



**QNB (Suisse) SA**  
**Annual Report 2021**

For the year ending  
December 31<sup>st</sup>, 2021

## Table of Contents

Message of the Chairman of the Board of Directors.....	3
Message of the CEO of QNB (Suisse) SA.....	5
Report of the Statutory Auditors.....	7
Financial Statements 2021.....	10
Disclosures as at 31 December 2021 as per circular 2016-1 “Disclosure – Banks” .....	39

*The excellence of our service, quality of our people and strength of our performance underpin QNB Group's leadership position.*

As we publish this report, the world is continuing its transition to a new normal from the depth of the COVID-19 pandemic. With effective vaccines against COVID-19 and mass inoculation campaigns across continents, authorities from major economies allowed greater mobility leading to higher levels of economic activity than last year. Moreover, unprecedented monetary and fiscal support measures continued into 2021 and protected the global economy from the adverse impact of the pandemic.

### **Driving growth in the new normal supported by QNB Group**

Today's social and economic environment has been transformed by the pandemic, setting the foundations for the new normal. This has changed the way we do business and operate, creating new challenges as well as offering new opportunities for the Bank and our customers.

Despite the ongoing challenges, we are convinced of Switzerland's role as a global wealth centre. With the uncertainties created by the pandemic and the flight to safety, investors this year tended to relocate their assets to safe haven markets such as Switzerland, that offer better service offerings in addition to greater political and financial stability. As such, I believe that QNB (Suisse) continues to play an important role within QNB Group. It acts as both a conduit for trade and investment flows into Switzerland, while also broadening the overall service and value proposition for our high net worth clients.

QNB (Suisse) SA is supported by QNB Group, which is the largest bank in the Middle East and Africa and one of the world's top 50 banks in terms of market capitalization. Our unwavering effort to add ever more value to our customers is also reflected in our strong brand performance. This year, we achieved a total brand value of USD 6.1 billion, comfortably maintaining the rank of most valuable banking brand in the MEA region.

### **Fostering a robust performance**

In 2021, QNB (Suisse) SA ended the year with total balance sheet assets of CHF 1.1 billion and with Clients' Assets and Loans totaling CHF 3 billion. A Net loss of CHF 0.5 million was incurred.

We maintain a robust corporate governance framework aligned with global best-practice standards. The framework relies on the principles of responsibility, accountability, fairness and transparency to bolster the governance culture and effectiveness. As such, QNB (Suisse) SA has independent board members who ensure that proper expertise is deployed and the governance framework is adhered to.

### **Continuing our journey**

Of course, the success of our business today – and tomorrow – lies with our people. At every level, I want to thank all of our employees for their relentless commitment and exemplary service they deliver every day. My gratitude also goes to our customers and stakeholders whose loyalty and trust have been so important on our ongoing journey.

## MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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Finally, 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 8<sup>th</sup> 2022

I am pleased to present the 2021 financial results of QNB (Suisse) SA (the 'Bank'). We are hopeful that the worst of the pandemic may be behind us and we aim to adjust our efforts to the new operating environment. We continue to monitor this environment as well as its impact on our business activities carefully and we are confident that we can benefit from post-pandemic opportunities in the future.

QNB (Suisse) SA is a key hub of private banking services for QNB Group, offering our High Net Worth clients an exemplary Swiss private banking experience. We recognize that the pandemic has brought challenges for small and medium-size private banks in the current market environment in Switzerland. The private banking industry is in consolidation and banks continue to face challenges of scale. We remain dedicated and committed to our value proposition and offering in Switzerland whilst aiming to deliver a truly outstanding service to our clients. I am therefore proud to announce that despite those challenges, we were able to achieve further growth of our client base in 2021.

We also recognize that the market environment will remain challenging, especially with interest rates at low levels. We do not consider ourselves as a mere product producer but as an advisor leveraging a multi-platform approach. This allows us to identify value and growth opportunities for our clients incorporating risk-return objectives. With a focus on adapting to the new regulatory environment and developing a sustainable business model, I am delighted to announce that the Bank launched its Investment Advisory services in 2021. The new offering, which includes both portfolio and transaction-based services, forms an integral part of the Bank's proposition and extended strategy for the coming years.

The success of QNB (Suisse) SA also relies on its robust governance and compliance framework. This enables us to oversee and ensure that the necessary mechanisms and controls are in place to safeguard our business operations. We continuously upgrade our practices to remain compliant with the growing complexity of the regulatory environment, including, in 2021, the implementation of the necessary measures to ensure full compliance with the Swiss Financial Services Act ('FinSA').

Similar to previous years, the Bank remains well capitalised, having CHF 147 million of shareholder's equity in addition to a subordinated loan of CHF 25 million from QNB Group. Furthermore, we continue to maintain high levels of liquidity.

Our robust governance, compliance framework, risk management practice and strong capitalisation are a testament to our strategy and go-to-market approach for QNB (Suisse) SA.

The Bank was therefore able to maintain a stable financial position and did not suffer any losses directly related to COVID 19. Nevertheless, with the challenges of the pandemic, our activities in 2021 were impacted, resulting in a net loss of less than CHF 0.5 million, compared to a profit of CHF 1.2 million in 2020.

We remain focused on our priorities, which include the optimisation of our financial performance, enhancement of our offering to clients and improvements to our platform whilst ensuring a strong

corporate governance within a robust risk management framework. I am confident that the relevant enhancements will enable us to return to long-term sustainable growth in the future.

On behalf of the Bank's management, firstly, I take this opportunity to extend our appreciation to our esteemed clients for their continued trust and confidence. Secondly, we wish to thank our excellent team for their tremendous efforts and commitment throughout 2021.

Finally, I would like to conclude by expressing my sincere gratitude to the Bank's Chairman and Board members, and to QNB Group, for their continuous support and considerate guidance, which assisted us in operating safely and successfully throughout 2021.

**Ghadeer Abu Hijleh**  
Chief Executive Officer  
QNB (Suisse) SA  
February 8th 2022



**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**

### **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 11 to 38) for the year ended 31 December 2021.

### **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 2021 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 Oversight 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 SA

Olivier Gauderon  
Licensed Audit Expert  
Auditor in Charge

Chouaa Halabi  
Licensed Audit Expert

Geneva, 8 February 2022



**QNB (Suisse) SA**  
**Financial Statements**  
**As at and for the year ended**  
**31 December 2021**

## Balance sheet

As at 31 December 2021

<b>Assets</b>	Notes	<b>31.12.2021</b>	<b>31.12.2020</b>
CHF 1'000			
Liquid assets		46,558	45,638
Amounts due from banks		324,959	241,324
Amounts due from customers	3.1	663,587	671,642
Mortgage loans	3.1	39,370	41,200
Financial investments	3.2	11,985	7,422
Accrued income and prepaid expenses		3,054	2,918
Tangible fixed assets	3.3	1,500	1,902
Other assets	3.4	259	342
<b>Total assets</b>		<b>1,091,272</b>	<b>1,012,388</b>
Total subordinated assets		-	-
<b>Liabilities and shareholder's equity</b>			
CHF 1'000			
Amounts due to banks		704,622	695,291
Amounts due to customers		235,722	164,821
Accrued expenses and deferred income		3,575	4,398
Other liabilities	3.4	94	131
Provisions	3.7	60	60
<b>Total liabilities</b>		<b>944,073</b>	<b>864,701</b>
Share capital	3.8	150,000	150,000
Statutory retained earnings reserve		1,775	1,775
Loss brought forward		(4,089)	(5,278)
Profit / (Loss) for the year		(487)	1,190
<b>Total shareholder's equity</b>		<b>147,199</b>	<b>147,687</b>
<b>Total liabilities and shareholder's equity</b>		<b>1,091,272</b>	<b>1,012,388</b>
Total subordinated liabilities		25,057	25,057
<i>of which subject to mandatory conversion and/or debt waiver</i>		25,057	25,057

## Off-balance sheet transactions

As at 31 December 2021

	31.12.2021	31.12.2020
CHF 1'000		
Contingent liabilities	1,340	1,657
Irrevocable commitments	26,772	49,251
<b>Total off-balance sheet transactions</b>	<b>28,112</b>	<b>50,908</b>

## Income statement

For the year ended 31 December 2021

	Notes	2021	2020
CHF 1'000			
<b>Result from interest operations</b>			
Interest and discount income		14,416	16,438
Interest and dividend income from financial investments		66	106
Interest expense		(2,852)	(4,429)
<b>Gross results of interest operations</b>		<b>11,630</b>	<b>12,115</b>
Changes in value adjustments due to default risk as well as losses from interest operations		-	262
<b>Net results of interest operations</b>	5.1	<b>11,630</b>	<b>12,377</b>
<b>Result from fees and commissions</b>			
Commission income from securities trading and investment activities		4,950	4,759
Commission income from lending activities		29	84
Commission income from other services		222	801
Commission expenses		(34)	(83)
<b>Results from fees and commissions</b>		<b>5,167</b>	<b>5,561</b>
<b>Net result from trading operations and the fair value option</b>	5.2	<b>212</b>	<b>82</b>
<b>Other result from ordinary activities</b>			
Result from real estate		68	544
Other ordinary income		8	14
Other ordinary expenses		(35)	(53)
<b>Other result from ordinary activities</b>		<b>41</b>	<b>505</b>
<b>Total operating income</b>		<b>17,050</b>	<b>18,525</b>
<b>Operating expenses</b>			
Personnel expenses	5.3 - 3.6	(8,875)	(8,121)
General and administrative expenses	5.4	(7,289)	(7,332)
<b>Total operating expenses</b>		<b>(16,164)</b>	<b>(15,453)</b>
<b>Value adjustments on equity interests as well as depreciation on fixed assets</b>		<b>(593)</b>	<b>(906)</b>
<b>Changes in provisions and other value adjustments as well as losses</b>		<b>(2)</b>	<b>(128)</b>
<b>Operating result</b>		<b>291</b>	<b>2,038</b>
Taxes	5.5	(778)	(848)
<b>Profit / (Loss) for the year</b>		<b>(487)</b>	<b>1,190</b>

## Appropriation of accumulated loss

As at 31 December 2021

	Notes	2021	2020
CHF 1'000			
<b>Result appropriation</b>			
Profit / (Loss) for the year		(487)	1,190
Loss carried forward		(4,089)	(5,278)
<b>Net accumulated loss</b>		<b>(4,576)</b>	<b>(4,088)</b>

## Statement of cash flow

For the year ended 31 December 2021

CHF 1'000	2021		2020	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
<b>Cash flow from operation results (internal financing):</b>				
Profit or loss for the year	-	487	1,190	-
Change in reserves for general banking risks	-	-	-	-
Value adjustments on depreciations on fixed assets	593	-	906	-
Value adjustments on equity interests	-	-	-	-
Change in value adjustments for default risks and losses	-	-	-	262
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	-	136	776	-
Accrued expenses and deferred income	-	823	-	1,958
Other assets	82	-	-	57
Other liabilities	-	37	90	-
<b>Balance</b>	-	<b>808</b>	<b>685</b>	-
<b>Cash flow from changes in shareholder's equity:</b>				
Capital increase paid-in	-	-	-	-
Other reserves	-	-	-	-
<b>Balance</b>	-	-	-	-
<b>Cash flow from transactions in equity interests and fixed assets:</b>				
Financial Investments	-	-	-	-
Fixed assets	-	191	-	563
<b>Balance</b>	-	<b>191</b>	-	<b>563</b>
<b>Cash flow from banking activities</b>				
Amounts due to banks	9,331	-	-	51,069
Amounts due to customers	-	-	-	-
Amounts due from banks	-	-	-	-
Amounts due from customers	8,055	-	78,208	-
Mortgage loans	1,830	-	-	10,473
Financial investments	-	4,563	406	-
<b>Balance</b>	<b>14,653</b>	-	<b>17,072</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	70,901	-	-	21,338
Money market paper issued	-	-	-	-
Amounts due from banks	-	83,635	-	7,348
Amounts due from customers	-	-	-	-
Fixed assets	-	-	-	-
Accrued income and prepaid expenses	-	-	-	-
<b>Balance</b>	-	<b>12,734</b>	-	<b>28,686</b>
Liquid assets at the beginning of the year	-	45,638	-	57,131
<b>Net movement of the liquid assets</b>	-	<b>920</b>	-	<b>(11,493)</b>
Liquid assets at the end of the year	-	46,558	-	45,638

## Statement of changes in equity

For the year ended 31 December 2021

	Share capital*	Statutory Retained earnings Reserves**	Voluntary retained earnings and retained earnings / (losses) brought forward	Loss for for the year ended December 31, 2021	Total
CHF 1'000					
Shareholder's equity as at 31 December 2020	150,000	1,775	(5,278)	1,190	147,687
Attribution of previous year's result	-	-	1,190	(1,190)	-
Loss for the year ended December 31, 2021	-	-	-	(487)	(487)
Shareholder's equity as at 31 December 2021	150,000	1,775	(4,089)	(487)	147,199

### \* 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 Middle East and Africa, in terms of assets.

The entity was incorporated on September 28, 2007 and received its banking license 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, 2021, the Bank has 28 full time employees (vs. 30 in 2020).

### **1.3 Major Events**

The Bank launched its Investment Advisory services in 2021. Those services form an integral part of the Bank's strategy. The Bank offers both portfolio and transaction based services.

The Bank has implemented the necessary measures to ensure its full compliance with the Swiss Financial Services Act ('FinSA').

### **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 Executive 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 potential 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 risk***

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 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 and a yearly risk control self-assessment process (RCSA).

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 his analysis of the Bank's compliance risks and issues to the Audit & Compliance Committee on a quarterly basis, as well as to the Group Chief Compliance Officer on a monthly basis.

The Head of Compliance & Internal Control also has a direct access to the Board of Directors and reports on a day-to-day 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 detrimental impact of the coronavirus ("COVID-19") pandemic remained ever present in 2021, affecting the global economic environment whilst continuing to alter people's behaviour and livelihood.

The Bank is observing the COVID-19 situation to ensure safe and sound operation by activating its Business Continuity Plan as well as carefully monitoring sensitive sectors and risk parameters to ensure the smooth execution of key activities.

The Bank did not incur any losses directly related to the pandemic during 2021.

However, the performance of the Bank's enhanced offering may be affected if COVID-19 continues to cause a slowdown in the pace of business growth in 2022.

## 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 Code of Obligations, the FINMA Banks accounting ordinance (OEPC-FINMA), as well as the FINMA circular 2020/1 governing the preparation of financial statements.

### 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 at the balance sheet date are converted into Swiss Franc equivalents using the year-end foreign currency rates disclosed below, the income statement impact of the revaluation is included in results from trading operations.

	<u>31.12.2021</u>	<u>31.12.2020</u>
QAR/CHF	0.2515	0.2428
USD/CHF	0.9156	0.8838
GBP/CHF	1.2350	1.2086
EUR/CHF	1.0367	1.0816

## 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 reimbursements and value adjustments for impairment if any. A loan is considered impaired when strong evidence indicates that the debtor is unlikely to meet his obligations, such as recognized financial difficulties or an actual default on contractual payments (past-due balances of more than 90 days on payments of interest or principal, or any fees related to the loan).

The bank regularly performs an assessment of the collectability of outstanding balances. During the assessments, the Bank takes into account collaterals' market value. 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 fully 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.

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". The management determines the appropriate classification of its investments, according to its investment objectives, between trading and financial investment assets. Any investment securities held for trading purposes are booked at fair value.

Any Fixed income investment security 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 remaining maturity of such security.

Investment Securities held for sale are valued at the lower of acquisition cost and market value. Any impairment in value as well as any subsequent recoveries in value are booked to "Other ordinary expenses" or "Other ordinary income" respectively.

Interest earned while holding investment 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.

With regard to buildings, the basis of depreciation was amended in 2021. It is now calculated by applying a rate of 4% per annum on the reducing balance basis.

All other fixed assets are 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:

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 or its employees.

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. The Executive Management Committee periodically reviews these risks. 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 client 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

##### Loans and advances

CHF 1'000	Mortgage coverage	Secured by other collateral	Unsecured	Total
Amounts due from customers	28,456	633,948	1,183	663,587
Mortgage Loans	39,370	-	-	39,370
<i>Residential property</i>	28,255	-	-	28,255
<i>Commercial and industrial premises</i>	11,115	-	-	11,115
<i>Other</i>	-	-	-	-
<b>Total loans</b>				
<b>(before netting with value adjustment:</b>	<b>67,826</b>	<b>633,948</b>	<b>1,183</b>	<b>702,957</b>
Previous year	41,200	655,423	16,219	712,842
<b>Total loans</b>				
<b>(after netting with value adjustments)</b>	<b>67,826</b>	<b>633,948</b>	<b>1,183</b>	<b>702,957</b>
Previous year	41,200	655,423	16,219	712,842

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

	Mortgage coverage	Secured by other collateral	Unsecured	Total
<b>Off-balance sheet</b>				
CHF 1'000				
Contingent liabilities	-	1,340	-	1,340
Irrevocable commitments	-	26,618	154 *	26,772
Liabilities for calls on shares and other	-	-	-	-
Confirmed credits	-	-	-	-
<b>Total off-balance</b>	<b>-</b>	<b>27,958</b>	<b>154</b>	<b>28,112</b>
Previous year	-	50,768	140 *	50,908

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

### 3.2 Financial investments

Financial investments	Book value		Fair value	
	Reporting year	Prior year	Reporting year	Prior year
CHF 1'000				
Debt instruments	11,985	7,422	12,117	7,750
<i>Held-to-maturity</i>	11,985	7,422	12,117	7,750
<b>Total financial investments</b>	<b>11,985</b>	<b>7,422</b>	<b>12,117</b>	<b>7,750</b>
of which securities eligible for SNB repo transactions	3,006	3,007	3,218	3,287

	AAA TO AA-	A+ TO A- BBB+ TO BBB-	BB+ TO B	Lower Than B-	w/o Rating
<b>Breakdown of the counterparty according to rating *</b>					
CHF 1'000					
<b>Debt instrument : Book value</b>	<b>11,985</b>				

\* The source of the ratings is S&P and Telekurs for the fair value of the securities.

### 3.3 Tangible fixed assets

Tangible fixed assets	Historical costs	Accumulated depreciation	Net book value at 31.12.2020	Additions / Disposals in 2021	Amortization / Depreciation in 2021	Net book value at 31.12.2021
CHF 1'000						
Real Estate	1,364	516	848	-	(18)	866
Leasehold improvements	4,392	4,364	28	-	27	1
Furniture and fixtures	1,090	961	129	39	49	119
IT equipment	532	523	9	1	5	5
Software	3,527	2,639	888	151	530	509
<b>Total Tangible fixed assets</b>	<b>10,905</b>	<b>9,003</b>	<b>1,902</b>	<b>191</b>	<b>593</b>	<b>1,500</b>

### 3.4 Other assets and liabilities

Other assets	31.12.2021	31.12.2020
CHF 1'000		
Indirect taxes	81	125
Amortization of premium of Financial Investments (HTM) sold prior to maturity	168	207
Other assets	10	10
<b>Total other assets</b>	<b>259</b>	<b>342</b>

Other liabilities	31.12.2021	31.12.2020
CHF 1'000		
Indirect taxes	76	114
Other liabilities	18	17
<b>Total other liabilities</b>	<b>94</b>	<b>131</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
Book value of assets pledged or assigned as guarantee	663	660
<b>Total</b>	<b>663</b>	<b>660</b>

*The Bank has pledged KCHF 663, of which KCHF 3 correspond to derivatives collateral accounts with no actual commitment. As at 31 December 2021 the effective commitment was KCHF 660 related to a rent guarantee deposited in a third party bank.*

### 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	31.12.2021	31.12.2020
CHF 1'000		
<b>Current liabilities towards pension fund</b>	<b>109</b>	<b>112</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 31.12.2021	Net advantage / obligation for the Bank 31.12.2021	Variation in the period 31.12.2020	Adjusted contribution in the year ending 2021	Pension fund contribution included in personnel expenses in 2021	2020
CHF 1'000						
*Pension fund without surplus or deficit	-	-	-	921	921	874

\*As at 31 December 2021, the Bank has no employer contribution reserve.

### 3.7 Provisions

	Balance at 31.12.2020	Use in conformity with designed purpose	Change in purpose	Past due interest, Recoveries	New adjustments debited to income	Balance at 31.12.2021
CHF 1'000						
<b>Value adjustments and provisions for default and other risks:</b>						
- Other provisions for 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	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3.8 Share capital

<b>Share Capital</b>		<b>31.12.2021</b>			<b>31.12.2020</b>		
CHF 1'000	Share Capital	Units	Dividend bearing capital	Share Capital	Units	Dividend bearing 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>	-	-	-	-	-	-	

<b>Significant shareholders and groups of shareholder with pooled voting rights</b>	<b>31.12.2021</b>		<b>31.12.2020</b>	
CHF 1'000	Units	%	Units	%
Qatar National Bank (Q.P.S.C.)	150,000	100%	150,000	100%

Qatar National Bank (Q.P.S.C.) 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

<b>Balance sheet</b>	<b>31.12.2021</b>		<b>31.12.2020</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
CHF 1'000				
Amounts due from banks	170,140	-	145,216	-
Amounts due to banks*	-	704,622	-	695,291
Amounts due to customers	-	-	-	-
Accrued income and prepaid expenses	48	-	44	-
Accrued expenses and deferred income	-	368	-	338
<b>Off-Balance sheet</b>				
Fiduciary deposits	1,199,046	-	1,241,000	-
Guarantees	642,490	-	656,100	-

\*Including KCHF 25'000 subordinated loan

## Related companies

Balance sheet	31.12.2021		31.12.2020	
	Assets	Liabilities	Assets	Liabilities
CHF 1'000				
Amounts due from banks	-	-	-	-
Amounts due from customers	101	-	-	-
Amounts due to banks	-	-	-	-
Accrued expenses and deferred income	-	-	-	-
<b>Off-Balance sheet</b>				
Fiduciary deposits	11,166	-	39,415	-

## Member of governing bodies

Balance sheet	31.12.2021		31.12.2020	
	Assets	Liabilities	Assets	Liabilities
CHF 1'000				
Amounts due from banks	-	-	-	-
Amounts due from customers	14,394	-	16,576	-
Amounts due to banks	-	-	-	-
Amounts due to customers	-	2,257	-	2,668
<b>Off-Balance sheet</b>				
Fiduciary deposits	-	2,325	-	1,605
Guarantees	-	100	-	100

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

Significant shareholders and groups of shareholder with pooled voting rights	31.12.2021		31.12.2020	
CHF 1'000				
Qatar National Bank (Q.P.S.C.)	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	46,558	-	-	-	-	-	-	46,558
Amounts due from banks	253,959	-	17,000	47,000	7,000	-	-	324,959
Amounts due from customers	101	19	10,668	337,470	269,129	46,201	-	663,587
Mortgage loans	-	-	1,152	4,938	11,634	21,646	-	39,370
Financial investments	-	-	-	-	5,874	6,111	-	11,985
<b>Subtotal assets</b>	<b>300,618</b>	<b>19</b>	<b>28,820</b>	<b>389,408</b>	<b>293,637</b>	<b>73,958</b>	-	<b>1,086,459</b>
Prior year	216,962	1,461	49,507	76,614	527,679	135,003	-	1,007,226
<b>Financial liabilities</b>								
CHF 1'000								
Amount due to banks	2,440	-	11,437	320,529	281,572	88,644	-	704,622
Amounts due to customers	235,722	-	-	-	-	-	-	235,722
<b>Subtotal liabilities</b>	<b>238,162</b>	-	<b>11,437</b>	<b>320,529</b>	<b>281,572</b>	<b>88,644</b>	-	<b>940,344</b>
Prior year	169,184	-	10,588	31,829	496,075	152,436	-	860,112



### 3.12 Domestic versus foreign assets and liabilities

Assets	31.12.2021		31.12.2020	
	Domestic	Foreign	Domestic	Foreign
CHF 1'000				
Liquid assets	46,558	-	45,638	-
Amounts due from banks	90,588	234,371	52,138	189,186
Amounts due from customers	317,999	345,588	315,256	356,386
Mortgage Loans	1,857	37,513	1,889	39,311
Financial investments	3,006	8,979	3,007	4,415
Accrued income and prepaid expenses	2,287	767	1,936	982
Tangible fixed assets	1,500	-	1,902	-
Other assets	259	-	342	-
<b>Total assets</b>	<b>464,054</b>	<b>627,218</b>	<b>422,108</b>	<b>590,280</b>

Liabilities	31.12.2021		31.12.2020	
	Domestic	Foreign	Domestic	Foreign
CHF 1'000				
Amounts due to banks	-	704,622	-	695,291
Amounts due to customers	32,618	203,104	9,167	155,654
Accrued expenses and deferred income	2,271	1,304	3,059	1,339
Other liabilities	94	-	131	-
Provisions	60	-	60	-
Bank's capital	150,000	-	150,000	-
Statutory retained earning reserve	1,775	-	1,775	-
Loss brought forward	(4,089)	-	(5,278)	-
Profit / (Loss) for the year	(487)	-	1,190	-
<b>Total liabilities</b>	<b>182,242</b>	<b>909,030</b>	<b>160,104</b>	<b>852,284</b>

### 3.13 Assets by countries / group of countries

	31.12.2021		31.12.2020	
	Absolute	Percentage	Absolute	Percentage
CHF 1'000				
Switzerland	464,054	43%	422,108	42%
Europe	206,918	19%	191,358	19%
Caribbean	616	0%	609	0%
Africa	1	0%	3	0%
Qatar	350,199	32%	349,266	34%
Other countries	69,484	6%	49,044	5%
<b>Total Assets</b>	<b>1,091,272</b>	<b>100%</b>	<b>1,012,388</b>	<b>100%</b>

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

Ratings*	31.12.2021		31.12.2020	
	Absolute	Percentage	Absolute	Percentage
CHF 1'000				
AAA to AA-	625,448	99.7%	588,287	99.7%
A+ to A-	-	0.0%	10	0.0%
BBB+ to BBB-	4	0.0%	12	0.0%
B+ to B-	1	0.0%	5	0.0%
D	156	0.0%	-	0.0%
Unrated	1,609	0.3%	1,966	0.3%
<b>Total Assets</b>	<b>627,218</b>	<b>100%</b>	<b>590,280</b>	<b>100%</b>

\*Source S&P

### 3.15 Balance sheet by currencies

Assets	CHF	USD	EUR	GBP	QAR	Other	TOTAL
CHF 1'000							
Liquid assets	46,191	30	321	16	-	-	46,558
Amounts due from banks	122,775	123,462	65,865	12,471	152	234	324,959
Amounts due from customers	420,292	229,769	6,339	7,087	25	75	663,587
Mortgage loans	1,857	1,730	3,606	32,177	-	-	39,370
Financial investments	3,006	8,979	-	-	-	-	11,985
Accrued income and prepaid expenses	2,343	418	13	128	152	-	3,054
Tangible fixed assets	1,500	-	-	-	-	-	1,500
Other assets	249	10	-	-	-	-	259
<b>Total assets</b>	<b>598,213</b>	<b>364,398</b>	<b>76,144</b>	<b>51,879</b>	<b>329</b>	<b>309</b>	<b>1,091,272</b>
Prior year	577,766	322,310	63,649	46,167	251	2,245	1,012,388
<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	422,665	233,939	9,021	38,997	-	-	704,622
Amounts due to customers	28,382	128,729	65,961	12,336	62	252	235,722
Accrued expenses and deferred income	2,374	111	938	78	74	-	3,575
Other liabilities	77	17	-	-	-	-	94
Provisions	60	-	-	-	-	-	60
Bank's capital	150,000	-	-	-	-	-	150,000
Statutory retained earnings reserve	1,775	-	-	-	-	-	1,775
Losses brought forward	(4,089)	-	-	-	-	-	(4,089)
Profit / (Loss) for the year	(487)	-	-	-	-	-	(487)
<b>Total liabilities and Shareholders equity</b>	<b>600,757</b>	<b>362,796</b>	<b>75,920</b>	<b>51,411</b>	<b>136</b>	<b>252</b>	<b>1,091,272</b>
Prior year	579,728	320,995	63,510	45,810	160	2,185	1,012,388
<b>Net position per currency</b>	<b>(2,544)</b>	<b>1,602</b>	<b>224</b>	<b>468</b>	<b>193</b>	<b>57</b>	<b>-</b>
Prior year	(1,962)	1,315	139	357	91	60	-

### 3.16 Breakdown of contingent assets and liabilities

	31.12.2021	31.12.2020
CHF 1'000		
Guarantees to secure credits and similar	1,340	1,657
<i>of which: Credit cards</i>	649	135
<i>Credit line guarantee</i>	100	770
<i>Other guarantee</i>	591	752
<b>Total contingent liabilities</b>	<b>1,340</b>	<b>1,657</b>

### 3.17 Breakdown of irrevocable commitments

	31.12.2021	31.12.2020
CHF 1'000		
Irrevocable commitments (credit)	26,618	49,111
Deposit guarantee scheme (art. 37h LB)	154	140
<b>Total Irrevocable commitments</b>	<b>26,772</b>	<b>49,251</b>

## 4. Information on off-balance sheet transaction

### 4.1 Breakdown of fiduciary transactions

<b>Fiduciary transactions</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
CHF 1'000		
<b>Fiduciary Investments with group companies and affiliated companies</b>	<b>1,210,212</b>	<b>1,280,415</b>
Fiduciary transactions with Qatar National Bank (Q.P.S.C.), Qatar	1,199,046	1,241,000
Fiduciary transactions with QNB Finansbank	11,166	39,415
<b>Total fiduciary transactions</b>	<b>1,210,212</b>	<b>1,280,415</b>

## 4.2 Assets under management

<b>Fiduciary transactions</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
CHF 1'000		
<i>Fiduciary Investments with group companies and affiliated companies</i>	1,210,212	1,280,415
Fiduciary transactions with Qatar National Bank (Q.P.S.C.), Qatar	1,199,046	1,241,000
Fiduciary transactions with QNB Finansbank	11,166	39,415
<b>Total fiduciary transactions</b>	<b>1,210,212</b>	<b>1,280,415</b>
<b>Breakdown of assets under management and under administration</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
CHF 1'000		
Assets in own administrated collective investment schemes	107,543	140,556
Assets with discretionary management agreements	-	-
Other assets under management*	1,560,179	1,619,443
<b>Total assets under management (including double count)</b>	<b>1,667,722</b>	<b>1,759,999</b>
+/- Net new money inflows or outflows	(47,776)	3,514
+/- Changes in prices, interest, dividends and exchange rates	(44,502)	(166,957)
<b>Net variance of assets under management</b>	<b>(92,277)</b>	<b>(163,443)</b>

\*Other assets under management ('AUM') as stated above do not include client current account balances where the relevant client does not also hold investment securities or fiduciary deposits in the portfolios (31.12.2021: KCHF 150,459 and 31.12.2020: KCHF 87,946) or portfolios where the Bank is providing custody only services to the relevant clients (31.12.2021: KCHF 601'164 and 31.12.2020: KCHF 555,873. ) 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.

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

	<b>2021</b>	<b>2020</b>
CHF 1'000		
Foreign exchange impact on transactions and balance sheet	212	82
<b>Total net trading income</b>	<b>212</b>	<b>82</b>

### 5.3 Breakdown of personnel expenses

#### Breakdown of personnel expenses

CHF 1'000	<b>2021</b>	<b>2020</b>
Salaries	6,713	6,195
Governing bodies fees	182	178
Social costs	1,586	1,429
Other personnel expenses	394	319
<b>Total personnel expenses</b>	<b>8,875</b>	<b>8,121</b>

### 5.4 Breakdown of general and administrative expenses

CHF 1'000	<b>2021</b>	<b>2020</b>
IT, equipment and installations expensed	3,435	3,624
Professional fees*	1,029	1,010
<i>*Of which audit fees</i>	<i>284</i>	<i>305</i>
Occupancy	1,654	1,290
Other operating expenses	1,171	1,408
<b>Total operating expenses</b>	<b>7,289</b>	<b>7,332</b>

### 5.5 Breakdown of taxes

	2021	2020
CHF 1'000		
Capital tax	669	670
Other local tax	109	178
<b>Total Taxes</b>	<b>778</b>	<b>848</b>



**QNB (Suisse) SA**

**Corporate governance and Basel III disclosure**

**Disclosures as at 31 December 2021  
as per circular 2016-1 “Disclosure - Banks”  
will be published in a separate report.**