

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009



## Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information to the Board of Directors of Qatar National Bank S.A.Q.

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Qatar National Bank S.A.Q. (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 September 2009 and the condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended and the related notes ("condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting" and the applicable provisions of Qatar Central Bank regulations. Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated interim financial information as at 30 September 2009 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" and the applicable provisions of Qatar Central Bank regulations.

Gopal Balasubramaniam  
KPMG

Qatar Auditors Registry Number 251

Doha - State of Qatar  
7 October 2009

## Condensed Consolidated Interim Statement of Financial Position

	30 September 2009 (Reviewed) QR000	30 September 2008 (Reviewed) QR000	31 December 2008 (Audited) QR000
<b>ASSETS</b>			
Cash and Deposits with Central Banks	9,930,926	4,410,140	6,269,596
Due from Banks and Other Financial Institutions	19,713,001	30,865,679	27,044,455
Loans and Advances and Financing Activities	93,781,686	91,045,840	100,053,490
Investment Securities	22,843,297	12,536,432	11,814,912
Investment in Associates	4,460,452	4,552,037	4,596,644
Property and Equipment	600,576	754,550	618,237
Other Assets	1,854,731	1,474,008	1,576,284
<b>Total Assets</b>	<b>153,184,669</b>	<b>145,638,686</b>	<b>151,973,618</b>
<b>LIABILITIES and EQUITY</b>			
<b>LIABILITIES</b>			
Due to Banks and Other Financial Institutions	14,059,829	23,162,728	19,721,259
Repurchase Agreements	2,085,852	2,267,416	2,267,416
Customer Deposits	94,792,158	82,009,237	94,973,407
Other Borrowings	6,722,293	6,718,153	6,719,147
Other Liabilities	3,268,401	2,871,459	2,369,934
	<b>120,928,533</b>	<b>117,028,993</b>	<b>126,051,163</b>
Unrestricted Investment Accounts	13,461,724	10,906,042	9,279,230
<b>Total Liabilities and Unrestricted Investment Accounts</b>	<b>134,390,257</b>	<b>127,935,035</b>	<b>135,330,393</b>
<b>EQUITY</b>			
Issued Capital	3,011,208	2,408,966	2,408,966
Statutory Reserve	7,650,698	6,829,460	6,829,459
Other Reserves	1,771,380	1,786,580	1,789,787
Risk Reserve	1,410,000	783,072	1,410,000
Fair Value Reserve	575,262	1,439,248	(274,167)
Proposed Dividend	-	-	1,806,724
Proposed Bonus Shares	-	-	602,242
Proposed Transfer to Statutory Reserve	-	-	821,239
Retained Earnings	4,375,864	4,456,325	1,248,975
<b>Total Equity</b>	<b>18,794,412</b>	<b>17,703,651</b>	<b>16,643,225</b>
<b>Total Liabilities and Equity</b>	<b>153,184,669</b>	<b>145,638,686</b>	<b>151,973,618</b>

Yousef Hussain Kamal  
Chairman

Ali Shareef Al-Emadi  
Group Chief Executive Officer

## Condensed Consolidated Interim Statement of Income

	Three Months to 30 September 2009 (Reviewed) QR000	Three Months to 30 September 2008 (Reviewed) QR000	Nine Months to 30 September 2009 (Reviewed) QR000	Nine Months to 30 September 2008 (Reviewed) QR000
<b>Continuing Operations</b>				
Interest Income	1,641,791	1,632,050	4,594,340	4,456,276
Interest Expense	(780,872)	(926,297)	(2,152,973)	(2,652,124)
<b>Net Interest Income</b>	<b>860,919</b>	<b>705,753</b>	<b>2,441,367</b>	<b>1,804,152</b>
Fees and Commission Income	230,091	275,502	739,651	780,038
Fees and Commission Expense	(15,568)	(17,669)	(47,084)	(52,050)
<b>Net Fees and Commission Income</b>	<b>214,523</b>	<b>257,833</b>	<b>692,567</b>	<b>727,988</b>
Dividend Income	23,329	1,439	204,962	136,682
Net Gains from Dealing in Foreign Currencies	73,722	90,712	225,592	248,616
Net Gains from Investment Securities	43,993	191,001	103,515	450,230
Share in Profit of Associates	137,352	63,663	215,650	161,995
Income from Islamic Financing and Investing Activities	198,022	216,025	598,649	467,092
Other Operating Income	1,593	3,194	11,383	25,313
<b>Net Operating Income</b>	<b>1,553,453</b>	<b>1,529,620</b>	<b>4,493,685</b>	<b>4,022,068</b>
General and Administrative Expenses	(238,138)	(251,596)	(695,886)	(714,653)
Depreciation	(27,085)	(24,954)	(77,457)	(61,711)
Provisions for Credit Losses on Loans and Advances	(104,778)	(10,851)	(215,107)	(49,606)
Net Impairment (Losses) / Gains on Investment Securities	3,507	1,015	(37,757)	40,066
Other Provisions	(729)	2	(5,428)	(4,731)
Unrestricted Investment Account Holders' Share of Profit	(121,351)	(104,542)	(331,663)	(232,135)
<b>Net Profit Before Taxes</b>	<b>1,064,879</b>	<b>1,138,694</b>	<b>3,130,387</b>	<b>2,999,298</b>
Taxes	(5,424)	5,420	(17,004)	(4,939)
<b>Net Profit for the Period from Continuing Operations</b>	<b>1,059,455</b>	<b>1,144,114</b>	<b>3,113,383</b>	<b>2,994,359</b>
Net Profit from Discontinued Operations	-	1,629	13,506	8,403
<b>Net Profit for the Period</b>	<b>1,059,455</b>	<b>1,145,743</b>	<b>3,126,889</b>	<b>3,002,762</b>
Earnings Per Share (QR)	3.5	3.9	10.4	10.2

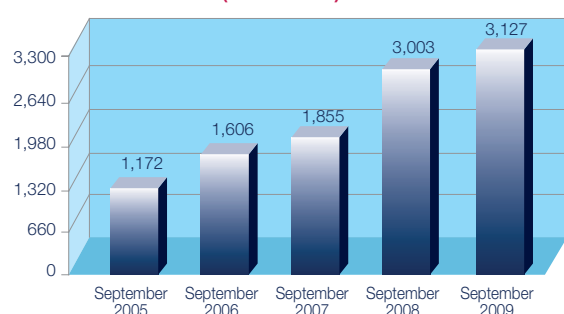
## QNB Group Financial Highlights

- Net Profit up by 4.1% to exceed QR3.1 billion
- Total Assets up by QR7.5 billion (5.2%) since September 2008 to QR153.2 billion
- Total Loans and advances and financing activities up by QR2.7 billion (3.0%) since September 2008 to QR93.8 billion
- Total Customer Deposits and unrestricted investment accounts up by QR15.3 billion (16.5%) since September 2008 to QR108.3 billion
- Total Operating income up by 9.8% to QR4.2 billion
- Total Shareholders' Equity reached QR18.8 billion
- Net Profit for QNB Al Islami up by 10.7% to QR280.5 million

## Condensed Consolidated Interim Statement of Comprehensive Income

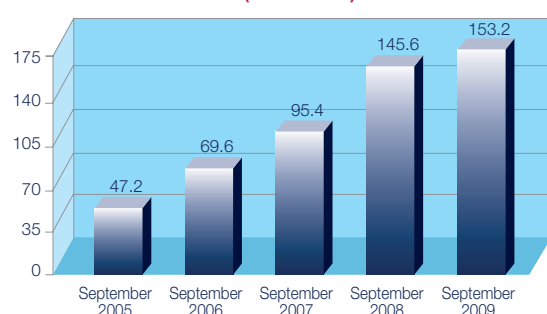
	Three Months to 30 September 2009 (Reviewed) QR000	Three Months to 30 September 2008 (Reviewed) QR000	Nine Months to 30 September 2009 (Reviewed) QR000	Nine Months to 30 September 2008 (Reviewed) QR000
<b>Net Profit for the Period</b>	<b>1,059,455</b>	<b>1,145,743</b>	<b>3,126,889</b>	<b>3,002,762</b>
<b>Other Comprehensive Income</b>				
Foreign Currency Translation Differences for Foreign Operations	(19,780)	13,861	(18,561)	14,573
Share of Other Comprehensive Income of Associates	24,742	9,046	154	20,391
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(41,430)	(12,626)	39,686	(926)
Net Gain / (Loss) on Revaluation of Available for Sale Investment Securities	46,075	(2,434,034)	809,743	(906,484)
<b>Total Other Comprehensive Income</b>	<b>9,607</b>	<b>(2,423,753)</b>	<b>831,022</b>	<b>(872,446)</b>
<b>Total Comprehensive Income</b>	<b>1,069,062</b>	<b>(1,278,010)</b>	<b>3,957,911</b>	<b>2,130,316</b>

### Net Profit (QR million)



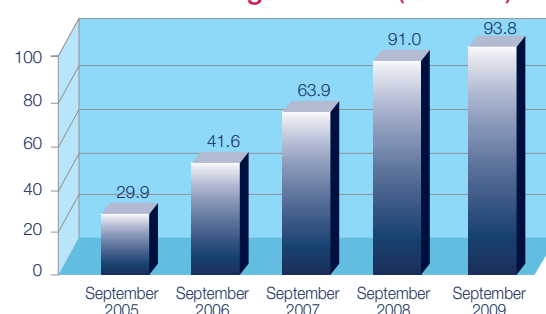
Net profit increased by 4.1% to exceed QR3.1 billion

### Total Assets (QR billion)



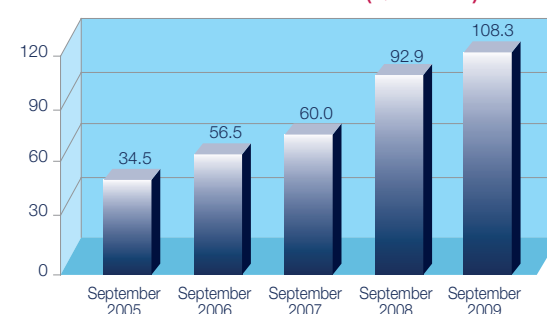
Total assets increased by 5.2% to QR153.2 billion

### Loans and Advances and Financing Activities (QR billion)



Loans and advances and financing activities increased by 3.0% to QR93.8 billion

### Customer Deposits and Unrestricted Investment Accounts (QR billion)



Customer deposits and unrestricted investment accounts increased by 16.5% to QR108.3 billion