

Consolidated Interim Financial Statements for the six months ending 30 June 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. as at 30 June 2007, comprising of the interim consolidated balance sheet as at 30 June 2007 and the related interim consolidated statements of income for the three month and six month periods then ended and the statement of cash flows and changes in shareholders' equity for the six 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") and Qatar Central Bank regulations. 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 July 2007, Doha - State of Qatar

Condensed Consolidated Balance Sheet

(All amounts are shown in thousands of Qatari Riyals)	30 June 2007 (Reviewed)	30 June 2006 (Reviewed)	31 December 2006 (Audited)
ASSETS			
Cash and Deposits with Central Banks	1,970,184	3,419,899	2,481,218
Due from Banks and Other Financial Institutions	9,097,701	8,292,423	12,780,711
Loans and Advances and Financing Activities to Customers	52,662,630	36,512,272	46,226,610
Financial Investments	10,323,243	8,453,079	8,877,702
Investment in Associates	32,810	52,087	32,810
Property and Equipment	599,713	560,872	589,093
Other Assets	965,411	895,790	674,889
Total Assets	75,651,692	58,186,422	71,663,033
LIABILITIES and EQUITY			
Due to Banks and Other Financial Institutions	11,730,471	2,699,952	6,254,842
Customer Deposits	48,216,095	41,480,552	51,930,594
Other Liabilities	1,781,290	1,276,692	1,177,176
	61,727,856	45,457,196	59,362,612
Unrestricted Investment Accounts	4,786,353	4,658,597	3,859,469
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT			
Issued Capital	1,622,200	1,297,760	1,297,760
Statutory Reserve	1,622,200	1,297,760	1,297,760
Other Reserves	1,754,629	1,768,790	1,760,004
Risk Reserve	421,000	238,000	421,000
Fair Value Reserve	1,380,738	1,597,560	1,099,895
Proposed Dividend	-	-	778,656
Proposed Bonus Shares	-	-	324,440
Proposed Transfer to Statutory Reserve	-	-	324,440
Retained Earnings	2,335,673	1,870,759	1,136,997
Total Equity Attributable to Equity Holders of Parent	9,136,440	8,070,629	8,440,952
Minority Interest	1,043	-	-
Total Equity	9,137,483	8,070,629	8,440,952
Total Liabilities and Equity	75,651,692	58,186,422	71,663,033

Condensed Consolidated Statement of Income

(All amounts are shown in thousands of Qatari Riyals)	Three months to 30 June 2007 (Reviewed)	Three months to 30 June 2006 (Reviewed)	Six months to 30 June 2007 (Reviewed)	Six months to 30 June 2006 (Reviewed)
Interest Income	1,022,333	823,112	2,039,971	1,536,049
Interest Expense	(576,661)	(456,009)	(1,141,942)	(765,601)
Net Interest Income	445,672	367,103	898,029	770,448
Fees and Commission Income	178,025	120,064	382,088	256,665
Fees and Commission Expense	(14,330)	(8,884)	(24,251)	(15,587)
Net Fees and Commission Income	163,695	111,180	357,837	241,078
Dividend Income	16,865	334	117,012	72,608
Net Gains from Dealing in Foreign Currencies	41,943	26,781	105,052	58,418
Net Gains from Financial Investments	61,451	71,519	85,263	105,696
Share in profit of Associates	-	433	-	433
Income from Islamic Financing and Investing Activities	114,198	87,837	218,609	118,742
Other Operating Income	(1,144)	1,799	1,586	15,891
Total Operating Income	842,680	666,986	1,783,388	1,383,314
General and Administrative Expenses	(210,889)	(187,459)	(389,175)	(343,106)
Depreciation	(13,801)	(12,233)	(25,093)	(24,070)
Recoveries of provision for Impairment of Loans	(1,693)	91,168	41,739	157,584
Net Investment Revaluation (Losses) / Gains	4,215	(1,421)	(65,658)	5,951
Other (Provisions) / Recoveries	(219)	(660)	(195)	14,158
Unrestricted Investment Account Holders' Share of Profit	(64,210)	(60,215)	(130,165)	(84,422)
Net Profit Before Taxes	556,083	496,166	1,214,841	1,109,409
Taxes	(4,322)	(2,592)	(10,326)	(4,250)
Net Profit for the Period	551,761	493,574	1,204,515	1,105,159
Attributable to:				
The Bank's Shareholders	552,612	493,574	1,205,366	1,105,159
Minority Interest	(851)	-	(851)	-
	551,761	493,574	1,204,515	1,105,159
Basic and Fully Diluted Earnings Per Share (QR)	3.4	3.0	7.4	6.8