

Consolidated Interim Financial Statements for the Three Months Ending 31 March 2008



Report on Review of Interim Condensed Consolidated Financial Statements to the Board of Directors of Qatar National Bank S.A.Q.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar National Bank S.A.Q. (the "Bank") and its subsidiaries (the "Group") as of 31 March 2008 comprising of the interim condensed consolidated balance sheet as at 31 March 2008 and the related interim condensed consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period then ended ("interim financial information") and a summary of significant accounting policies and explanatory notes. The accompanying consolidated financial statements of the Group as at and for the period / year ended 31 March 2007/31 December 2007 were reviewed / audited by another auditor, whose review / audit report dated 09 April 2007/14 January 2008 thereon expressed an unqualified opinion on those financial statements respectively.

Management is responsible for the preparation and fair presentation of these interim financial information in accordance with International Financial Reporting Standard (IAS 34) Interim Financial Reporting. 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 condensed consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2008 and of its consolidated financial performance and its consolidated cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting and Qatar Central Bank regulations.

Kevin Weston
KPMG

Qatar Auditors Registry Number 244

9 April 2008

Doha - State of Qatar

Condensed Consolidated Balance Sheet

	31 March 2008 (Reviewed) QR000	31 March 2007 (Reviewed) QR000	31 December 2007 (Audited) QR000
ASSETS			
Cash and Deposits with Central Banks	14,371,919	2,411,010	10,948,569
Due from Banks and Other Financial Institutions	18,155,363	9,859,124	21,302,608
Loans and Advances and Financing Activities	77,390,974	47,152,082	66,064,137
Financial Investments	13,696,578	9,028,187	11,308,925
Investment in Associates	2,818,131	32,810	2,703,546
Property and Equipment	750,244	591,384	651,496
Other Assets	2,822,144	885,298	1,381,387
Total Assets	130,005,353	69,959,895	114,360,668
LIABILITIES and EQUITY			
LIABILITIES			
Due to Banks and Other Financial Institutions	24,682,580	7,888,708	9,928,352
Repurchase Agreements	2,438,442	-	2,495,142
Customer Deposits	72,743,375	46,135,150	74,180,689
Other Borrowings	6,715,931	-	6,714,819
Other Liabilities	2,887,941	1,276,116	2,000,110
	109,468,269	55,299,974	95,319,112
Unrestricted Investment Accounts	6,760,494	6,557,904	5,183,192
Total Liabilities and Unrestricted Investment Accounts	116,228,763	61,857,878	100,502,304
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT			
Issued Capital	2,189,970	1,622,200	1,824,975
Statutory Reserve	4,420,493	1,622,200	3,852,723
Other Reserves	1,755,702	1,758,171	1,751,616
Risk Reserve	783,072	421,000	783,072
Fair Value Reserve	2,256,512	895,385	2,346,658
Proposed Dividend	-	-	912,487
Proposed Bonus Shares	-	-	364,995
Proposed Transfer to Statutory Reserve	-	-	567,770
Retained Earnings	2,370,841	1,783,061	1,453,563
Total Equity Attributable to Equity Holders of Parent	13,776,590	8,102,017	13,857,859
Minority Interest	-	-	505
Total Equity	13,776,590	8,102,017	13,858,364
Total Liabilities and Equity	130,005,353	69,959,895	114,360,668

Yousef Hussain Kamal
Chairman

Hamad Bin Faisal Al Thani
Vice Chairman

Ali Shareef Al-Emadi
Group Chief Executive Officer

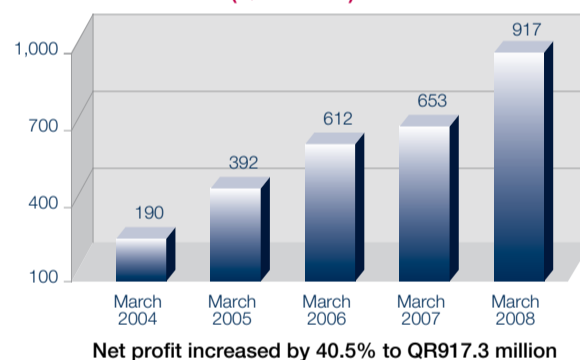
Condensed Consolidated Statement of Income

	Three Months to 31 March 2008 (Reviewed) QR000	Three Months to 31 March 2007 (Reviewed) QR000
Interest Income	1,416,248	996,762
Interest Expense	(903,315)	(544,405)
Net Interest Income	512,933	452,357
Fees and Commission Income	266,349	204,063
Fees and Commission Expense	(11,565)	(9,921)
Net Fees and Commission Income	254,784	194,142
Dividend Income	103,141	100,147
Net Gains from Dealing in Foreign Currencies	80,398	63,109
Net Gains from Financial Investments	132,772	23,812
Share in Profit of Associates	46,072	-
Income from Islamic Financing and Investing Activities	119,647	104,411
Other Operating Income	18,530	2,730
Net Operating Income	1,268,277	940,708
General and Administrative Expenses	(260,299)	(178,286)
Depreciation	(17,414)	(11,292)
(Provisions) / Recoveries of Provision for Credit Losses of Loans and Advances	(29,073)	43,432
Net Impairment Recoveries / (Losses) of Financial Investments	17,641	(69,873)
Other (Provisions) / Recoveries	(144)	24
Unrestricted Investment Account Holders' Share of Profit	(55,517)	(65,955)
Net Profit Before Taxes	923,471	658,758
Taxes	(6,193)	(6,004)
Net Profit for the Period	917,278	652,754
Earnings Per Share (QR)	4.2	3.4

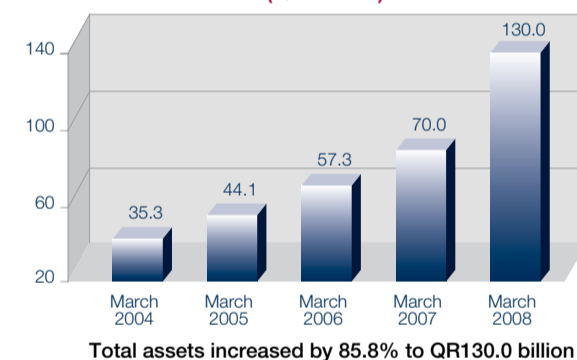
QNB Group Key Performance Indicators

	March 2008	March 2007	Growth
Net Profit	QR917.3 million	QR652.8 million	40.5%
Total Assets	QR130.0 billion	QR70.0 billion	85.8%
Loans and Advances and Financing Activities	QR77.4 billion	QR47.2 billion	64.1%
Customer Deposits and Unrestricted Investment Accounts	QR79.5 billion	QR52.7 billion	50.9%
Shareholders' Equity	QR13.8 billion	QR8.1 billion	70.0%
Profit Growth	40.5%	6.7%	
Asset Growth	85.8%	22.1%	
Earnings Per Share	QR4.2	QR3.4	

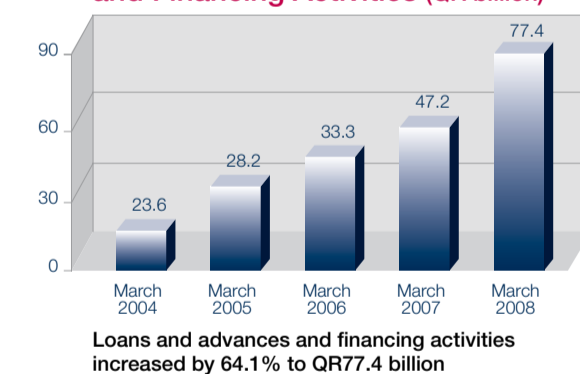
Net Profit (QR million)



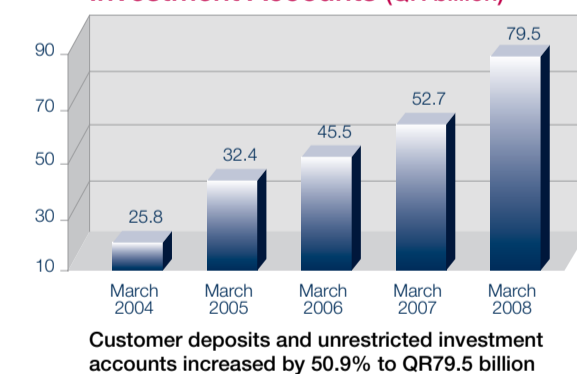
Total Assets (QR billion)



Loans and Advances and Financing Activities (QR billion)



Customer Deposits and Unrestricted Investment Accounts (QR billion)



Islamic Banking Key Performance Indicators

	March 2008	March 2007	Growth
Net Profit	QR76.9 million	QR32.9 million	134%
Total Assets	QR9.2 billion	QR7.6 billion	21.7%
Net Financing Activities	QR5.6 billion	QR2.8 billion	101%
Customer Deposits and Unrestricted Investment Accounts	QR7.7 billion	QR7.3 billion	5.8%

QNB Group and Associates International Presence

QNB Group and Associate companies are currently represented in 22 countries around the world



• Algeria • Bahamas • Bahrain • France • Gursney • Iran • Iraq • Jersey • Jordan • Kuwait • Luxembourg • Libya • Oman • Palestine • Qatar • Singapore • Switzerland • Syria • Tunisia • UAE • UK • Yemen

Associates and Subsidiaries

• The Housing Bank for Trade & Finance - Jordan
• Mansour Bank- Iraq

• Al Jazeera Islamic Company - Qatar
• Kuwaiti-Qatari Company for Jara and Investment - Kuwait

• QNB International Holdings Limited - Luxembourg
• Tunisian Qatari Bank - Tunisia