

**Qatar National Bank S.A.Q.**  
**Condensed Consolidated Balance Sheet**  
**As at 31 March 2008**

	Note	31 March 2008 (Reviewed) QR000	31 March 2007 (Reviewed) QR000	31 December 2007 (Audited) QR000
<b>ASSETS</b>				
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	3	77,390,974	47,152,082	66,064,137
Financial Investments	4	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
<b>Total Assets</b>		<b>130,005,353</b>	<b>69,959,895</b>	<b>114,360,668</b>
<b>LIABILITIES and EQUITY</b>				
<b>LIABILITIES</b>				
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
		<b>109,468,269</b>	<b>55,299,974</b>	<b>95,319,112</b>
Unrestricted Investment Accounts		6,760,494	6,557,904	5,183,192
<b>Total Liabilities and Unrestricted Investment Accounts</b>		<b>116,228,763</b>	<b>61,857,878</b>	<b>100,502,304</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT</b>				
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	5	-	-	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
<b>Total Equity Attributable to Equity Holders of Parent</b>		<b>13,776,590</b>	<b>8,102,017</b>	<b>13,857,859</b>
Minority Interest		-	-	505
<b>Total Equity</b>		<b>13,776,590</b>	<b>8,102,017</b>	<b>13,858,364</b>
<b>Total Liabilities and Equity</b>		<b>130,005,353</b>	<b>69,959,895</b>	<b>114,360,668</b>

**Yousef Hussain Kamal**  
Chairman

**Hamad Bin Faisal Al-Thani**  
Vice Chairman

**Ali Shareef Al-Emadi**  
Group Chief Executive Officer

The attached explanatory notes 1 to 8 form an integral part of these financial statements.

**Qatar National Bank S.A.Q.**  
**Condensed Consolidated Statement of Income**  
**For the Three Months Ended 31 March 2008**

	<b>Three Months to 31 March 2008 (Reviewed) QR000</b>	<b>Three Months to 31 March 2007 (Reviewed) QR000</b>
Interest Income	1,416,248	996,762
Interest Expense	<u>(903,315)</u>	<u>(544,405)</u>
<b>Net Interest Income</b>	<b>512,933</b>	<b>452,357</b>
Fees and Commission Income	266,349	204,063
Fees and Commission Expense	<u>(11,565)</u>	<u>(9,921)</u>
<b>Net Fees and Commission Income</b>	<b>254,784</b>	<b>194,142</b>
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	<u>18,530</u>	<u>2,730</u>
<b>Net Operating Income</b>	<b>1,268,277</b>	<b>940,708</b>
General and Administrative Expenses	<u>(260,299)</u>	<u>(178,286)</u>
Depreciation	<u>(17,414)</u>	<u>(11,292)</u>
(Provisions) / Recoveries of Provisions for Credit Losses of Loans and Advances	<u>(29,073)</u>	43,432
Net Impairment Gains / (Losses) of Financial Investments	17,641	<u>(69,873)</u>
Other (Provisions) / Recoveries	<u>(144)</u>	24
Unrestricted Investment Account Holders' Share of Profit	<u>(55,517)</u>	<u>(65,955)</u>
<b>Net Profit Before Taxes</b>	<b>923,471</b>	<b>658,758</b>
Taxes	<u>(6,193)</u>	<u>(6,004)</u>
<b>Net Profit for the Period</b>	<b><u>917,278</u></b>	<b><u>652,754</u></b>
Earnings Per Share (QR)	4.2	3.4
Weighted Average Number of Shares	218,996,940	194,663,947

The attached explanatory notes 1 to 8 form an integral part of these financial statements.

**Qatar National Bank S.A.Q.**  
**Condensed Consolidated Statement of Cash Flows**  
**For the Three Months Ended 31 March 2008**

	Note	Three Months to 31 March 2008 (Reviewed) QR000	Three Months to 31 March 2007 (Reviewed) QR000	Year to 31 December 2007 (Audited) QR000
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>		<b>4,285,252</b>	<b>(2,154,770)</b>	<b>17,813,345</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Financial Investments		(3,684,018)	(1,459,680)	(6,583,801)
Sale / Redemption of Financial Investments		1,396,007	1,058,489	5,745,028
Purchase of Associates		(64,032)	-	(2,554,797)
Purchase of Property and Equipment		(119,276)	(16,379)	(114,190)
Sale of Property and Equipment		13,853	243	1,149
<b>Net Cash Outflow from Investing Activities</b>		<b>(2,457,466)</b>	<b>(417,327)</b>	<b>(3,506,611)</b>
<b>Cash Flow from Financing Activities</b>				
Dividend Paid		(882,644)	(778,417)	(779,888)
Proceeds from Rights Issue		-	-	2,433,298
<b>Net Cash (Outflow) / Inflow from Financing Activities</b>		<b>(882,644)</b>	<b>(778,417)</b>	<b>1,653,410</b>
Net Cash Inflow / (Outflow)		945,142	(3,350,514)	15,960,144
Changes in Foreign Exchange Rates		7,724	(3,031)	(23,957)
Balance at 1st January		28,296,764	12,360,577	12,360,577
<b>Balance at 31 March / 31 December</b>	<b>8</b>	<b>29,249,630</b>	<b>9,007,032</b>	<b>28,296,764</b>

The attached explanatory notes 1 to 8 form an integral part of these financial statements.

## Qatar National Bank S.A.Q.

### Notes to the Interim Condensed Consolidated Financial Statements For the Three Months Ended 31 March 2008

#### 1. ACCOUNTING POLICIES

The accompanying interim condensed consolidated financial statements are prepared in accordance with IAS 34 - Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the 2007 annual financial statements.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the three months ended 31 March 2008 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2008.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007. The accompanying condensed 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.

#### 2. SEGMENT INFORMATION

The Group is organised into three main business segments which comprise conventional commercial banking, Islamic banking and wealth management activities. Details of each of the segments are stated below:

	Conventional Banking	Islamic Banking	Wealth Management	Intra-group Transactions	Total
Total Assets	118,555,824	9,229,260	4,912,455	(2,692,186)	130,005,353
Total Liabilities	104,737,665	8,152,317	4,523,826	(1,185,045)	116,228,763
Net Operating Income	1,068,958	145,559	53,760	-	1,268,277
Net Profit / (Loss)	848,353	76,943	(8,018)	-	917,278

Geographically, the Group operates in Qatar and through its branches and subsidiary in Europe. Qatar operations contribute 94% in terms of profit (31 December 2007: 94%) and hold 86% of the Group's assets (31 December 2007: 81%).

#### 3. LOANS AND ADVANCES AND FINANCING ACTIVITIES TO CUSTOMERS

	31 March 2008 (Reviewed) QR000	31 March 2007 (Reviewed) QR000	31 December 2007 (Audited) QR000
Total Conventional Banking Loans and Advances	72,205,926	44,774,710	61,949,195
Total Islamic Financing Activities	6,253,601	3,159,086	5,219,465
Specific Provision for Impairment of Loans	(275,441)	(244,958)	(251,694)
Interest in Suspense	(138,637)	(159,620)	(156,624)
Financing Activities Deferred Profit	(654,475)	(377,136)	(696,205)
<b>Net Loans and Advances and Financing Activities</b>	<b>77,390,974</b>	<b>47,152,082</b>	<b>66,064,137</b>

The aggregate amount of non performing loans and advances amounted to QR427.9 million, 0.5% of total loans and advances and financing activities (31 December 2007: QR451.1 million, 0.7% of total loans and advances and financing activities).

#### 4. FINANCIAL INVESTMENTS

	31 March 2008 (Reviewed) QR000	31 March 2007 (Reviewed) QR000	31st December 2007 (Audited) QR000
Available for Sale Investments	9,075,375	4,663,420	7,013,960
Held to Maturity Investments	4,621,203	4,364,767	4,294,965
<b>Total</b>	<b>13,696,578</b>	<b>9,028,187</b>	<b>11,308,925</b>

**Qatar National Bank S.A.Q.****Notes to the Interim Condensed Consolidated Financial Statements  
For the Three Months Ended 31 March 2008****5. DIVIDEND**

The cash dividend in respect of the year ended 31 December 2007 of QR5.0 per share, amounting to a total of QR912.5 million and a bonus share of 20% of the share capital, was approved on 10 February 2008. The cash dividend in respect of the year ended 31 December 2006 was QR6.0 per share, amounting to a total of QR778.7 million and a bonus share of 25% of the share capital.

**6. CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

	<b>31 March 2008 (Reviewed) QR000</b>	<b>31 March 2007 (Reviewed) QR000</b>	<b>31st December 2007 (Audited) QR000</b>
Contingent Liabilities	47,717,167	28,933,857	39,330,050
Other Commitments	34,878,010	24,643,749	25,283,507

**7. RELATED PARTIES**

The Group has transactions in the ordinary course of business with directors, officers of the Group and entities of which they are principal owners. At the balance sheet date, such significant balances included:

	<b>31 March 2008 (Reviewed) QR000</b>	<b>31 March 2007 (Reviewed) QR000</b>	<b>31st December 2007 (Audited) QR000</b>
<b>Balance Sheet Items</b>			
Loans and advances	1,900,158	1,392,453	1,876,031
Deposits	700,417	658,466	629,496
Contingent Liabilities and Other Commitments	189,527	184,891	247,405
<b>Statement of Income Items</b>			
Interest and Commission Income	24,993	14,250	95,824
Interest and Commission Expense	8,829	6,943	33,113
<b>Compensation of key management personnel is as follows:</b>			
Salaries and Other Benefits	8,610	2,633	13,216
End of Service Indemnity	101	164	741

The Bank also has significant commercial transactions with the Government of Qatar amounting to QR10,239 million included in loans and advances (31 December 2007: QR7,060 million) and QR2,815 million included in deposits (31 December 2007: QR12,554 million). All the transactions with the related parties are substantially on the same terms, including interest rates and collateral, as those prevailing in comparable transactions with unrelated parties.

**8. CASH AND CASH EQUIVALENTS**

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances:

	<b>31 March 2008 (Reviewed) QR000</b>	<b>31 March 2007 (Reviewed) QR000</b>	<b>31st December 2007 (Audited) QR000</b>
Cash and Deposits with Central Banks	11,951,539	1,233,054	9,107,250
Due from Banks Maturing in 3 months	17,298,091	7,773,978	19,189,514
<b>Total</b>	<b>29,249,630</b>	<b>9,007,032</b>	<b>28,296,764</b>

Cash and Deposits with Central Banks do not include mandatory reserve deposits.