

Interim Condensed Consolidated Financial Information for the Nine Months Ended 30 September 2008



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

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Qatar National Bank S.A.Q (the "Bank") and its subsidiary (together referred to as the "Group") as at 30 September 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the three-month and nine month periods then ended and the related notes ("interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standard (IAS 34)-Interim Financial Reporting and the applicable provisions of Qatar Central Bank regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information of the Group as at and for the period ended 30 September 2007 were reviewed and the consolidated financial statements of the Group as at and for the year ended 31 December 2007 were audited by another auditor, whose reports dated 10 October 2007 and 14 January 2008 respectively expressed an unqualified review conclusion and audit opinion.

Scope of review

We conducted our review in accordance with the 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 Interim Financial Reporting and the applicable provisions of Qatar Central Bank regulations.

Ahmed Hussain
KPMG
Qatar Auditors Registry Number 197

Doha - State of Qatar
10 October 2008

Interim Condensed Consolidated Balance Sheet

	30 September 2008 (Reviewed) QR000	30 September 2007 (Reviewed) QR000	31 December 2007 (Audited) QR000
ASSETS			
Cash and Deposits with Central Banks	4,410,140	1,877,109	10,948,569
Due from Banks and Other Financial Institutions	30,865,679	14,750,776	21,302,608
Loans and Advances and Financing Activities	91,045,840	63,911,385	66,064,137
Financial Investments	12,536,432	10,455,651	11,308,925
Investment in Associates and Joint Ventures	4,552,037	2,479,356	2,703,546
Property and Equipment	754,550	617,403	651,496
Other Assets	1,474,008	1,325,199	1,381,387
Total Assets	145,638,686	95,416,879	114,360,668
LIABILITIES and EQUITY			
LIABILITIES			
Due to Banks and Other Financial Institutions	23,162,728	16,915,578	9,928,352
Repurchase Agreements	2,267,416	-	2,495,142
Customer Deposits	82,009,237	54,460,492	74,180,689
Other Borrowings	6,718,153	6,713,809	6,714,819
Other Liabilities	2,871,459	1,435,268	2,000,110
	117,028,993	79,525,147	95,319,112
Unrestricted Investment Accounts	10,906,042	5,559,345	5,183,192
Total Liabilities and Unrestricted Investment Accounts	127,935,035	85,084,492	100,502,304
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT			
Issued Capital	2,408,966	1,622,200	1,824,975
Statutory Reserve	6,829,460	1,622,200	3,852,723
Other Reserves	1,786,580	1,753,951	1,751,616
Risk Reserve	783,072	421,000	783,072
Fair Value Reserve	1,439,248	1,927,446	2,346,658
Proposed Dividend	-	-	912,487
Proposed Bonus Shares	-	-	364,995
Proposed Transfer to Statutory Reserve	-	-	567,770
Retained Earnings	4,456,325	2,984,897	1,453,563
Total Equity Attributable to Equity Holders of Parent	17,703,651	10,331,694	13,857,859
Minority Interest	-	693	505
Total Equity	17,703,651	10,332,387	13,858,364
Total Liabilities and Equity	145,638,686	95,416,879	114,360,668

Yousef Hussain Kamal
Chairman

Ali Shareef Al-Emadi
Group Chief Executive Officer

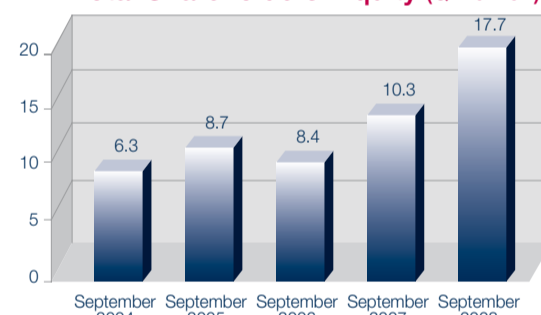
Interim Condensed Consolidated Statement of Income

	Three months to 30 June 2008 (Reviewed) QR000	Three months to 30 September 2007 (Reviewed) QR000	Nine months to 30 September 2008 (Reviewed) QR000	Nine months to 30 September 2007 (Reviewed) QR000
Interest Income	1,643,910	1,197,128	4,493,961	3,237,099
Interest Expense	(932,974)	(761,223)	(2,674,859)	(1,903,165)
Net Interest Income	710,936	435,905	1,819,102	1,333,934
Fees and Commission Income	292,346	215,240	831,778	597,328
Fees and Commission Expense	(17,669)	(10,710)	(52,050)	(34,961)
Net Fees and Commission Income	274,677	204,530	779,728	562,367
Dividend Income	1,439	4,540	136,682	121,552
Net Gains from Dealing in Foreign Currencies	91,271	31,829	249,876	136,881
Net Gains from Financial Investments	191,001	105,306	450,230	190,569
Share in Profit of Associates	63,663	79,096	161,995	79,096
Income from Islamic Financing and Investing Activities	216,025	87,555	467,092	306,164
Other Operating Income	3,150	2,500	28,563	4,086
Net Operating Income	1,552,162	951,261	4,093,268	2,734,649
General and Administrative Expenses	(272,067)	(221,429)	(776,020)	(610,604)
Depreciation	(25,398)	(14,843)	(63,026)	(39,936)
(Provisions) / Recoveries of Provisions for Credit Losses of Loans and Advances	(10,852)	(3,745)	(49,494)	37,994
Net Impairment Gains / (Losses) of Financial Investments	1,015	1,489	40,066	(64,169)
Other Provisions	5	(367)	(4,958)	(562)
Unrestricted Investment Account Holders' Share of Profit	(104,542)	(59,940)	(232,135)	(190,105)
Net Profit Before Taxes	1,140,323	652,426	3,007,701	1,867,267
Taxes	5,420	(3,552)	(4,939)	(13,878)
Net Profit for the Period	1,145,743	648,874	3,002,762	1,853,389
Attributable to:				
The Bank's Shareholders	1,145,743	649,224	3,002,762	1,854,590
Minority Interest	-	(350)	-	(1,201)
	1,145,743	648,874	3,002,762	1,853,389
Earnings Per Share (QR)	4.9	3.3	12.7	9.5

Financial Highlights

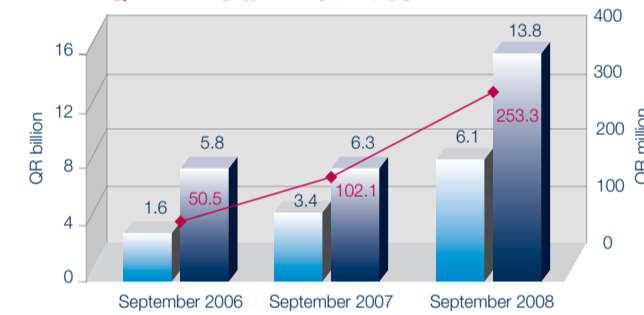
- Net profit for the nine months ended 30 September 2008 increased by QR1,148 million (61.9%) to QR3,003 million
- Total assets increased to QR145.6 billion, up QR50.2 billion (52.6%) since September 2007
- Loans and advances and financing activities increased to QR91.0 billion, up QR27.1 billion (42.5%) since September 2007
- Customer deposits and unrestricted investment accounts increased to QR92.9 billion, up QR32.9 billion (54.8%) since September 2007
- Net operating income for the nine months ended 30 September 2008 increased by QR1,317 million (51.7%) to QR3,861 million
- Earnings per share for the nine months ended 30 September 2008 up to QR12.7 from QR9.5 for the same period in 2007, representing an increase of 34%
- Shareholders' equity increased to QR17.7 billion, up QR7.4 billion (71.3%) since September 2007
- QNB AI Islami net profit increased to QR253.3 million, up QR151.2 million (148%) since September 2007

Total Shareholders' Equity (QR billion)



Total shareholders' equity increased by 71% to QR17.7 billion

QNB AI Islami Activities



Net profit increased by 148% to QR253.3 million
Financing activities increased by 81% to QR6.1 billion
Total assets increased by 119% to QR13.8 billion

Net Operating Income (QR million)



Net operating income increased by 52% to QR3,861 million

Other Income (QR million)



Other income increased by 65% to QR1,807 million
Other income to total income increased to 49%

QNB Group and Associates International Presence

QNB Group and Associate Companies are Currently Represented in 22 Countries Around the World



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