

Consolidated Interim Financial Statements for the three months ending 31 March 2007

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

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar National Bank S.A.Q. (the "Bank") as at 31 March 2007, comprising of the interim consolidated balance sheet as at 31 March 2007 and the related interim consolidated statements of income, cash flows and changes in shareholders' equity for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard "IAS 34 Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our 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.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and Qatar Central Bank regulations.

Firas Qoussous
 of Ernst & Young
 Auditor's Registration No. 236
 Date: 9 April 2007, Doha, state of Qatar

Condensed Consolidated Balance Sheet

	31 March 2007 (Reviewed)	31 March 2006 (Reviewed)	31 December 2006 (Audited)
(All amounts are shown in thousands of Qatari Riyals)			
ASSETS			
Cash and Deposits with Central Banks	2,411,010	2,306,637	2,481,218
Due from Banks and Other Financial Institutions	9,859,124	13,591,267	12,780,711
Loans and Advances and Financing Activities to Customers	47,152,082	33,329,171	46,226,610
Financial Investments	9,028,187	6,890,496	8,877,702
Investment in Associates	32,810	52,460	32,810
Property and Equipment	591,384	531,388	589,093
Other Assets	885,298	590,464	674,889
Total Assets	69,959,895	57,291,883	71,663,033
LIABILITIES and SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to Banks and Other Financial Institutions	7,888,708	2,996,035	6,254,842
Customer Deposits	46,135,150	40,860,789	51,930,594
Other Liabilities	1,276,116	1,001,075	1,177,176
	55,299,974	44,857,899	59,362,612
Unrestricted Investment Accounts	6,557,904	4,658,340	3,859,469
SHAREHOLDERS' EQUITY			
Issued Capital	1,622,200	1,297,760	1,297,760
Statutory Reserve	1,622,200	1,297,760	1,297,760
Other Reserves	1,758,171	1,775,669	1,760,004
Risk Reserve	421,000	194,422	421,000
Fair Value Reserve	895,385	1,789,270	1,099,895
Proposed Dividend	-	-	778,656
Proposed Bonus Shares	-	-	324,440
Proposed Transfer to Statutory Reserve	-	-	324,440
Retained Earnings	1,783,061	1,420,763	1,136,997
Total Shareholders' Equity	8,102,017	7,775,644	8,440,952
Total Liabilities and Shareholders' Equity	69,959,895	57,291,883	71,663,033

Condensed Consolidated Statement of Income

	Three months to 31 March 2007 (Reviewed)	Three months to 31 March 2006 (Reviewed)
(All amounts are shown in thousands of Qatari Riyals)		
Interest Income	996,762	712,937
Interest Expense	(544,405)	(319,977)
Net Interest Income	452,357	392,960
Fees and Commission Income	204,063	136,601
Fees and Commission Expense	(9,921)	(6,703)
Net Fees and Commission Income	194,142	129,898
Dividend Income	100,147	72,274
Net Gains from Dealing in Foreign Currencies	63,109	31,637
Net Gains from Financial Investments	23,812	34,177
Income from Islamic Financing and Investing Activities	104,411	41,290
Other Operating Income	2,730	14,092
Total Operating Income	940,708	716,328
General and Administrative Expenses	(178,286)	(155,647)
Depreciation	(11,292)	(11,837)
Recoveries of Provision for Impairment of Loans	43,432	66,416
Net Investment Revaluation (Losses) / Gains	(69,873)	7,372
Other Recoveries, Net of Provision	24	14,818
Unrestricted Investment Account Holders' Share of Profit	(65,955)	(24,207)
Net Profit Before Taxes	658,758	613,243
Income Tax Expense	(6,004)	(1,658)
Net Profit for the Period	652,754	611,585
Basic and Fully Diluted Earnings Per Share (QR)	4.0	3.8