



Condensed Consolidated Interim Financial Information

31 March 2012

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Qatar National Bank S.A.Q. (the "Bank") and its subsidiaries (together referred to as the "Group") as at 31 March 2012, the condensed consolidated statement of income, statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors of the Group is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with (IAS 34) - "*Interim Financial Reporting*" and the applicable provisions of Qatar Central Bank regulations. Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated 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.

Gopal Balasubramaniam
KPMG
Qatar Auditors Registry Number 251

Doha - State of Qatar
4 April 2012

Qatar National Bank S.A.Q.
Condensed Consolidated Interim Statement of Financial Position
As at 31 March 2012

	Note	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
ASSETS				
Cash and Balances with Central Banks		10,957,904	17,679,988	10,279,130
Due from Banks and Other Financial Institutions		46,305,930	32,173,615	38,565,554
Loans and Advances and Financing Activities to Customers	3	201,210,133	140,701,468	193,943,227
Investment Securities	4	44,080,230	44,080,541	50,382,609
Investment in Associates		4,737,965	4,687,782	4,703,260
Property and Equipment		970,377	970,334	979,059
Intangible Assets		141,028	138,408	141,955
Other Assets		2,702,448	2,226,518	2,960,537
Total Assets		311,106,015	242,658,654	301,955,331
LIABILITIES				
Due to Banks and Other Financial Institutions		25,475,202	17,396,104	37,662,162
Repurchase Agreements		2,574,867	2,184,300	1,820,273
Customer Deposits and Unrestricted Investment Accounts		218,393,346	179,872,953	200,122,837
Other Borrowings		15,780,934	12,140,135	12,151,643
Other Liabilities		6,862,216	6,534,595	7,563,112
Total Liabilities		269,086,565	218,128,087	259,320,027
EQUITY				
Issued Capital		6,997,294	5,088,941	6,361,177
Statutory Reserve		23,086,902	9,728,431	21,178,549
Other Reserves		1,456,999	1,686,539	1,597,352
Risk Reserve		1,600,000	1,500,000	1,600,000
Fair Value Reserve	5	617,840	627,989	496,958
Proposed Dividend	6	-	-	2,544,471
Proposed Bonus Shares		-	-	636,118
Proposed Transfer to Statutory Reserve		-	-	636,118
Retained Earnings		7,702,215	5,236,508	6,970,007
Total Equity Attributable to Equity Holders of the Bank		41,461,250	23,868,408	42,020,750
Non - Controlling Interest		558,200	662,159	614,554
Total Equity		42,019,450	24,530,567	42,635,304
Total Liabilities and Equity		311,106,015	242,658,654	301,955,331

Yousef Hussain Kamal
Chairman

Ali Sharif Al-Emadi
Group Chief Executive Officer

The attached notes 1 to 10 form an integral part of this condensed consolidated interim financial information.

Qatar National Bank S.A.Q.
Condensed Consolidated Interim Statement of Income
For the Three Months Period Ended 31 March 2012

	Three Months to 31 March 2012 (Reviewed) QR000	Three Months to 31 March 2011 (Reviewed) QR000
Interest Income from Conventional and Profit from Islamic Operations	2,997,481	2,531,864
Interest Expense from Conventional and Share of Profit on Islamic Operations	(750,937)	(824,395)
Net Interest Income and Profit from Islamic Operations	2,246,544	1,707,469
Fees and Commission Income	369,443	307,976
Fees and Commission Expense	(32,219)	(22,803)
Net Fees and Commission Income	337,224	285,173
Dividend Income	17,686	34,885
Net Gains from Foreign Currency Transactions	163,274	95,784
Net Gains from Investment Securities	2,165	79,437
Share in Profit of Associates	36,906	45,178
Other Operating Income	1,758	7,114
Net Operating Income	2,805,557	2,255,040
General and Administrative Expenses	(405,427)	(326,897)
Depreciation	(43,754)	(37,354)
Net Impairment Losses on Loans and Advances	(266,685)	(177,259)
Net Impairment Gains / (Losses) on Investment Securities	1,343	(531)
Amortization of Intangible Assets	(927)	-
Other (Provisions) / Recoveries	(286)	117
Profit Before Income Taxes	2,089,821	1,713,116
Income Tax Expense	(13,274)	(5,720)
Profit for the Period	2,076,547	1,707,396
Attributable to:		
Equity Holders of the Bank	2,004,444	1,706,748
Non - Controlling Interest	72,103	648
Profit for the Period	2,076,547	1,707,396
Earnings Per Share (QR)	2.9	2.8
Weighted Average Number of Shares	699,729,438	602,165,378

The attached notes 1 to 10 form an integral part of this condensed consolidated interim financial information.

Qatar National Bank S.A.Q.
Condensed Consolidated Interim Statement of Comprehensive Income
For the Three Months Period Ended 31 March 2012

	Three Months to 31 March 2012 (Reviewed) QR000	Three Months to 31 March 2011 (Reviewed) QR000
Profit for the Period	2,076,547	1,707,396
Other Comprehensive Income, net of Income Tax		
Foreign Currency Translation Differences for Foreign Operations	(130,398)	(42,455)
Share of Other Comprehensive Income of Associates	(9,956)	(3,649)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	25,693	37,744
Net Gain / (Loss) on Revaluation of Available-for-Sale Investment Securities	95,189	(110,159)
Total Other Comprehensive Income for the Period, net of Tax	(19,472)	(118,519)
Total Comprehensive Income for the Period	2,057,075	1,588,877
Attributable to:		
Equity Holders of the Bank	1,984,972	1,588,229
Non - Controlling Interest	72,103	648
Total Comprehensive Income for the Period	2,057,075	1,588,877

The attached notes 1 to 10 form an integral part of this condensed consolidated interim financial information.

Qatar National Bank S.A.Q.

Condensed Consolidated Interim Statement of Changes in Equity

For the Three Months Period Ended 31 March 2012

	Share Capital QR000	Statutory Reserve QR000	Other Reserves QR000	Risk Reserve QR000	Fair Value Reserve QR000	Proposed Dividend QR000	Proposed Bonus Shares QR000	Proposed Transfer to Statutory Reserve QR000	Retained Earnings QR000	Total QR000	Non Controlling Interest QR000	Total Equity QR000
Balance at 1 January 2011	3,914,570	8,554,060	1,732,643	1,500,000	700,404	1,957,285	1,174,371	1,174,371	3,529,760	24,237,464	555,224	24,792,688
Total Comprehensive Income for the Period	-	-	-	-	-	-	-	-	1,706,748	1,706,748	648	1,707,396
Profit for the Period	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, net of Income Tax	-	-	(42,455)	-	-	-	-	-	-	(42,455)	-	(42,455)
Net Movement in Currency Translation	-	-	(42,455)	-	-	-	-	-	-	(42,455)	-	(42,455)
Share of Other Comprehensive Income of Associates	-	-	(3,649)	-	-	-	-	-	-	(3,649)	-	(3,649)
Net Movement in Fair Value Reserve	-	-	-	-	(72,415)	-	-	-	-	(72,415)	-	(72,415)
Total Other Comprehensive Income	-	-	(46,104)	-	(72,415)	-	-	-	-	(118,519)	-	(118,519)
Total Comprehensive Income for the Period	-	-	(46,104)	-	(72,415)	-	-	-	1,706,748	1,588,229	648	1,588,877
Dividend Paid for the Year 2010	-	-	-	-	-	(1,957,285)	-	-	-	(1,957,285)	-	(1,957,285)
Bonus Shares for the Year 2010	1,174,371	-	-	-	-	-	(1,174,371)	-	-	-	-	-
Transfer to Statutory Reserve for the year 2010	-	1,174,371	-	-	-	-	-	(1,174,371)	-	-	-	-
Net Movement in Non-controlling Interest	-	-	-	-	-	-	-	-	-	-	106,287	106,287
Balance at 31 March 2011	5,088,941	9,728,431	1,686,539	1,500,000	627,989	-	-	-	5,236,508	23,868,408	662,159	24,530,567
Balance at 1st January 2012	6,361,177	21,178,549	1,597,352	1,600,000	496,958	2,544,471	636,118	636,118	6,970,007	42,020,750	614,554	42,635,304
Total Comprehensive Income for the Period	-	-	-	-	-	-	-	-	2,004,444	2,004,444	72,103	2,076,547
Profit for the Period	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, net of Income Tax	-	-	(130,397)	-	-	-	-	-	-	(130,397)	-	(130,398)
Net Movement in Currency Translation	-	-	(130,397)	-	-	-	-	-	-	(130,397)	-	(130,398)
Share of Other Comprehensive Income of Associates	-	-	(9,956)	-	-	-	-	-	-	(9,956)	-	(9,956)
Net Movement in Fair Value Reserve	-	-	-	-	120,882	-	-	-	-	120,882	-	120,882
Total Other Comprehensive Income	-	-	(140,353)	-	120,882	-	-	-	-	(19,471)	-	(19,472)
Total Comprehensive Income for the Period	-	-	(140,353)	-	120,882	-	-	-	2,004,444	1,984,973	72,103	2,057,075
Dividend Paid for the Year 2011	-	-	-	-	-	(2,544,471)	-	-	-	(2,544,471)	-	(2,544,471)
Bonus Shares for the Year 2011	636,118	-	-	-	-	-	(636,118)	-	-	-	-	-
Transfer to Statutory Reserve for the year 2011	-	1,908,353	-	-	-	-	-	(636,118)	(1,272,236)	-	-	-
Net Movement in Non-controlling Interest	-	-	-	-	-	-	-	-	-	-	(128,457)	(128,457)
Balance at 31 March 2012	6,997,294	23,086,902	1,456,999	1,600,000	617,840	-	-	-	7,702,215	41,461,250	558,200	42,019,450

The attached notes 1 to 10 form an integral part of this condensed consolidated interim financial information.

Qatar National Bank S.A.Q.
Condensed Consolidated Interim Statement of Cash Flows
For the Three Months Period Ended 31 March 2012

	Note	Three Months to 31 March 2012 (Reviewed) QR000	Three Months to 31 March 2011 (Reviewed) QR000	Year to 31 December 2011 (Audited) QR000
Cash Flows from Operating Activities		5,173,116	12,084,567	4,654,693
Cash Flows from Investing Activities				
Acquisitions of Investment Securities		(6,013,800)	(20,413,207)	(32,683,315)
Proceeds from Sale of Investment Securities		12,431,577	427,726	6,560,487
Investments in Associates		-	-	(17,873)
Acquisition of Subsidiary, net of Cash Acquired		-	137,767	140,195
Purchase of Property and Equipment		(59,810)	(74,919)	(261,844)
Proceeds from Sale of Property and Equipment		621	172	1,385
Net Cash from / (used in) Investing Activities		6,358,588	(19,922,461)	(26,260,965)
Cash Flows from Financing Activities				
Dividends Paid		(2,524,677)	(1,901,794)	(1,955,014)
Proceeds from Rights Issue		-	-	12,722,354
Net Cash (used in) / from Financing Activities		(2,524,677)	(1,901,794)	10,767,340
Net Increase / (Decrease) in Cash and Cash Equivalents		9,007,027	(9,739,688)	(10,838,932)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		43,607	10,923	70,194
Cash and Cash Equivalents as at 1 January		41,403,694	52,172,432	52,172,432
Cash and Cash Equivalents at 31 March / 31 December	10	50,454,328	42,443,667	41,403,694

The attached notes 1 to 10 form an integral part of this condensed consolidated interim financial information.

Qatar National Bank S.A.Q.
Notes to the Condensed Consolidated Interim Financial Information
For the Three Months Period Ended 31 March 2012

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The accompanying condensed consolidated interim financial information is prepared in accordance with IAS 34 - "Interim Financial Reporting" and the applicable provisions of Qatar Central Bank Regulations. This condensed consolidated interim financial information should be read in conjunction with the 2011 annual consolidated financial statements of the Group.

The condensed consolidated interim financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the three month period ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2011.

The following amendment has been applied by the Group in preparation of these condensed consolidated interim financial information:

IFRS 7 (amendment) 'Disclosures: Transfer of financial assets' The amendments to IFRS 7 introduce new disclosure requirements about transfers of financial assets including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The amendment has no impact on the Group's operations.

In addition, a number of new standards, amendments to standards and interpretations have been issued that are not yet effective for the period ended 31 March 2012 and have not been applied in preparing this condensed consolidated interim financial information:

IAS 1 (amendment) 'Presentation of items of other comprehensive income' The amendments to IAS 1 require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendment is effective for annual periods beginning on or after 1 July 2012 with an option of early application.

IAS 28 (2011) 'Investment in Associates and Joint ventures'

IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) has been amended to include:

- IFRS 5 applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and
- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not remeasure the retained interest.

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied retrospectively.

- 'IFRS 9, Financial Instruments' is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value.

The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after 1 January 2015.

- IFRS 10, Consolidated Financial Statements.
- IFRS 11, Joint Arrangements.
- IFRS 12, Disclosure of Interest in Other Entities.
- IFRS 13, Fair Value Measurement.

The above standards are effective for annual periods beginning on or after 1 January 2013. The Group is currently assessing the impact of these standards on future periods.

**Qatar National Bank S.A.Q.
Notes to the Condensed Consolidated Interim Financial Information
For the Three Months Period Ended 31 March 2012**

2. SEGMENT INFORMATION

The Group is organised into five main operating segments. The results of each of the operating segments which are being reviewed regularly by the Chief Operating Decision Maker are stated below:

	Qatar Operations					Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management	QIHL (Subsidiary)	International Banking	
At 31 March 2012:						
Operating Income	1,985,269	174,191	150,300	331	464,522	2,805,557
General and Administrative Expenses	(180,236)	(128,999)	(20,643)	(2,403)	(69,604)	(405,427)
Profit	1,510,882	45,583	129,504	19,013	346,592	2,004,444
Loans and Advances and Financing Activities	161,864,416	6,269,881	10,528,769	-	22,547,067	201,210,133
Customer Deposits and Unrestricted Investment Accounts	85,415,864	13,879,036	17,575,575	0	101,522,871	218,393,346
Total Assets	247,170,196	14,106,982	18,839,599	466,018	135,387,300	311,106,015
At 31 March 2011:						
Operating Income	1,419,495	221,690	106,043	4,684	379,959	2,255,040
General and Administrative Expenses	(104,626)	(145,029)	(4,557)	(11,116)	(43,650)	(326,897)
Profit / (Loss)	1,216,544	53,701	104,995	(7,531)	317,105	1,706,748
Loans and Advances and Financing Activities	102,702,851	7,638,295	3,484,497	229,132	26,646,693	140,701,468
Customer Deposits and Unrestricted Investment Accounts	83,536,792	15,138,665	10,932,750	55,896	70,208,850	179,872,953
Total Assets	165,107,574	15,407,143	11,278,582	586,406	107,115,746	242,658,654

Qatar National Bank S.A.Q.
Notes to the Condensed Consolidated Interim Financial Information
For the Three Months Period Ended 31 March 2012

3. LOANS AND ADVANCES AND FINANCING ACTIVITIES	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
Loans and Advances and Financing Activities	204,169,933	142,495,549	196,623,399
Specific Impairment of Loans and Advances and Financing Activities	(2,959,800)	(1,794,081)	(2,680,172)
Net Loans and Advances and Financing Activities	201,210,133	140,701,468	193,943,227

The aggregate amount of non performing loans and advances and financing activities amounted to QR2,322 million or 1.1% of total loans and advances and financing activities (31 December 2011: QR2,255 million or 1.1% of total loans and advances and financing activities).

4. INVESTMENT SECURITIES	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
Available-for-Sale Financial Investments	8,890,854	6,169,955	6,695,016
Held to Maturity Financial Investments	35,189,376	37,910,586	43,687,593
Total	44,080,230	44,080,541	50,382,609

5. FAIR VALUE RESERVE	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
Cash Flow Hedges	(168,032)	(154,016)	(193,725)
Available-for-Sale Investment Securities	785,872	782,005	690,683
Total	617,840	627,989	496,958

6. DIVIDEND

The cash dividend in respect of the year ended 31 December 2011 of QR4.0 per share, amounting to a total of QR2,544 million was paid during the period and a bonus shares representing 10% of the share capital amounting to QR636.1 million, were approved on 29 January 2012.

Qatar National Bank S.A.Q.
Notes to the Condensed Consolidated Interim Financial Information
For the Three Months Period Ended 31 March 2012

7. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
Contingent Liabilities	51,163,560	41,533,406	50,071,384
Other Commitments	34,623,162	47,183,023	37,887,940

8. RELATED PARTIES

The Group has transactions in the ordinary course of business with directors, officers of the Group and entities of which they have significant influence and control. As at the reporting date, such significant balances included:

	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
Statement of Financial Position Items			
Loans and advances	2,145,642	2,153,171	2,160,607
Deposits	833,196	999,197	1,540,042
Contingent Liabilities and Other Commitments	36,623	71,431	29,918
Income Statement Items			
Interest and Commission Income	16,846	22,604	79,798
Interest and Commission Expense	4,650	7,421	23,576

Compensation of key management personnel is as follows:

Salaries and Other Benefits	23,300	18,191	26,188
End of Service Indemnity	267	152	586

The Group also has significant commercial transactions with the State of Qatar, which owns 50% of the Bank's outstanding shares through the Qatar Investment Authority, amounting to QR28,537 million included in loans and advances and financing activities (31 December 2011: QR32,313 million) and QR45,873 million included in customer deposits (31 December 2011: QR47,982 million).

9) CAPITAL ADEQUACY

	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
Total Eligible Tier 1 Capital	34,231,358	17,128,484	34,357,737
Total Eligible Tier 2 Capital	-	-	-
Total Eligible Capital	34,231,358	17,128,484	34,357,737
Risk Weighted Assets	157,137,549	123,809,382	156,382,113
Tier 1 Capital ratio	21.8%	13.8%	22.0%
Total Capital ratio	21.8%	13.8%	22.0%

Tier 1 capital includes issued capital, statutory reserve, other reserves and retained earnings.

Tier 2 capital includes risk reserve (up to 1.25% of risk weighted assets) and 45% of the fair value reserve and currency translation adjustment if the balance is positive and 100% if negative.

The minimum accepted capital adequacy ratio is 10% under Qatar Central Bank requirements and 8% under Basel Committee on Banking Supervision requirements.

10. CASH AND CASH EQUIVALENTS

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

	31 March 2012 (Reviewed) QR000	31 March 2011 (Reviewed) QR000	31 December 2011 (Audited) QR000
Cash and Balances with Central Banks	4,615,245	10,862,977	3,793,200
Due from Banks Maturing in Three months	45,839,083	31,580,690	37,610,494
Total	50,454,328	42,443,667	41,403,694

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