

QCR
HOLDINGS, INC.

Relationship DRIVEN

2007 Annual Report

The *Dynamics* Behind
What *Drives* Our Results

People



Our employees deliver the mission every day

The QCRH Mission Statement

QCR Holdings, Inc. will be the premier provider of financial services to businesses and individuals for whom relationships matter.

QCRH Mission Moments Happen Every Day

Beyond the Call of Duty

Jim cashed his paycheck at the drive-up teller window, and when he returned home, he discovered he was \$100 short. Jim phoned the bank and one of our tellers suggested Jim check his money envelope one more time. Jim responded that he threw the envelope in the dumpster by our bank. Our teller looked through the dumpster and recovered the envelope with the \$100 bill in it. Jim was so grateful he offered to reward our teller, but she refused. The next day Jim brought baked goods for the entire bank to share.

Reading the Fine Print

Rita deposited a check in the ATM over a weekend. The check was for \$9.25. Rita did not notice the printing on the back of the check. By endorsing the check Rita was signing up for a program whereby semi-annual payments would commence from her credit card. One of our account executives alerted Rita and she was most appreciative of the personalized service received at our bank.

Birthday Parties

Grace is a long standing client who routinely brings baked goods into her favorite branch. One of our account executives surprised Grace with a 99th birthday party in the bank training room.

Personal Deliveries

One of our tellers received a phone call from a distraught client whose debit card was not working at the grocery store. Our teller asked how much the groceries totaled, and ran the money to the client at the grocery store.

Going the Extra Mile

Rusty, a regular client, would walk to her favorite branch whenever she needed to conduct business. The walk included a steep hill to get there. One day after transacting her business she appeared disoriented and perhaps unable to walk home alone. Two of our branch executives walked her safely home.

Picture Perfect

One of our executive assistants enjoys taking pictures of all children who come in and open their first bank account. She mails the photo to them with a welcome letter. She began this initiative on her own and at her own expense.

Driven. The word inspires many visions, actions and outcomes.

At QCR Holdings, Inc., it inspires us to distinguish ourselves with our commitment to developing relationships with our clients that are based on providing exceptional, customized service.

This *relationship driven* focus is at the very core of our competitive advantage and has been the heartbeat of our rapid growth since 1994.

Our strategy is to invest in outstanding people that demonstrate an unwavering commitment

to developing and nurturing long-lasting relationships with our clients, and provide them with the best technology, support and facilities to help them exceed client expectations.

Key to this strategy is that each bank is given the autonomy to tailor products, services and decisions unique to the markets that it serves, facilitating the customized relationship-based service that drives our competitive advantage. Our local bankers are supported by a QCRH Group Operations team that delivers

operational services and allows each bank to possess the resources of a much larger financial institution, and are further aided by a Board of Directors at each charter that consists of local community leaders who share this drive to make a difference to our clients and the communities in which they live and work.

Staying true to this core strategy of delivering local decisions that impact our clients, and delivering support services that do not impact clients in a centralized and efficient manner, has created a strong brand for each of our banks. In the following pages you will experience the brands that our local bankers have created – providing the foundation for our future success.

Direction.

Our significant investments in people, technology, systems and facilities that have fueled our past growth, have diluted our earnings results in recent years. Yet, it is these very investments that will contribute to our exceptional future.

Incredible competition for core deposits and historically low net interest margins in the entire industry have made it difficult to continue our historical pace of rapid growth without continued pressure on earnings.

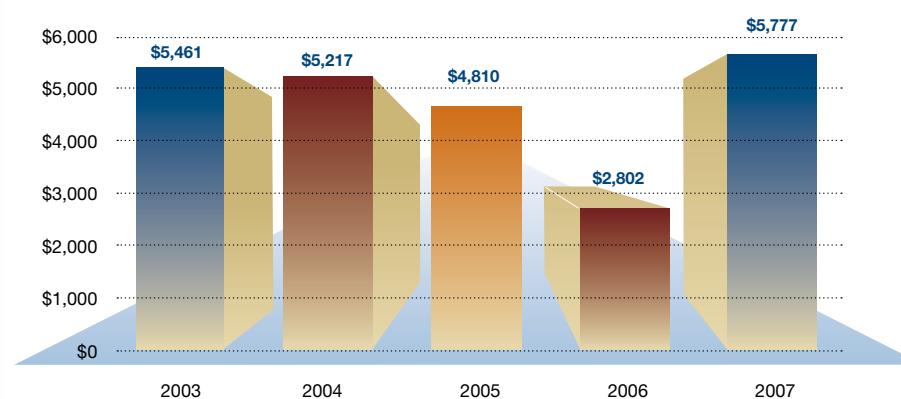
As a result, 2007 was a significant year for our Company as we have begun to execute on our *strategic direction* to harvest our investments and generate significant improvements in earnings per share for our stockholders.

Our talented bankers will continue to develop new relationships, and strengthen existing ones, as we will continue to take market share in each of our banking markets. However, we will be more deliberate in the pace of our growth, as we were in 2007.

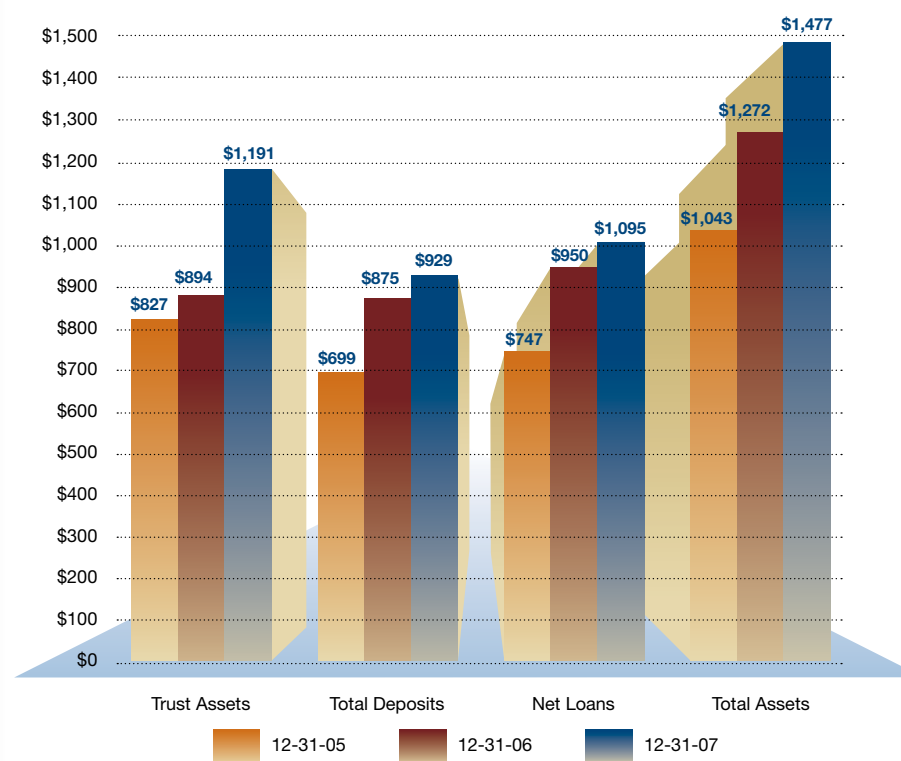
We are focused on further progress in 2008 as we continue down the path to greater levels of profitability.

Driven in the right **Direction**, QCR Holdings, Inc. has a bright future. ■

QCRH Net Income (in thousands of dollars)



QCRH Key Totals (in millions of dollars)



Directors and Managers

QCR Holdings, Inc. Directors

Douglas M. Hultquist
President and Chief Executive Officer,
QCR Holdings, Inc.

James J. Brownson
Chairman of the Board, QCR Holdings, Inc.
President, W.E. Brownson Company

Michael A. Bauer
Vice Chairman, QCR Holdings, Inc. and
Quad City Bank and Trust Company

Patrick S. Baird
President and Chief Executive Officer,
AEGON USA, Inc.

Larry J. Helling
President and Chief Executive Officer,
Cedar Rapids Bank and Trust Company

Mark C. Kilmer
President, Republic Companies

John K. Lawson
Retired Executive, Deere & Company

Charles M. Peters
President and Chief Executive Officer,
Gazette Communications, Inc.

Ronald G. Peterson
President, First State Bank of Western Illinois

John A. Rife
President and Chief Executive Officer,
United Life Insurance Company

John D. Whitcher
Vice President and General Counsel,
Viking Chemical Company
(nominee May 2008)

Marie Z. Ziegler
Vice President, Investor Relations, Deere &
Company (nominee May 2008)

QCR Holdings, Inc. Executive Team

Douglas M. Hultquist
President and Chief Executive Officer

Todd A. Gipple
Executive Vice President, Chief Operating
Officer and Chief Financial Officer

John H. Anderson
President and Chief Executive Officer,
Quad City Bank and Trust Company

Kurt E. Andrae
President and Chief Executive Officer,
First Wisconsin Bank and Trust Company

Thomas D. Budd
President and Chief Executive Officer,
Rockford Bank and Trust Company

Jill A. DeKeyser
Senior Vice President, Director of Human
Resources

Larry J. Helling
President and Chief Executive Officer,
Cedar Rapids Bank and Trust Company
Executive Vice President, Chief Lending
Officer, QCR Holdings, Inc.

Victor J. Quinn
Executive Vice President, Director of
Funds Management

John A. Rodriguez
Executive Vice President, Deposit Operations
and Information Services

William M. Tank
Executive Vice President, Chief Credit Officer

Cathie S. Whiteside
Executive Vice President, Corporate Strategy
and Branding

QCR Holdings, Inc. Group Operations Management Team

Todd A. Gipple
Executive Vice President, Chief Operating
Officer and Chief Financial Officer

Jill A. DeKeyser
Senior Vice President, Director of
Human Resources

Beth L. Easterla
Assistant Vice President, Deposit Operations
and Electronic Banking Manager

Kathleen M. Francque
Senior Vice President, Correspondent Banking

Pamela J. Goodwin
Assistant Vice President, Loan
Operations Manager

Shawna M. Graham
Vice President, Director of Risk Management

R. Timothy Harding
Senior Vice President, Director of
Internal Audit

John R. Oakes
Vice President, Controller and Director of
Financial Reporting

Victor J. Quinn
Executive Vice President, Director of
Funds Management

John A. Rodriguez
Executive Vice President, Deposit Operations
and Information Services

Shellee R. Showalter
Senior Vice President, Director of Finance
and Budgeting

Michael J. Wyffels
Vice President, Chief Technology Officer

Quad City Bank and Trust Company Directors

John H. Anderson
President and Chief Executive Officer,
Quad City Bank and Trust Company

Mark C. Kilmer
Chairman of the Board, Quad City Bank
and Trust Company
President, Republic Companies

Michael A. Bauer
Vice Chairman, QCR Holdings, Inc. and
Quad City Bank and Trust Company

Douglas M. Hultquist
President and Chief Executive Officer,
QCR Holdings, Inc.

Joyce E. Bawden
Retired Executive, Bawden Printing, Inc.

James J. Brownson
President, W.E. Brownson Company

Todd A. Gipple
Executive Vice President, Chief Operating
Officer and Chief Financial Officer,
QCR Holdings, Inc.

John H. Harris, II
Executive Officer, Isabel Bloom LLC

Larry J. Helling
President and Chief Executive Officer,
Cedar Rapids Bank and Trust Company

John K. Lawson
Retired Executive, Deere & Company

Edwin A. Maxwell
Anesthesia & Analgesia, P.C.

Linda K. Neuman
Attorney, Retired Iowa Supreme Court
(Jan. 2008)

Ronald G. Peterson
President, First State Bank of Western Illinois

Charles A. Ruhl, Jr.
President, Ruhl & Ruhl Commercial Company

Marc C. Slivken, D.D.S.

Quad City Bank and Trust Company Senior Managers

John H. Anderson
President and Chief Executive Officer

Jill A. DeKeyser
Senior Vice President, Director of
Human Resources

Kathleen M. Francque
Senior Vice President, Correspondent Banking

Therese K. Gerwe
Vice President, Treasury Management

David C. Howell
1st Vice President, Wealth Management

Rick J. Jennings
Senior Vice President, Senior Trust Officer

Jeffrey M. Lockwood
Senior Vice President, Commercial Banking

Jennifer A. Nolin
Vice President, Director of Marketing
and Retail

Victor J. Quinn
Executive Vice President, Operations
and Cashier

Shellee R. Showalter
Senior Vice President, Chief Financial Officer

Cathie S. Whiteside
Executive Vice President, Corporate
Strategy and Branding

Cedar Rapids Bank and Trust Company Directors

Larry J. Helling
President and Chief Executive Officer,
Cedar Rapids Bank and Trust Company

Charles M. Peters
Chairman of the Board, Cedar Rapids
Bank and Trust Company
President and Chief Executive Officer,
Gazette Communications, Inc.

Patrick S. Baird
President and Chief Executive Officer,
AEGON USA, Inc.

Michael A. Bauer
Vice Chairman, QCR Holdings, Inc. and
Quad City Bank and Trust Company

Loren L. Coppock
Managing Director, TrueNorth
Companies, LC

Todd A. Gipple
Executive Vice President, Chief Operating
Officer and Chief Financial Officer,
QCR Holdings, Inc.

Ann M. Lipsky
President, Smulekoff Investment Co.
President, Smulekoff's Furniture

John A. Rife
President and Chief Executive Officer,
United Life Insurance Company

Donna J. Sorensen, J.D.
President, Sorensen Consulting

Frederick G. Timko
President, Point Builders, LLC

James A. Tinker
President Emeritus, MercyCare
Service Corporation

Cedar Rapids Bank and Trust Company Senior Managers

Larry J. Helling
President and Chief Executive Officer

Gary M. Becker
Senior Vice President, Commercial Banking

Patricia L. Ellison
Senior Vice President, Credit Administration

Jean M. Hartman
Senior Vice President, Residential Real Estate

James D. Klein
Senior Vice President, Retail Banking

Deborah J. Lindberg Gertsen
Senior Vice President, Trust and Investments

J. Mitchell McElree
Senior Vice President, Commercial Banking

Dana L. Nichols
Senior Vice President, Credit Administration

John A. Rodriguez
Senior Vice President, Operations
and Cashier

Shelly A. Strellner
Senior Vice President, Private Banking

Rockford Bank and Trust Company Directors

Thomas D. Budd
President and Chief Executive Officer,
Rockford Bank and Trust Company

E. Taylor Carlin
Chairman of the Board, Rockford Bank
and Trust Company

Michael A. Bauer
Vice Chairman, QCR Holdings, Inc. and
Quad City Bank and Trust Company

Charles E. Box
Chairman, Illinois Commerce Commission
Retired Mayor of Rockford, Illinois

Todd A. Gipple
Executive Vice President, Chief Operating
Officer and Chief Financial Officer,
QCR Holdings, Inc.

Monica B. Glenny, CPA, CMA
President, Datacraft, Inc.

James P. Hamilton
President and Chief Executive Officer,
Milestone, Inc.



James J. Brownson

Chairman of the Board,
QCR Holdings, Inc.

It is certainly an honor to serve as the independent outside chairman of QCR Holdings, Inc. Working with our very talented board members, officers, and staff is a pleasure and quite exciting.

The banking industry and financial markets have been extremely volatile, but I believe that our team is focused in the right direction and that our investments in people and markets will provide appropriate long term rewards.



a relationship driven organization

Douglas M. Hultquist
President and Chief Executive Officer,
QCR Holdings, Inc.

M. Shawn Way
Executive Vice President, Retail Banking,
Rockford Bank and Trust Company

John D. Whitcher
Vice President and General Counsel,
Viking Chemical Company

Robert J. Wimmer
President and Chief Executive Officer,
Aqua-Aerobic Systems, Inc.

Rockford Bank and Trust Company Senior Managers

Thomas D. Budd
President and Chief Executive Officer

M. Shawn Way
Executive Vice President, Retail Banking

Thomas A. Cwynar
Senior Vice President, Commercial Banking

Brenda S. Nayonis
Senior Vice President, Operations and Cashier

First Wisconsin Bank and Trust Company Directors

Kurt E. Andrae
President and Chief Executive Officer,
First Wisconsin Bank and Trust Company

Richard A. Meeusen
Chairman of the Board, First Wisconsin
Bank and Trust Company
Chairman, President and Chief Executive
Officer, Badger Meter, Inc.

John R. Engelbrecht
President and Chief Executive Officer,
M2 Lease Funds, LLC

Todd A. Gipple
Executive Vice President, Chief Operating
Officer and Chief Financial Officer,
QCR Holdings, Inc.

Michael A. Hatfield
Retired Senior Vice President and Secretary,
M & I – Marshall & Illsley Corporation

Douglas M. Hultquist
President and Chief Executive Officer,
QCR Holdings, Inc.

Roger H. Schroeder
Retired Tax Partner, KPMG

Michael D. Weiss
President, General Capital Group

First Wisconsin Bank and Trust Company Senior Managers

Kurt E. Andrae
President and Chief Executive Officer

Kelly A. Brown
Senior Vice President, Treasury Management
and Marketing

George J. Justice
Senior Vice President, Commercial Lending

Robert H. Zondag
Senior Vice President, Operations and Cashier

Quad City Bancard, Inc. Directors and Senior Managers

Todd A. Gipple
President, Chief Executive Officer and
Director, Quad City Bancard, Inc.
Executive Vice President, Chief Operating
Officer and Chief Financial Officer,
QCR Holdings, Inc.

Michael A. Bauer
Chairman of the Board, Quad City
Bancard, Inc.
Vice Chairman, QCR Holdings, Inc. and
Quad City Bank and Trust Company

Douglas M. Hultquist
Director, Quad City Bancard, Inc.
President and Chief Executive Officer,
QCR Holdings, Inc.

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Quality people are the core of every QCR Holdings entity. We recruit only the best people who share our passion for service and belief in the value of individual relationships.

To Our Shareholders,

We are pleased to bring to you our fifteenth annual report. While it has been a turbulent year in the financial markets and banking industry, we did make good progress on many of our initiatives and would like to share that success with you and comment on the challenges that lie ahead.

Earnings for 2007 were \$5.8 million, and diluted earnings per share for common shareholders were \$1.02, compared to earnings of \$2.8 million or \$.57 in diluted earnings per share in 2006. These results reflect an increase of \$3.0 million in net income and

\$0.45 per share over 2006 results, improvements of 106% and 79%.

We are very pleased with our continued progress on improving our net interest margin, a fourth consecutive quarter of increased net income, and significantly improved earnings from one year ago. Additionally, we continue to see solid loan and lease growth in our Cedar Rapids, Rockford, and Milwaukee markets. Our recent focus has been on improved loan yields and expanded net interest margin results, with an expectation for more modest growth rates in loans and leases. We are pleased that our talented bankers have continued to generate new relationships and expand existing ones during this difficult climate for financial institutions.

During 2007, total assets increased 16%, or \$205 million, to \$1.48 billion from \$1.27 billion at December 31, 2006. During 2007, loans/leases increased more than 15%, or \$146 million, to \$1.11 billion from \$961 million at December 31, 2006. Total deposits increased during the year by \$54 million, or 6%, to \$929 million at December 31, 2007. Stockholders' equity increased to \$86.1 million, as compared to \$70.9 million at December 31, 2006. Approximately one-half of this increase was the net result of the issuance of \$7.5 million of Non-Cumulative Perpetual Preferred Stock in the fourth quarter.

Net interest income increased by \$6.5 million, or nearly 22%, in 2007 as net interest margin

improved sequentially during each quarter of 2007 to finish at 2.97% for the year, an increase of 10 basis points over 2006 results of 2.87%. Net interest margin for the fourth quarter was 3.07%, which reflected a 7 basis point improvement from the prior quarter.

In addition, non-interest income increased \$2.1 million, or nearly 18%, during 2007. We saw solid growth in trust fees, deposit service fees, investment advisory and management fees, and gains on sale of loans. Also contributing to improved non-interest income was the third quarter sale of our 20% interest in Nobel Electronic Transfer, LLC that resulted in a net gain of \$436 thousand.

A portion of the improved revenue results was offset by an increase in non-interest expense of \$4.4 million for the year. The majority of the increased non-interest expense was the result of a \$2.8 million increase in salary and benefits expense, a \$685 thousand increase in professional and data processing fees, and \$409 thousand increase in FDIC and other insurance expense, as FDIC insurance premiums increased significantly for the entire industry.

Results for our four bank charters, and M2 Lease Funds, LLC as compared to 2006 were as follows:

Assets (millions)

	QCBT	CRBT	RB&T*	FWBT	M2
2006	\$827	\$343	\$91	N/A	\$56
2007	\$861	\$384	\$158	\$71	\$71

Net Income/(Loss) (thousands)

	QCBT	CRBT	RB&T*	FWBT	M2
2006	\$6,290	\$1,636	(\$1,106)	N/A	\$876
2007	\$8,502	\$2,385	(\$850)	(\$1,131)	\$1,421

* Excluding Wisconsin Branch

Quad City Bank & Trust, under John Anderson's leadership, made excellent improvements in profitability during 2007, as QCBT took on the strategy of controlled growth and increased profitability to provide capital to our newest charters and stronger core earnings for our shareholders.

We added a valuable member to our QCR Holdings executive management team in August of 2007. Cathie Whiteside assumed the newly created position of Executive Vice President of Corporate Strategy and Branding. She was previously the station manager for

the local NBC affiliate television station. Cathie brings a wealth of experience and keeps us focused on executing on our strategic initiatives, further developing our competitive advantage and branding our relationship based business model.

Volatile times in our business do make us keenly aware that we must focus on our niches and not try to be all things to all people. We will be very deliberate before we add bricks and mortar; rather, we will concentrate on expanding relationships with our existing clients and aggressively pursuing new prospects within our existing footprint.

By continuing to hire and retain the best people and providing them with the necessary tools to serve clients, we will continue to grow our business by being recognized as the most relationship based provider of financial services in our respective markets.

As we have grown and become a more complex company, we have found it necessary to form a group of team members to provide support services to our four bank charters, leasing company, and credit card company. This team is called Group Operations or 'GO Support'. Our model calls for significant autonomy in our markets, hence our separate charters and independent, voting boards. Our philosophy has been to provide services locally if it impacts our clients; otherwise to centralize and deliver in the most efficient and high quality manner as possible.

industrial companies and to provide high level trust and investment management services.

Maintaining credit quality remains a strong focus and management regularly monitors the loan/lease portfolio and the level of allowance for loan/lease losses. Despite a limited number of loans to slow moving real estate developments in our Rockford and Milwaukee markets, we are pleased with the current status of our asset quality. We do not have any material direct exposure to sub-prime loan products as our residential real estate lending has been focused on secondary market conforming loan products to residential borrowers. Additionally, the economic environment in the local markets served by our banks has to date remained stable. Like all financial institutions, our loan and lease portfolio is subject to changing general economic conditions and we will continue to closely monitor our portfolio during this period of economic uncertainty.

As mentioned, 2007 was a difficult environment for bank stocks as evidenced by the following:

- The NASDAQ Bank Index was down 22% in 2007
- Over the past five years, the S&P 500 Index has exceeded the NASDAQ Bank Index by 48%
- The December 2007 PE multiple of 10.7x trailing earnings was the lowest in 12 years
- The December 2007 book value multiple of 2.4 x tangible book value was the lowest in 11 years

"It is with great pleasure that I report Todd Gipple has earned the additional title of 'Chief Operating Officer' of QCRH. Todd has done a tremendous job of leading our Group Operations team in delivering first-class solutions in the areas of accounting, customer service support, deposit operations, finance, funds management, human resources, information systems, internal audit, item processing, loan operations and risk management".

Doug Hultquist

We will continue our mission of being the premier provider of financial services to businesses and individuals for whom relationships matter. While the financial markets have created many fears, we believe the underlying economy in our region is solid and that we have a strong business case to continue to concentrate on commercial and

At December 31, 2007, our stock was trading at near book value. We will continue to focus on deliberately growing assets and aggressively growing earnings. When bank stocks return to favor, we believe that QCRH should be well positioned for enhanced shareholder value.

These difficult times were fueled in part by predatory lenders taking advantage of



Michael A. Bauer

Vice Chairman,
QCR Holdings, Inc.
and Quad City Bank
and Trust Company

The talent and expertise we have attracted to our banks continues to distinguish us with our clients and will serve us well into the future.

The banking market today is one of the most challenging I've seen in 35 years. Margins are shrinking, asset quality is under pressure and raising deposits at reasonable rates is difficult.

We are taking steps to hold and improve our profitability; we will not do so by sacrificing credit quality. We believe we are acting appropriately to protect the returns our shareholders expect. Thank you for your long-term support.

unsophisticated borrowers. Very few community banks operate in this manner. We have been surprised by the widespread nature of this activity and are amazed by the exposure that existed at larger institutions.

The Federal Reserve has responded thus far with significant reductions in interest rates with the hopes of spurring the economy and avoiding the repercussions of the long period of "cheap" money. We won't comment on these actions other than to say continued lowering will make it more difficult to attract deposits. In concert with our focus on improved earnings, everyone in our company will be working together to gather 'core deposits' into our banks. We believe stable, reasonably priced deposits will be very key to our future success as a relationship driven organization.

We thank you for your patience and loyalty as we continue to work hard to reward you for your confidence in us.

Douglas M. Hultquist

Douglas M. Hultquist

Todd A. Gipple

Todd A. Gipple

Doug Hultquist
President and Chief Executive Officer

Todd Gipple
Executive Vice President, Chief Operating Officer
and Chief Financial Officer



John Anderson
President and Chief Executive Officer

The year 2007 was a good year for Quad City Bank & Trust. We saw growth in the development of our talented team. We saw growth in our relationships with our cherished clients. We saw growth in our earnings, and growth in support of our community.

As I finish my first year as President and CEO of Quad City Bank & Trust, I would like to reflect on the many positive results that our team accomplished.

QCBT is committed to having “the best people building the best relationships” and we’re accomplishing that in part through an exciting program known as “QCRH University.” By offering QCRH University, we are committed to developing and training our rising stars throughout the company to grow their leadership skills, paving the way for our continued success well into the future.

Meanwhile, our mission to be “the most client-focused financial institution in the Quad Cities,” means QCBT is always searching for more personalized services for valued clients. During the year we rounded out and enhanced our Wealth Management offerings by developing a new product – Family Office. Family Office will provide a truly unique and higher level of financial expertise to the busy executive or multi-faceted family. We also added CMG Investment Advisors to the QCBT family which will provide another investment alternative to our already impressive Wealth Management offerings. As 2008 unfolds, our strategic focus will include making sure our clients’ financial lives are less complicated and more profitable and fulfilling.

For our shareholders, our talented team focused on growing earnings and they did so by enhancing relationships, both internally with fellow co-workers, and externally with our clients.

In 2007, QCBT saw growth in:

- Our net interest income, by over \$2.1 million
- Our non-interest income, by over \$476 thousand, and
- Our net income by over \$2.2 million.

All of this was accomplished by our talented team focusing and executing on our financial goals, all the while understanding that nurturing our relationships must remain at the core of our values. We will continue to focus on growing earnings and deepening our relationships.

As a community bank, we understand that giving back is critical to enhancing the overall quality of life where we live, work and play. In 2007, QCBT employees “gave back” to their community by serving on a wide variety of non-profit boards and committees, and donated thousands of hours. It is truly remarkable and humbling.

One of our valued clients asked me to recall one of my most memorable moments in 2007. I replied that it has been a series of many moments – moments spent watching our talented and dedicated team continue to build upon the foundation that has come to make Quad City Bank & Trust the bank of choice in the Quad Cities – for our employees, our clients, our shareholders, and our entire community. ■

Performance Driven Results

Picking Up Speed



Cedar Rapids Bank & Trust is committed to relationship banking. This is our mission statement and it serves as the cornerstone of CRBT’s business model. As we begin a new year, “relationship banking” will continue to be at the forefront and serve as our guiding principal for all strategic efforts.

One of the four elements to CRBT’s strategic plan is to attract, engage and retain the best people. We promote a balanced and enjoyable work environment and strive to create a culture where every employee is valued for their contribution. Our employees understand that relationship banking not only applies to client interaction, but also to how we interact with each other. This past year, our staff focused on John G. Miller’s book, *QBQ! The Question Behind The Question*, which provides practical methods for putting personal accountability into daily action. Our employees have embraced this spirit to help solve problems, overcome internal barriers, promote teamwork and improve client service;

thus, helping to make great things happen at CRBT.

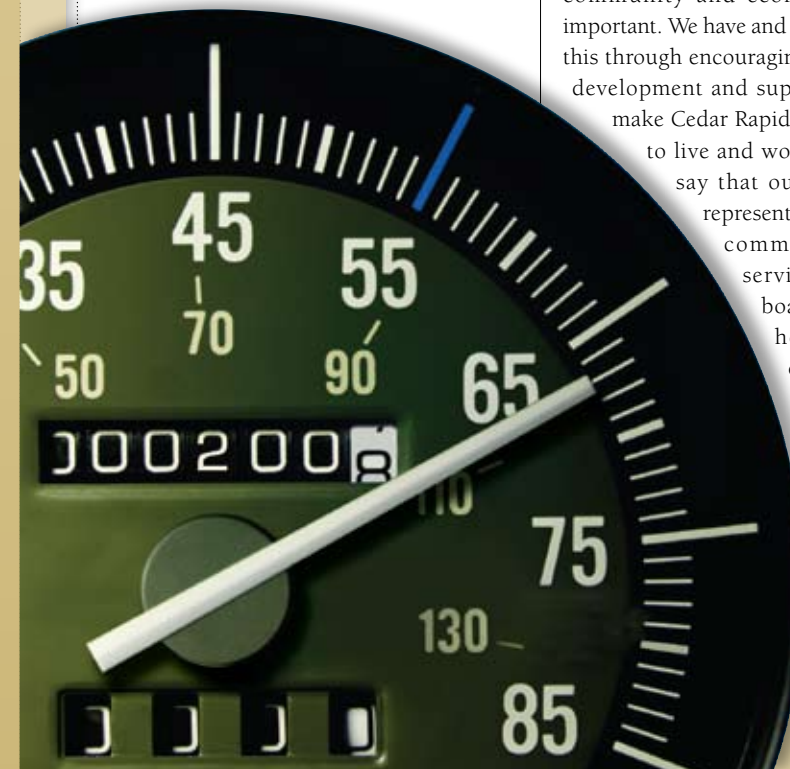
Equally important is CRBT’s commitment to building relationships with our clients. Creating and developing deeper and broader relationships with our clients is the foundation of our success. We have experienced first-hand that clients are the best form of advertising; that’s why turning a client into a “Raving Fan” of the bank is so crucial. Beyond delivering exceptional service, we also believe that it’s important to make consistent client touches, small or large, to enhance relationships. From front-line staff handing out travel-size tissue packages during the winter to account executives running paperwork out to a client’s home after business hours, we find that these small touches result in valued relationships for the bank.

Another critical piece of the bank’s success is the relationships that we foster within our community. CRBT will only be as strong as our community; therefore, promoting community and economic vitality is important. We have and will continue to do this through encouraging entrepreneurial development and supporting efforts to make Cedar Rapids a desirable place to live and work. I am proud to say that our staff is heavily represented throughout the community, currently serving on numerous boards and within a host of non-profit organizations.

A long-term focus on rewarding our shareholders completes the CRBT strategy. As our staff remains dedicated to providing great client service and focuses on the prosperity of our community, you will benefit from our increased profitability and continued growth over the years. ■



Larry Helling
President and Chief Executive Officer



Turning the Corner to Profitability

As we concluded 2007, the overriding theme at Rockford Bank & Trust was deepening relationships with our clients while turning the corner on profitability.

You, our shareholders, have been patient during our formative years, and for that we are appreciative. We stand ready to deliver profitability going forward.

Your RB&T management team continues to focus on building the premier financial services team in the Rockford marketplace. During 2007 we expanded our product offerings by investing in two key areas,



Thomas Budd
President and Chief Executive Officer

Investment Services and Treasury Management. In July, Anthony J. Pozzi joined the team to lead RB&T Investment Services, bringing 13 years of investment expertise to our clients. Tony has quickly grown assets under management to nearly \$70 million since joining the team. In addition, Lori Wazny has joined RB&T to head up Treasury Management. Lori brings 20 years of experience in providing businesses with cash management solutions, ranging from Remote Deposit to on-and-off balance sweep accounts. Her prior experience at the largest bank in the market has quickly leveled the playing field for the all important commercial deposit that fuels earnings improvement at RB&T through enhanced net interest income.

We're proud to have provided financing in excess of \$70 million to businesses and individuals in the greater Rockford marketplace during 2007. Our Commercial Bankers provided financing for small to mid-sized businesses, led by Senior Vice President Tom Cwynar, Vice President Michael Kalodimos and Senior Vice President Dale Shillady. During the year we added three Commercial Bankers, Jim Graber, Joe Tulley and Jennifer Forrester, each of whom bring unique talents and experiences to RB&T. Our Residential Lending team financed over \$22 million in mortgages during a difficult year in the housing sector during 2007, an increase of 60% over the previous year. While no financial institution is immune to the downturn in the housing market, our disciplined approach to underwriting and focus on relationships bodes well for future performance.

As RB&T has grown, our focus on recruiting employees who care deeply about client relationships and the community we serve is unwavering. Our success starts and ends with our team,

which has grown to thirty-three as we enter our fourth year. We seek balance in all we do, from providing flexible work schedules for those who care for their children and parents, to providing time to work on boards and committees for the not-for-profit agencies throughout the community. We are only as strong as the community we serve and we take that responsibility seriously.

Since opening the doors in January 2005, we have grown to over \$150 million in assets, 33 employees and two beautiful offices of which you would be proud. We now stand prepared to provide the type of return you'd expect for your investment. We look forward to presenting you with continued progress this time next year. ■



FirstWisconsin BANK & TRUST

Creating Roads of Opportunity

It's been a year of growing at First Wisconsin & Bank Trust. In June of this year, we moved the bank from our temporary location in Pewaukee to an established office park in Brookfield, more than tripling the space of the original location. This space was needed as we added nine new members to the First Wisconsin team during the year with more growth in this area anticipated during 2008. Most importantly, through the hard work and dedication of all our employees, we were able to grow assets in excess of \$55 million in 2007, in what is undoubtedly a challenging financial environment and very competitive market.

How were we able to accomplish this level of growth? Implementing and executing our strategic vision is the simple answer. Our philosophy of "Vertical Banking" is based on the premise of using our specialized knowledge in certain industries in order to add value to our customers. If we can understand the world and industries in which our clients operate, we are better positioned to provide products, services and advice, banking or non-banking related, to help them be more successful. Helping our clients achieve success is the true essence of relationship banking.

Redesigning a real estate development from all retail to mixed use, assisting a start-up

medical practice with projections and recommendations on billing systems, understanding the myriad of state regulations in order to generate a greater rate of return on trust funds for a cemetery owner and creating quarterly financial reports with peer analysis for an owner-managed business, are all examples of Vertical Banking in practice. By continuing to execute our strategic vision of adding value to our clients, we will create long-term shareholder value via superior profitability and quality growth.

Much of our team has spent the majority of their lives in the Southeastern Wisconsin area and possess a passion for serving the needs of the community. Guiding the vision of one of the most prominent zoo's in the world, assisting in the governance of a major educational institution, raising funds for a cancer support center, speaking at schools with Junior Achievement and promoting land preservation options are just some of the causes supported by the tireless efforts of First Wisconsin Bank & Trust's employees.

By the looks of things, 2008 appears to be shaping up as a challenging year. But with the focus provided us by our strategic vision and dedication to the community we serve, I am confident that First Wisconsin will continue to prosper and grow over the next 12 months. ■



Kurt Andrae
President and Chief Executive Officer

Delivering Quality Service

Quad City Bancard, Inc. was formed in 1995 to provide the company and its subsidiary banks with a means to strengthen its relationships with area merchants, cardholder clients, and correspondent banks. Quad City Bancard is a premium credit card processor that offers a level of client service and customization that could not be achieved with larger processing platforms.

Since that time, Bancard has grown in reputation through its personalized and attentive client

service, significant technological flexibility and customization, and extensive security features. Bancard now provides processing services for nearly 4,000 merchants and 100 area banks and has almost 16,000 active cardholder clients.

Todd Gipple, President and Chief Executive Officer, works with an experienced team of individuals who are veterans in the credit card industry. Ron Monahan, Executive Vice President; Becky Picard, Senior Vice President; and Gus Pappas, Vice President comprise

the management team and bring more than 60 years of industry experience to Bancard and its customers.

Quad City Bancard, Inc. is located in the Moline, Illinois facility of Quad City Bank & Trust.



Options That Add Value



John Engelbrecht
President and Chief Executive Officer



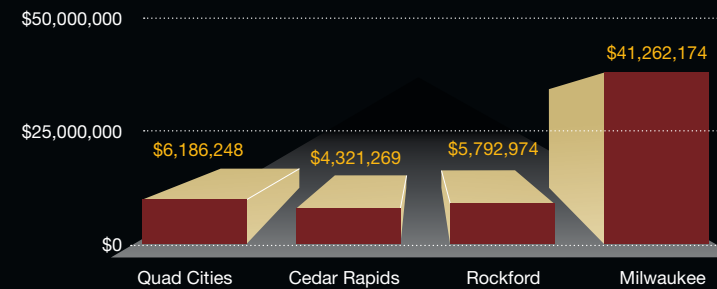
As President and Chief Executive Officer, John Engelbrecht maintains the company philosophy "to remain a smaller firm, where decision-makers work directly with our clients to meet every need."

M2 Lease Funds is located in the Milwaukee area and leases machinery and equipment to commercial and industrial businesses under direct financing lease contracts. M2 structures, arranges, and invests for its own portfolio. In addition to providing leasing solutions to clients of the Company's subsidiary banks, M2 Lease Funds serves banks and commercial entities throughout the central and eastern United States and has more than \$67 million in lease receivables outstanding as of December 31, 2007.

Quality

Expertise, integrity, flexibility, passion and client focus are a few of the words used to describe the people of QCR Holdings. The quality of our people provides a stable foundation for future growth and strong performance for the long haul.

Total Metropolitan Statistical Area (MSA) Deposits (June 30, 2007 Data)



QCRH Market Share

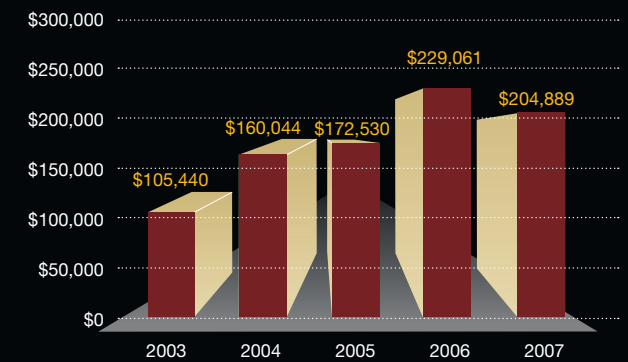
Rank

Quad Cities – 8.31%	#4
Cedar Rapids – 5.44%	#5
Rockford – 1.64%	#12
Milwaukee – .04%	#58

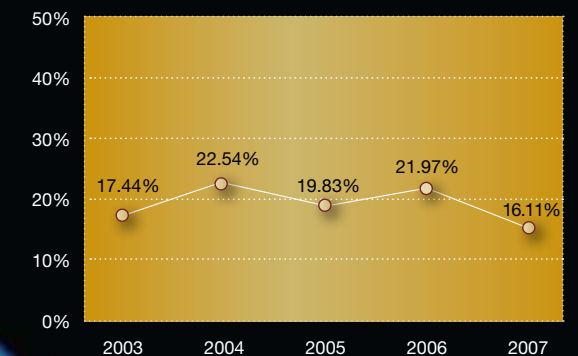
Performance

Each of our entities is built to handle the conditions of its community. Equipped with the services and products they need to provide the best in quality and results for their clients, it is the expertise of our people that assure peak performance.

QCRH Asset Growth (in thousands of dollars)



QCRH Growth Percentage



a relationship driven organization

Stock Listing Information

The common stock of QCR Holdings, Inc. is traded on the Nasdaq Capital Market under the symbol QCRH.

Calendar 2007	High	Low
1st Quarter	\$17.90	\$15.28
2nd Quarter	17.75	15.15
3rd Quarter	16.43	13.76
4th Quarter	16.00	14.25

Calendar 2006	High	Low
1st Quarter	\$19.66	\$17.44
2nd Quarter	19.95	16.25
3rd Quarter	18.17	16.21
4th Quarter	18.86	16.77

Calendar 2005	High	Low
1st Quarter	\$22.00	\$20.00
2nd Quarter	22.06	19.83
3rd Quarter	22.75	20.50
4th Quarter	20.50	17.92

Dividend Information

Record Date	Payment Date	Amount
12/21/07	1/7/08	\$.04
6/22/07	7/6/07	.04
12/26/06	1/5/07	.04
6/23/06	7/7/06	.04

Annual Meeting of Stockholders

The Annual Meeting of the Stockholders of QCR Holdings, Inc. will be held at 10:00 am, May 7, 2008, at the following location:

i wireless Center
(formerly The MARK of the Quad Cities)
1201 River Drive
Moline, IL 61265

Annual Report on Form 10-K

Copies of the QCR Holdings, Inc. annual report on Form 10-K and exhibits filed with the Securities and Exchange Commission (SEC), are available to stockholders without charge by accessing our internet site at www.qcrh.com or by writing:

John R. Oakes
Vice President, Controller and Director of
Financial Reporting
QCR Holdings, Inc.
3551 Seventh Street, Suite 204
Moline, IL 61265

The SEC maintains an internet site that contains reports, proxy, and information statements and other information about issuers that file electronically with the SEC. The address of that site is: www.sec.gov.

Stock Transfer Agent

Inquiries regarding stock transfer, registration, lost certificates, or changes in name and address should be directed to the stock transfer agent and registrar by writing:

Illinois Stock Transfer Company
209 W. Jackson Boulevard, Suite 903
Chicago, IL 60606

Investor Information

Stockholders, investors, and analysts interested in additional information may contact:

Todd A. Gipple
Executive Vice President, Chief Operating
Officer and Chief Financial Officer
QCR Holdings, Inc.
3551 Seventh Street, Suite 204
Moline, IL 61265
309-743-7745

Independent Auditor

McGladrey & Pullen, LLP, Davenport, IA

Corporate Counsel

Lane & Waterman, Davenport, IA
Barack Ferrazzano Kirschbaum &
Nagelberg LLP, Chicago, IL

Quad City Bank & Trust Locations

2118 Middle Road
Bettendorf, IA 52722

4500 N. Brady Street
Davenport, IA 52806

3551 Seventh Street, Suite 100
Moline, IL 61265

5515 Utica Ridge Road
Davenport, IA 52807

1700 Division Street
Davenport, IA 52804

Cedar Rapids Bank & Trust Locations

500 First Avenue NE, Suite 100
Cedar Rapids, IA 52401

5400 Council Street NE
Cedar Rapids, IA 52402

Rockford Bank & Trust Locations

127 N. Wyman Street
Rockford, IL 61101

4571 Guilford Road
Rockford, IL 61107

First Wisconsin Bank & Trust Location

175 N. Patrick Blvd., Suite 135
Brookfield, WI 53045

Quad City Bancard, Inc.

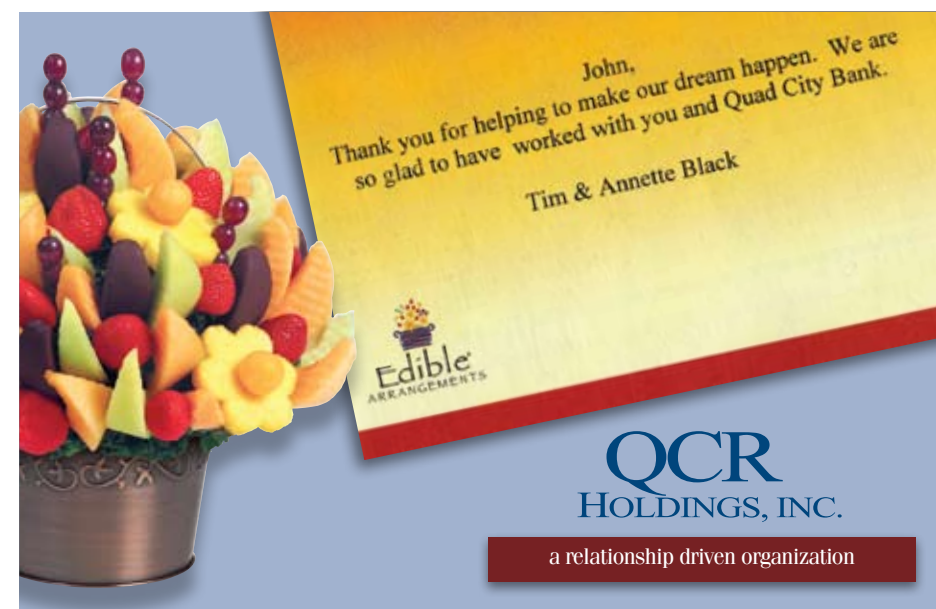
3551 Seventh Street, Suite 101
Moline, IL 61265

M2 Lease Funds, LLC

175 N. Patrick Blvd., Suite 135
Brookfield, WI 53045

Internet Information

Information on subsidiaries' history, locations, products, and services can be accessed on the internet at www.qcvt.com, www.crvt.com, www.rkfdbank.com, www.firstwisconsinbank.com, and www.m2lease.com.



Driven in the right direction, QCR Holdings, Inc. has a bright future.

9,727

Total Hours Volunteered
to More Than 460 Organizations

Community Involvement

QCR
HOLDINGS, INC.

a relationship driven organization