b>Off-Balance sheet</b>				
Fiduciary deposits	1,241,000	-	1,428,019	-
Guarantees	656,100	-	680,934	-

\*Including KCHF 25'000 subordinated loan

#### Related companies

Balance sheet	31.12.2020		31.12.2019	
	Assets	Liabilities	Assets	Liabilities
CHF 1'000				
Amounts due from banks	-	-	-	-
Amounts due to banks	-	-	-	-
Amounts due to customers	-	-	-	-
Accrued expenses and deferred income	-	-	-	17
<b>Off-Balance sheet</b>				
Fiduciary deposits	39,415	-	100,442	-

#### Member of governing bodies

Balance sheet	31.12.2020		31.12.2019	
	Assets	Liabilities	Assets	Liabilities
CHF 1'000				
Amounts due from banks	-	-	-	-
Amounts due from customers	16,576	-	16,872	-
Amounts due to banks	-	-	-	-
Amounts due to customers	-	2,668	-	2,282
<b>Off-Balance sheet</b>				
Fiduciary deposits	-	1,605	-	1,721
Guarantees	-	100	-	-

### 3.10 Declaration of holders of Shareholding exceeding 5% of all voting rights

Significant shareholders and groups of shareholder with pooled voting rights	31.12.2020		31.12.2019	
CHF 1'000				
Qatar National Bank (Q.P.S.C.), Doha	150,000	100%	150,000	100%

Qatar National Bank (Q.P.S.C.), Doha is 50% owned by Qatar Holding LLC, Doha, which is fully owned by the sovereign wealth fund of the State of Qatar, the Qatar Investment Authority ('QIA'), with the remaining 50% publicly traded on the Qatar Stock Exchange. QIA is 100% owned by the State of Qatar.

### 3.11 Presentation of maturity structure of financial instruments

Financial assets	At sight	Callable	Up to 3 months	3 to 12 months	12 months to 5 years	More than 5 years	Immobilized	Total
CHF 1'000								
Liquid assets	45,638	-	-	-	-	-	-	45,638
Amounts due from banks	171,324	-	30,000	40,000	-	-	-	241,324
Amounts due from customers	-	1,461	19,135	27,713	514,188	109,145	-	671,642
Mortgage loans	-	-	372	4,486	13,491	22,851	-	41,200
Financial investments	-	-	-	4,415	-	3,007	-	7,422
<b>Subtotal assets</b>	<b>216,962</b>	<b>1,461</b>	<b>49,507</b>	<b>76,614</b>	<b>527,679</b>	<b>135,003</b>	-	<b>1,007,225</b>
Prior year	242,496	1,763	44,466	23,409	597,141	169,974	-	1,079,249
<b>Financial liabilities</b>								
CHF 1'000								
Amount due to banks	4,363	-	10,588	31,829	496,075	152,436	-	695,291
Amounts due to customers	164,821	-	-	-	-	-	-	164,821
<b>Subtotal liabilities</b>	<b>169,184</b>	-	<b>10,588</b>	<b>31,829</b>	<b>496,075</b>	<b>152,436</b>	-	<b>860,112</b>
Prior year	186,746	-	3,443	5,292	575,194	161,844	-	932,519

### 3.12 Analysis of domestic and foreign assets and liabilities

Assets	31.12.2020		31.12.2019	
	Domestic	Foreign	Domestic	Foreign
CHF 1'000				
Liquid assets	45,638	-	57,131	-
Amounts due from banks	52,138	189,186	74,414	159,562
Amounts due from customers	315,256	356,386	312,982	436,606
Mortgage Loans	1,889	39,311	1,922	28,805
Financial investments	3,007	4,415	3,008	4,820
Accrued income and prepaid expenses	1,936	982	1,830	1,864
Tangible fixed assets	1,902	-	2,244	-
Other assets	342	-	286	-
<b>Total assets</b>	<b>422,108</b>	<b>590,280</b>	<b>453,817</b>	<b>631,657</b>

  

Liabilities	31.12.2020		31.12.2019	
	Domestic	Foreign	Domestic	Foreign
CHF 1'000				
Amounts due to banks	-	695,291	-	746,360
Amounts due to customers	9,167	155,654	12,291	173,868
Accrued expenses and deferred income	3,059	1,339	4,551	1,806
Other liabilities	131	-	41	-
Provisions	60	-	60	-
Bank's capital	150,000	-	150,000	-
Statutory retained earning reserve	1,775	-	1,775	-
Loss brought forward	(5,278)	-	-6,913	-
Profit for the year	1,190	-	1,635	-
<b>Total liabilities</b>	<b>160,104</b>	<b>852,284</b>	<b>163,440</b>	<b>922,034</b>

### 3.13 Assets analysed by countries / group of countries

CHF 1'000	31.12.2020		31.12.2019	
	Absolute	Percentage	Absolute	Percentage
Switzerland	422,108	42%	453,817	42%
Europe	191,358	19%	241,862	22%
Caribbean	609	0%	26,921	2%
Africa	3	0%	2	0%
Qatar	349,266	34%	333,243	31%
Other countries	49,044	5%	29,629	3%
<b>Total Assets</b>	<b>1,012,388</b>	<b>100.00%</b>	<b>1,085,474</b>	<b>100.00%</b>

### 3.14 Breakdown of total assets excluding Switzerland based on the credit rating of the country (Risk domicile principle)

CHF 1'000	31.12.2020		31.12.2019	
	Absolute	Percentage	Absolute	Percentage
AAA to AA-	588,287	99.66%	630,190	99.77%
A+ to A-	10	0.00%	5	0.00%
BBB+ to BBB-	12	0.00%	47	0.01%
B+ to B-	5	0.00%	-	0.00%
Unrated	1,966	0.33%	1,415	0.22%
<b>Total Assets</b>	<b>590,280</b>	<b>100.00%</b>	<b>631,657</b>	<b>100.00%</b>

\*Source S&P

### 3.15 Analysis of balance sheet by currencies

Assets	CHF	USD	EUR	GBP	QAR	Other	TOTAL
CHF 1'000							
Liquid assets	45,186	68	315	18	49	2	45,638
Amounts due from banks	89,836	86,596	54,233	9,644	111	904	241,324
Amounts due from customers	432,837	228,063	7,081	2,324	-	1,337	671,642
Mortgage loans	2,585	2,784	2,004	33,827	-	-	41,200
Financial investments	3,007	4,415	-	-	-	-	7,422
Accrued income and prepaid expenses	2,071	384	16	354	91	2	2,918
Tangible fixed assets	1,902	-	-	-	-	-	1,902
Other assets	342	-	-	-	-	-	342
<b>Total assets</b>	<b>577,766</b>	<b>322,310</b>	<b>63,649</b>	<b>46,167</b>	<b>251</b>	<b>2,245</b>	<b>1,012,388</b>
Prior year	566,823	410,277	73,583	31,149	372	3,270	1,085,474
<b>Liabilities and Shareholders equity</b>	<b>CHF</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>QAR</b>	<b>Other</b>	<b>TOTAL</b>
CHF 1'000							
Amounts due to banks	416,927	233,739	7,521	35,768	-	1,336	695,291
Amounts due to customers	11,812	87,153	54,987	9,962	59	848	164,821
Accrued expenses and deferred income	3,127	87	1,002	80	101	1	4,398
Other liabilities	115	16	-	-	-	-	131
Provisions	60	-	-	-	-	-	60
Bank's capital	150,000	-	-	-	-	-	150,000
Statutory retained earnings reserve	1,775	-	-	-	-	-	1,775
Losses brought forward	(5,278)	-	-	-	-	-	(5,278)
Profit for the year	1,190	-	-	-	-	-	1,190
<b>Total liabilities and Shareholders equity</b>	<b>579,728</b>	<b>320,995</b>	<b>63,510</b>	<b>45,810</b>	<b>160</b>	<b>2,185</b>	<b>1,012,388</b>
Prior year	570,683	408,853	73,425	30,856	186	1,471	1,085,474
<b>Net position per currency</b>	<b>-1,962</b>	<b>1,315</b>	<b>139</b>	<b>357</b>	<b>91</b>	<b>60</b>	<b>-</b>
Prior year	-3,861	1,424	158	292	186	1,799	-

### 3.16 Breakdown of contingent assets and liabilities

	31.12.2020	31.12.2019
CHF 1'000		
Taxes on loss carry-forward	-	114
<b>Total contingent assets</b>	<b>-</b>	<b>114</b>
	31.12.2020	31.12.2019
CHF 1'000		
Guarantees to secure credits and similar	1,657	213
<i>of which: Credit cards</i>	135	166
<i>Credit line guarantee</i>	770	47
<i>Other guarantee</i>	752	-
<b>Total contingent liabilities</b>	<b>1,657</b>	<b>213</b>



### 3.17 Breakdown of irrevocable commitments

	31.12.2020	31.12.2019
CHF 1'000		
Irrevocable commitments (credit)	49,111	22,500
Deposit guarantee (art. 37h LB)	140	132
<b>Total Irrevocable commitments</b>	<b>49,251</b>	<b>22,632</b>

## 4. Information on off-balance sheet transaction

### 4.1 Breakdown of fiduciary transactions

Fiduciary transactions	31.12.2020	31.12.2019
CHF 1'000		
<i>Fiduciary Investments with third-parties</i>	-	19,338
Fiduciary transactions with Societe Generale de Banque au Liban	-	19,338
<i>Fiduciary Investments with group companies and affiliated companies</i>	1,280,415	1,518,459
Fiduciary transactions with Qatar National Bank (Q.P.S.C.), Qatar	1,241,000	1,418,019
Fiduciary transactions with Qatar National Bank (Q.P.S.C.), Singapore	-	46,424
Fiduciary transactions with QNB Finansbank	39,415	54,017
<b>Total fiduciary transactions</b>	<b>1,280,415</b>	<b>1,537,797</b>

### 4.2 Assets under management

Breakdown of assets under management and under administration	31.12.2020	31.12.2019
CHF 1'000		
Assets in own administrated collective investment schemes	140,556	126,364 **
Assets with discretionary management agreements	-	-
Other assets under management*	1,619,443	1,797,077 **
<b>Total assets under management (incl.double counted)</b>	<b>1,759,998</b>	<b>1,923,441 **</b>
+/- Net new money inflows or outflows	3,514	-504,410 **
+/- Changes in prices, interest, dividends and exchange rates	-166,957	13,074 **
<b>Net variance of assets under management</b>	<b>-163,442</b>	<b>-491,337 **</b>

\*Other assets under management ('AUM') as stated above do not include client portfolios containing only current account balances (31.12.2020: KCHF 87,946. 31.12.2019: KCHF 45,477) or portfolios where the Bank is providing custody only services to the relevant clients (31.12.2020: KCHF 555,873. 31.12.2019: KCHF 533,965) Furthermore, AUM does not include loans to clients.

Double counts, as referred to above, arise where amounts are included in more than one category. For example, collective investment schemes, which are managed by the Bank may also include investments by the bank's own clients. In such cases, the relevant assets would be included in both Assets in own administered collective investment schemes and Other assets under management above.

\*\* These amounts have been restated for comparability purpose.

Net inflows / outflows from customers are made up of assets acquired from new or existing clients and withdrawals of assets of existing clients or customers who discontinued their relationship with the Bank. Their value is determined on the day of transfer (cash and/or transferable securities). Net inflows / outflows from customers are calculated excluding market movements, changes in market prices, dividends and interest.

## 5. Information concerning the income statement

### 5.1 Disclosure of material refinancing income in the item Interest and discount income as well as material negative interest

Negative interest on the lending business is recognised as a reduction in interest income and negative interest on borrowing as a reduction in interest costs. The Bank does not deduct financing costs from trading positions.

### 5.2 Breakdown of dealing income

	2020	2019
CHF 1'000		
Foreign exchange impact on transactions and revaluation of balance sheet	82	121
<b>Total net trading income</b>	<b>82</b>	<b>121</b>

### 5.3 Breakdown of personnel expenses

Breakdown of personnel expenses		
CHF 1'000	2020	2019
Salaries	6,195	5,801
Governing bodies fees	178	162
Social costs	1,429	1,395
Other personnel expenses	319	746
<b>Total personnel expenses</b>	<b>8,121</b>	<b>8,104</b>

### 5.4 Breakdown of operating expenses

	2020	2019
CHF 1'000		
IT, equipment and installations expensed	3,624	3,089
Professional fees*	1,010	915
<i>*In which audit fees</i>	<i>305</i>	<i>336</i>
Occupancy	1,290	1,226
Other operating expenses	1,408	1,074
<b>Total operating expenses</b>	<b>7,332</b>	<b>6,304</b>

### 5.5 Breakdown of the caption extraordinary income

	2020	2019
CHF 1'000		
Correction of historical accounting record	-	415
<b>Total extraordinary income</b>	<b>-</b>	<b>415</b>

### 5.6 Breakdown of the caption extraordinary expenses

	2020	2019
CHF 1'000		
Correction of historical accounting record	-	386
<b>Total extraordinary expenses</b>	<b>-</b>	<b>386</b>

### 5.7 Breakdown of taxes

	2020	2019
CHF 1'000		
Capital tax	670	713
Other local tax	178	62
<b>Total Taxes</b>	<b>848</b>	<b>775</b>
<b>Loss carry-forward before current year result</b>	<b>-</b>	<b>543</b>



**QNB (Suisse) SA**

**Corporate governance and Basel III disclosure**

**Disclosures as at 31 December 2020  
as per circular 2016-1 “Disclosure - Banks”  
will be published in a separate report.**