



AUDITOR'S REPORT

To the Shareholders of Doha Bank Q.S.C

We have audited the accompanying combined balance sheet of Doha Bank Q.S.C ("the Bank") as at 31 December 2002, and the related combined statement of income, combined changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The financial statements of the Bank as of 31 December 2001, were audited by other auditors whose report dated 7 March 2002, expressed a qualified opinion due to not accounting for the adjustments for impaired loans, advances and overdrafts arising from the initial application of IAS 39 on 1 January 2001. With the adoption of IAS 39 on 1 January 2001, the bank should have accounted for the difference between the reassessed impairment allowances as at that date and the impairment allowances determined as at 31 December 2000 as a transitional adjustment in the opening balance of retained earnings for the year. As a result of this, the opening balance of retained earnings and net loans, advances and overdrafts are overstated by QR 42,080 thousand and net profit for the year is understated by QR 42,080 thousand.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31st December 2002, and the results of its operations, changes in shareholders' equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and Qatar Central Bank regulations.

We have obtained all the information and explanations, which we considered necessary for the purpose of our audit. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Bank and that we are not aware of any contravention by the Bank of its Articles of Association, the applicable provisions of Qatar Central Bank regulations and of the Qatar Commercial companies Law No.5 of 2002 during the financial year that would materially affect this financial statements.

Jacques Fakhoury, F C G A
Pricewaterhouse Coopers
Auditors' Registry No 97

Akram Mekhael, FCGA
Ernst & Young
Auditors' Registry No 59

18th January 2003
Doha State of Qatar



Combined Balance Sheet

As of 31 December 2002 (Currency: Thousand of Qatari Riyals)

	NOTES	2002	2001
ASSETS			
Cash and balances with central banks		327,427	271,873
Due from banks and other financial institutions	3	1,361,518	603,655
Investments	4	2,348,478	2,164,686
Loans and advances, net	5	3,217,228	3,305,330
Property, plant and equipment, net	6	84,377	92,316
Other Assets	7	74,813	67,376
Total Assets		7,413,831	6,505,236

	NOTES	2002	2001
LIABILITIES			
Due to customers	8	6,277,547	5,490,343
Due to banks and other financial institutions	9	171,850	198,948
Other liabilities	10	145,863	136,859
Total Liabilities		6,595,260	5,826,150



Shareholders' Equity

	NOTES	2002	2001
Share Capital	11	184,570	184,570
Statutory reserve	12	165,441	141,241
General reserve	13	159,002	156,739
Fair value reserve		215,033	144,856
Proposed dividends	14	36,914	51,680
Proposed bonus shares	14	55,371	-
Retained earnings	15	2,250	-
Total Shareholders' Equity		818,581	679,086
Total Liabilities and Shareholders' Equity		7,413,841	6,505,236
Contingent Liabilities, Guarantees and Other Commitments	16	1,883,066	1,794,796

**Fahad Bin Mohammad Bin
Jabor Al Thani**
Chairman

**Abdul Rahman Bin Mohammad Bin
Jabor
Al Thani**
Managing Director

Salah Moh'd Jaidah
General Manager



Condensed Statement of Income

Combined Statement of Income

For the year ended 31 December 2002 (Currency: Thousand of Qatari Riyals)

	NOTES	2002	2001
Income			
Interest income	17	438,909	460,977
Interest expense	18	(138,287)	(236,237)
Net interest income		300,622	224,740
Fee and commission income		41,881	30,521
Other income	19	63,033	37,463
Operating Income		405,536	292,724
Expenses			
Provision for impairment of loans and advances		(160,542)	(100,000)
General and administrative expenses	20	(123,619)	(116,333)
Operating Expenses		(284,161)	(216,333)
Profit before taxation		121,375	76,391
Income tax	22	(377)	(5,735)
Net Profit for the Year		120,998	70,656
Basic Earnings Per Share in QR	23	6.56	3.83

Fahad Bin Mohammad Bin Jabor Al Thani
Chairman

Abdul Rahman Bin Mohammad Bin Jabor Al Thani
Managing Director

Salah Moh'd Jaidah
General Manager