

**QNB DEBT FUND
DOHA – QATAR**

**INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2025**

QNB DEBT FUND

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month period ended March 31, 2025

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RN: 778/AT/FY2025

INDEPENDENT AUDITOR’S REVIEW REPORT

To the Unit Holders of QNB Debt Fund
Doha – Qatar

Introduction

We have reviewed the interim statement of financial position of QNB Debt Fund (the “Fund”) as of March 31, 2025, and the related statements of profit or loss and other comprehensive income, changes in net assets attributable to unit holders and cash flows for the three-month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Doha – Qatar
May 06, 2025

For Deloitte & Touche
Qatar Branch



Walid Slim
Partner
License No. 319
QFMA Audit Registration 120156

QNB DEBT FUND

INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2025

	Notes	March 31, 2025 (Reviewed) QR.	December 31, 2024 (Audited) QR.
ASSETS			
Investment securities	5	37,901,139	37,570,528
Interest and other receivable	6	444,961	491,370
Bank balances	7	563,708	111,660
TOTAL ASSETS		38,909,808	38,173,558
LIABILITIES			
Due to a related party	8	24,758	24,203
Payables and accrued expenses	9	42,616	73,094
TOTAL LIABILITIES		67,374	97,297
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		38,842,434	38,076,261
NUMBER OF UNITS IN ISSUE (UNITS)		2,744,986	2,744,986
NET ASSET VALUE PER UNIT (QR)		14.15	13.87

This interim condensed financial information was approved by the Fund Manager on May 05, 2025 and were signed on its behalf by:



Mr. Abdulla Hashim Al-Sada
Senior Executive Vice President
Group Asset and Wealth Management



This statement has been prepared by the Fund and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE INTEGRAL PARTS OF THE INTERIM CONDENSED FINANCIAL INFORMATION



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QNB DEBT FUND

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month period ended March 31, 2025

	Notes	March 31, 2025 (Reviewed) QR.	March 31, 2024 (Reviewed) QR.
INCOME			
Net gain from investment securities	5	438,541	88,936
Net foreign exchange loss		(177)	(126)
Interest income		474,872	451,040
Total income		913,236	539,850
EXPENSES			
Management fees	8	71,465	69,636
Custodian fees		19,110	19,110
Investor service fees		2,857	3,294
Administration fees		19,110	19,110
Professional fees		34,521	30,085
Total expenses		147,063	141,235
Profit for the period		766,173	398,615
Other comprehensive income for the period		--	--
CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		766,173	398,615



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QNB DEBT FUND

INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

For the three-month period ended March 31, 2025

	<u>March 31, 2025</u>		<u>March 31, 2024</u>	
	<u>Number of units (Reviewed)</u>	<u>QR. (Reviewed)</u>	<u>Number of units (Reviewed)</u>	<u>QR. (Reviewed)</u>
Balance at January 1 (Audited)	2,744,986	38,076,261	2,812,934	37,141,461
Change in net assets attributable to the unit holders	--	766,173	--	398,615
Balance at March 31(Reviewed)	<u>2,744,986</u>	<u>38,842,434</u>	<u>2,812,934</u>	<u>37,540,076</u>



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QNB DEBT FUND

INTERIM STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2025

	<u>Notes</u>	For the three month-period ended March 31, 2025 (Reviewed) QR.	For the three- month period ended March 31, 2024 (Reviewed) QR.
OPERATING ACTIVITIES			
Change in net assets attributable to the unit holders		766,173	398,615
<i>Adjustments for:</i>			
Realised loss from sale of investment securities	5	56,117	70,489
Interest income		(474,872)	(451,040)
Net foreign exchange loss		177	126
Net unrealized gain on revaluation of investment securities	5	(494,658)	(159,425)
		(147,063)	(141,235)
<i>Changes in:</i>			
Investment securities		107,753	(500,536)
Interest and other receivable		46,409	109,288
Due to a related party		555	188
Payables and accrued expenses		(30,478)	30,266
Cash used in operating activities		(22,824)	(502,029)
Interest received		474,872	451,040
Net cash generated by operating activities		452,048	(50,989)
Net increase/(decrease) in cash and cash equivalents		452,048	(50,989)
Cash and cash equivalents at the beginning of the period		111,660	210,574
Cash and cash equivalents at the end of the period	7	563,708	159,585



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QNB DEBT FUND

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

1. LEGAL STATUS AND MAIN ACTIVITIES

QNB Debt Fund (the “Fund”) is an open-ended fund incorporated under Law No. 25 of the year 2002 and the Ministry of Commerce and Industry Decision No. (69) of the year 2004 for issuing by-laws for investment funds of the State of Qatar. The Fund was licensed by Qatar Central Bank (“QCB”) with license No. S.A/20/2012 and registered with the Ministry of Commerce and Industry (the ‘Ministry’) with a registration No. 58029. The Fund commenced its operations on 1 February 2013.

The term of the Fund shall be 10 years, starting with the date of registration of the Fund in the Investment Funds Register of the Ministry, renewable by the founder on approval of the Qatar Central Bank. The unit nominal value is QR 10 with the Fund's capital ranging from QR 20,000 as a minimum limit to QR 5,000,000,000 as a maximum limit.

The founder of the Fund is Qatar National Bank (Q.P.S.C.), (“QNB”), a Qatari Joint Stock Company established under the laws of Qatar and having its principal office in Doha, State of Qatar, P.O. Box 1000 (the “Founder”) The Fund is managed by QNB Banque Privée (Suisse), a Company established under the laws of Switzerland (Company Registration Number CH-170-3-031-263-3) and having its registered office in Geneva, Switzerland.

HSBC Bank Middle East Limited, Qatar Branch (“HBME”) has been appointed as the custodian and administrator of the Fund.

The principal activities of the Fund is to provide its investors with competitive investment returns by investing in fixed income instruments issued by governments, central banks and reputable companies located either in Qatar or other member countries of the Gulf Cooperation Council.

2. BASIS OF PREPARATION

The interim condensed financial information (“the financial information”) is prepared in accordance with IAS 34 – “Interim Financial Reporting” and the applicable provisions of Qatar Central Bank Regulations. The financial information should be read in conjunction with the 2024 annual financial statements of the Fund, as described in Note 3 to the financial information.

The financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). In addition, results for the three-month period ended March 31, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

The financial information is prepared on a historical cost basis, except for investment securities classified as fair value through profit or loss which are carried at fair value.

The financial information have been presented in Qatari Riyals, which is the presentational currency of the Fund’s financial information.

QNB DEBT FUND

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

2. BASIS OF PREPARATION (CONTINUED)

2.1 New and amended IFRS Accounting Standards that are effective for the current year

The following new and revised IFRS Accounting Standard , which became effective for annual periods beginning on or after 1 January, 2025, have been adopted in these interim condensed financial information.

<u>New and amended IFRS Accounting Standard</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025

The application of this amendment has not had any material impact on the amounts reported for the current and prior period on the interim condensed financial information of the Fund .

2.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted

The Fund has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

<u>New and amended IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7 - Power Purchase Agreements	1 January 2026
IFRS 18 : Presentation and Disclosures in Financial Statements	1 January 2026
IFRS 19 : Subsidiaries without Public Accountability: Disclosures	1 January 2026
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor	Deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Fund financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Fund in the period of initial application.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.3 Judgements, estimates and risk management

The preparation of the financial information requires Fund Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by Fund Manager in applying the Fund's material accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2024.

Financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2024.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 01, 2025.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates used in the preparation of the financial information are consistent with those used in the preparation of the Fund's annual financial statements for the year ended December 31, 2024.

5. INVESTMENT SECURITIES

Investment securities carried at fair value through profit or loss:

	March 31, 2025 (Reviewed) QR.	December 31, 2024 (Audited) QR.
Investment in bonds	<u>37,901,139</u>	<u>37,570,528</u>
	37,901,139	37,570,528

QNB DEBT FUND

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

5. INVESTMENT SECURITIES (CONTINUED)

Net gain from investment securities at fair value through profit or loss are as follows:

	For the three- month period ended March 31, 2025 (Reviewed)	For the three- month period ended March 31, 2024 (Reviewed)
	QR	QR
Loss on sale of investment securities	(56,117)	(70,489)
Net unrealized gain from changes in fair value of investment securities classified as FVTPL	494,658	159,425
Net gain from investment securities	<u>438,541</u>	<u>88,936</u>

6. INTEREST AND OTHER RECEIVABLE

	March 31, 2025 (Reviewed)	December 31, 2024 (Audited)
	QR.	QR.
Interest receivable	444,961	491,370
	<u>444,961</u>	<u>491,370</u>

7. BANK BALANCES

	March 31, 2025 (Reviewed)	December 31, 2024 (Audited)
	QR	QR
Balances with banks	563,708	111,660

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, management of the Fund estimates the loss allowance on balances with banks at end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at end of reporting period are past due, and taking into account the historical default experience and the current credit ratings of the banks, the management of the Fund have assessed that there is no impairment, and hence have not reached any loss allowances on these balances.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

8. RELATED PARTIES DISCLOSURES

Related parties represent the Founder, the Fund Manager, directors and key management personnel of the Fund, and entities controlled, jointly controlled or significantly influenced by such parties. Transaction policies and terms are approved by the management.

Management fees

The management fee is calculated and payable to the Fund Manager on a monthly basis at an annual rate of 0.75% of the net asset value of the Fund.

Related party balance

Balance with a related party included for the period end is as follows:

Due to a related party

		March 31, 2025 (Reviewed) QR.	December 31, 2024 (Audited) QR.
QNB Banque Privee (Suisse)	Fund manager	24,758	24,203
		<u>24,758</u>	<u>24,203</u>

Related party transactions

Transactions with related party included in the interim condensed statement of profit or loss and other comprehensive income is as follows:

		For the three- month period ended March 31, 2025 (Reviewed) QR	For the three- month period ended March 31, 2024 (Reviewed) QR
<i>QNB Banque Privee (Suisse)</i>	<i>Fund manager</i>		
Management fees		71,465	69,636
		<u>71,465</u>	<u>69,636</u>

9. PAYABLES AND ACCRUED EXPENSES

	March 31, 2025 (Reviewed) QR.	December 31, 2024 (Audited) QR.
Professional fee payables	29,021	59,499
Administration fee payable	6,370	6,370
Custodian fee payable	6,370	6,370
Miscellaneous charges payable	855	855
	<u>42,616</u>	<u>73,094</u>

QNB DEBT FUND

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

10. FINANCIAL INSTRUMENTS

The carrying amounts of the financial instruments, other than financial assets at fair value through profit or loss which is carried at fair value, are a reasonable approximation of their fair values.

Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique: Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Fund can access at the measurement date; Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. The following table provides the fair value measurement hierarchy of the Fund's financial asset and liabilities at March 31, 2025 and December 31, 2024:

March 31, 2025 (Reviewed)

	Financial assets		Financial liabilities	Hierarchy level
	FVTPL	Amortized cost	Amortized cost	1
	QR.	QR.	QR.	QR.
Bank balances (note 7)	--	563,708	--	--
Interest receivable (note 6)		444,961		
Investment securities (note 5)	37,901,139	--	--	37,901,139
Due to a related party (note 8)			24,758	
Payables and accrued expenses (note 9)	--	--	42,616	--

December 31, 2024 (Audited)

	Financial assets		Financial liabilities	Hierarchy level
	FVTPL	Amortized cost	Amortized cost	1
	QR.	QR.	QR.	QR.
Bank balances (note 7)	--	111,660	--	--
Interest and other receivable (note 6)		491,370		
Investment securities (note 5)	37,570,528	--	--	37,570,528
Due to a related party (note 8)	--	--	24,203	--
Payables and accrued expenses (note 9)	--	--	73,094	--

11. APPROVAL OF INTERIM CONDENSED FINANCIAL INFORMATION

The financial information for the three month period ended March 31, 2025 was authorised for issue by the Fund Manager on May 05, 2025.