

## Consolidated Interim Financial Statements for the nine months ending 30th September 2006

### 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 balance sheet of Qatar National Bank S.A.Q. (the "Bank") as at 30th September 2006 and the related interim condensed consolidated statements of income for the three month and nine month periods then ended and the statement of changes in shareholders' equity and cash flows for the nine month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed 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

9th October 2006

Doha, State of Qatar

### Condensed Consolidated Balance Sheet

(All amounts are shown in thousands of Qatari Riyals)	30th September 2006 (Reviewed)	30th September 2005 (Reviewed)	31st December 2005 (Audited)
<b>ASSETS</b>			
Cash and Deposits with Central Banks	2,995,118	1,975,965	2,406,327
Due from Banks and Other Financial Institutions	15,052,362	6,178,385	7,499,202
Loans and Advances and Financing Activities to Customers	41,601,351	29,868,804	31,477,500
Investments	8,573,929	7,944,798	7,585,486
Investment in Associates	52,087	48,710	52,460
Properties, Furniture and Equipment	572,126	472,960	467,419
Other Assets	732,680	681,980	571,762
<b>Total Assets</b>	<b>69,579,653</b>	<b>47,171,602</b>	<b>50,060,156</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Due to Banks and Other Financial Institutions	3,767,914	2,823,040	2,598,708
Customer Deposits	51,380,233	34,334,886	36,457,014
Other Liabilities	1,002,125	1,164,110	2,046,368
	<b>56,150,272</b>	<b>38,322,036</b>	<b>41,102,090</b>
Unrestricted Investment Accounts	5,072,334	160,676	249,151
<b>SHAREHOLDERS' EQUITY</b>			
Fully Paid Share Capital	1,297,760	1,038,208	1,038,208
Statutory Reserve	1,297,760	1,038,208	1,038,208
Other Reserves	1,766,287	1,770,134	1,775,457
Risk Reserve	288,000	169,422	169,422
Fair Value Reserve	1,386,101	2,899,249	2,549,232
Proposed Dividend	-	-	778,656
Proposed Bonus Shares	-	-	259,552
Proposed Transfer to Statutory Reserve	-	-	259,552
Retained Earnings	2,321,139	1,773,669	840,628
<b>Total Shareholders' Equity</b>	<b>8,357,047</b>	<b>8,688,890</b>	<b>8,708,915</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>69,579,653</b>	<b>47,171,602</b>	<b>50,060,156</b>

### Condensed Consolidated Statement of Income

(All amounts are shown in thousands of Qatari Riyals)	Three months to 30th September 2006 (Reviewed)	Three months to 30th September 2005 (Reviewed)	Nine months to 30th September 2006 (Reviewed)	Nine months to 30th September 2005 (Reviewed)
Interest Income	878,830	420,242	2,414,879	1,545,748
Interest Expense	(476,065)	(100,034)	(1,241,666)	(609,846)
<b>Net Interest Income</b>	<b>402,765</b>	<b>320,208</b>	<b>1,173,213</b>	<b>935,902</b>
Fees and Commissions Income	146,625	88,122	403,290	297,012
Fees and Commissions Expense	(34,659)	(8,628)	(50,246)	(19,499)
<b>Net Fees and Commissions</b>	<b>111,966</b>	<b>79,494</b>	<b>353,044</b>	<b>277,513</b>
Dividend Income	13,539	17,279	86,147	65,558
Net Gains from Dealing in Foreign Currencies	21,324	16,251	79,742	44,327
Gains from Investments	114,895	94,257	220,591	199,389
Gain from Investment in Associates	-	-	433	-
Income from Islamic Financing and Investing Activities	82,145	3,228	200,887	5,011
Other Operating Income	3,150	15,396	19,041	24,061
<b>Total Operating Income</b>	<b>749,784</b>	<b>546,113</b>	<b>2,133,098</b>	<b>1,551,761</b>
General and Administrative Expenses	(160,027)	(151,863)	(503,133)	(467,826)
Depreciation	(12,764)	(10,336)	(36,834)	(40,681)
Recoveries for Impairment of Loans	11,362	77,111	168,946	131,957
Investment Revaluation Gains / (Losses)	(22,965)	5,326	(17,014)	3,258
Other Recoveries, Net of Provision	(516)	2,677	13,642	2,677
Unrestricted Investment Account Holders' Share of Profit	(61,174)	(294)	(145,596)	(379)
<b>Net Profit Before Taxes</b>	<b>503,700</b>	<b>468,734</b>	<b>1,613,109</b>	<b>1,180,767</b>
Taxes	(3,320)	(2,109)	(7,570)	(9,126)
<b>Net Profit for the Period</b>	<b>500,380</b>	<b>466,625</b>	<b>1,605,539</b>	<b>1,171,641</b>
Basic Earnings Per Share (QR)	3.9	3.6	12.4	9.0
Fully Diluted Earnings Per Share (QR)	3.9	3.6	12.4	9.0