



AUDITOR'S REPORT

To the Shareholders: DOHA BANK (Q.S.C.), Doha – Qatar

We have audited the accompanying combined balance sheet of DOHA BANK (Q.S.C) (a Qatari shareholding company) as of 31 December 2001 and the related combined statement of income, combined statement of changes in shareholders' equity and cash flows for the year then ended. These combined 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.

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 combined financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in note 5 (d) on page 5 of the combined financial statements, the Bank has not accounted 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.

In our opinion, except for the effects on the combined financial statements of the matter referred to in the preceding paragraph, the combined financial statements referred to above present fairly, in all material respects, the financial position of Doha Bank (Q.S.C) as at 31 December 2001, the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in accordance with International Accounting Standards and Qatar Central Bank requirements.

Furthermore, in our opinion proper accounting records have been kept and the combined financial statements are in agreement there with and the contents of the director's report which relate to the financial statements are in agreement with the Bank's accounting records. Also the financial statements comply with the Qatar Commercial Companies Law No.11 of 1981, the Qatar Central Bank Law No.15 of 1993 and the Bank's Articles of Association. We are not aware of any violations of the above mentioned laws or the Articles of Association having occurred during the year which might have had a material effect on the business of the Bank or on its financial position and have obtained all the information we required for the purpose of our audit.

**KPMG Peat Marwick
Abdul Hakim Al-Adhamy, FCA
Auditor's Registration No.105**

**Arthur Andersen
Walid A. Saadi
Auditor's Registration No.92**

**7 March 2002
Doha - Qatar**



Combine Balance Sheet

As of 31 December 2001 (Currency: Thousand of Qatari Riyals)

	NOTES	2001	2000
Assets			
Cash and deposits with Central Banks		271,873	250,710
Due from banks and other financial institutions	4	603,655	347,830
Loans and advances, net	5	3,305,330	2,810,363
Investments	6	2,164,686	1,957,784
Other Assets	7	67,376	86,022
Property, plant and equipment, net	8	92,316	58,918
Total Assets		6,505,236	5,511,627

Liabilities and Shareholder's Equity

	NOTES	2001	2000
Liabilities			
Customers' accounts and deposits	8	6,277,547	5,490,343
Due to banks	9	171,850	198,948
Other liabilities	10	145,863	136,859
Total Liabilities		6,595,260	5,826,150

Shareholders' Equity

	NOTES	2001	2000
Share Capital	12	184,570	184,570
Statutory reserve	13	141,241	127,110
General reserve		156,739	154,144
Fair value reserve	14	144,856	-



Proposed dividends	15	51,680	46,143
Total Shareholders' Equity		679,086	511,967
Total Liabilities and Shareholders' Equity		6,505,236	5,511,627
Commitments and Contingent Liabilities	16	1,794,796	2,331,063

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

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

**Salah Moh'd
Jaidah**
General Manager



Statement of Income

For the year ended 31 December 2001 (Currency: Thousand of Qatari Riyals)

	NOTES	2001	2000
Income			
Interest income	17	460,977	480,034
Interest expense	18	(236,237)	(329,526)
Net interest income		224,740	150,508
Fee and commission income		30,521	34,985
Other income	19	37,463	79,204
Total Income		292,724	264,697
Expenses			
Provision for impairment of loans	5-d	(100,000)	(102,979)
Provision for impairment of investments		0	(733)
General and administrative expenses		(116,333)	(95,809)
Total Expenses		(216,333)	(199,521)
Net profit before taxation		76,391	65,176
Provision for income tax	20	(5,735)	(233)
Net Profit for the Year		70,656	64,943
Earnings Per Share - QR	21	3.83	3.52
Total Number of Shares	12	18,457,031	18,457,031

**Fahad Bin Mohammad Bin Jabor
Al Thani**
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