

# Analysts

## Frequently Asked Questions

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## 1. Strategy and Future Plans

1.1 New Medium-Term Strategy	Comments
<p>1 What is al-khaliji's strategy? What is al khaliji's 3-5-year business plan?</p>	<ul style="list-style-type: none"> <li>• al khaliji is well positioned to deliver a robust return for its shareholders, given the organization's growth plans over the medium-term 2010 to 2012</li> <li>• A detailed review of our business model, external environmental factors and the future economic outlook for our chosen markets was undertaken in the latter part of 2009 and we have arrived at a comprehensive roadmap for the coming years</li> <li>• al khaliji's medium-term strategy, having been prepared against a background of global economic uncertainty, is aligned to economic reality:             <ul style="list-style-type: none"> <li>- Primarily a Wholesale led strategy, on both a Conventional and an Islamic front</li> <li>- Measured approach to expanding our Retail footprint</li> <li>- Consumer offering will be principally to compliment and deepen our relationship with our Corporate and Business clients. We will offer a full product range to meet the lifecycle needs of their employee's for banking, assurance and investment related products</li> <li>- Offer a seamless banking proposition to our multi-national client base, with primary focus on Euro-Middle East trade flows</li> <li>- Focus on Qatar and concentrate on areas of high growth potential (infrastructural projects in Qatar, Abu Dhabi)</li> <li>- Allocate resource to uplift returns from our European operations</li> </ul> </li> <li>• We will adopt a three staged approach:             <ul style="list-style-type: none"> <li>(i) Consolidate</li> <li>(ii) Differentiate</li> <li>(iii) Grow to ensure al khaliji becomes the Bank of choice to our preferred customers and in turn deliver a significant increase in profitability by 2012</li> </ul> </li> </ul>

## 2. International Reporting and Audit

2.1 International Financial Reporting Standards (IFRS)	Comments
<p><b>2</b> What comments have analysts / institutional Shareholders made about the results prepared under IFRS?</p>	<p>Institutional shareholders and analysts are satisfied with al khaliji results prepared under IFRS</p>
<p><b>3</b> How much of the company's profit in 2010 is due to underlying business performance? How much was due to underlying business performance in 2009?</p>	<ul style="list-style-type: none"> <li>• All our 2010 results are due to normal operations</li> <li>• In 2009, the normalized financial results of the Bank generated from "business as usual" amounted to QR 122 million. Comparing with the Profit for the Period of QR 167 million as reported in the financial statements at 31 Dec. 2009, the difference of QR 45 million represents the normalizing effect of four one-offs that impacted the results in 2009. The negative impacts were offset by the positive impact of the Government of Qatar support valued at QR 291 million</li> </ul>
<p><b>4</b> How has the move to IFRS affected the company's loan covenants / pension obligations / treatment of financial instruments / bonus schemes?</p>	<ul style="list-style-type: none"> <li>• al khaliji has adopted IFRS since inception</li> <li>• al khaliji is adopting best IFRS practices</li> </ul>
<p><b>5</b> Has the Board considered the impact of IFRS on its risk-management policies?</p>	<ul style="list-style-type: none"> <li>• The Board has established the Compliance &amp; Risk Committee to review and monitor Group risk management including market, liquidity, credit and operational risk</li> <li>• al khaliji risk management policies are established to identify and analyse the risks faced by al khaliji, to set appropriate risk limits and controls, and to monitor risks and adherence to limits</li> <li>• Risk management policies are reviewed regularly to reflect changes in market's and al khaliji conditions</li> </ul>
<p><b>6</b> To what extent has the introduction of IFRS affected the company's ability to pay dividends?</p>	<p>IFRS have been used since inception</p>
<p><b>7</b> What does IAS 39 – Financial Instruments: Recognition &amp; Measurement – mean for al khaliji?</p>	<p>No impact as we applied IFRS, including IAS 39, since incorporation</p>

2.2 Internal Controls & Review		Comments
Process		
8	What methods does the company use to identify, assess and mitigate risk?	<ul style="list-style-type: none"> <li>• Risks have been broken down into 4 main categories, though, these categories should not be considered to cover all potential risks: Credit risk, Market risk, Operational risk, and Liquidity risk</li> <li>• Credit risk exposure is managed by diversifying our lending activities. We avoid concentrating risk with individuals, groups or customers in specific locations or businesses. We also have a strong credit approval process and robust risk control limits</li> <li>• The 4 standard market risk factors concern movements in interest rates, equity prices, currency, and commodity prices. We measure and manage all this by establishing limits on our level of exposure to these risks</li> <li>• We have put in place a comprehensive set of policies and instructions to control and manage operational risks – that range from technology to business processes, infrastructure and personnel. In addition, our independent internal audit function identifies, assesses, and submits reports on these risks</li> <li>• Our risk control procedures take account of the risk that the Bank may not be able to fund increases in assets and meet obligations as they come due</li> <li>• al khaliji monitors the adequacy of its capital using the ratios established by the Basel Committee on Banking Supervision that are adopted by the Qatar Central Bank</li> </ul>
9	Who is responsible for risk management?	Risks are managed by a Risk team of global professionals, using a set of Basel II compliant and international standard policies and instructions
10	How does the company make each employee aware of their individual responsibility regarding risk and internal control? How has the company established a “tone at the top”?	<ul style="list-style-type: none"> <li>• Each business and function management is accountable for policies and instructions relating to risk and internal controls</li> <li>• The Board has delegated to the Audit Committee and to the Compliance &amp; Risk Committee to oversee the Group’s system of internal control and to regularly review its effectiveness</li> </ul>

<b>2.2 Internal Controls &amp; Review Process</b>		<b>Comments</b>
<b>11</b>	How do the directors assess the adequacy of internal controls?	The directors are able to assess the adequacy of internal controls through the regular reports submitted by the Management Executive Committee to the Board of Directors or to the delegated Board Committee and through the Internal Audit reports.
<b>12</b>	How do the directors monitor performance of significant business processes? Do they monitor key performance indicators?	Directors monitor significant business processes and other key performance indicators via dedicated subcommittees including the Management Executive Committee.

<b>2.3 Revenue Recognition</b>		<b>Comments</b>
<b>13</b>	What are the significant judgment areas and estimates underlying the way in which the company recognises revenue?	<ul style="list-style-type: none"> <li>• Interest income and expense are recognized using the effective interest rate method over the expected life of financial assets</li> <li>• Whilst for fees and commissions, income are recognized on an accrual basis as the related services have been provided ; and revenues from Islamic financing on an accrual basis using the reducing installment method</li> </ul>
<b>14</b>	Are the company's revenue recognition policies in line with the rest of the industry? Are they more aggressive or more prudent than the norm?	We are consistent with the requirements of IFRS that are mandatory for Qatar Exchange's listed companies in the State of Qatar
<b>15</b>	Are the company's revenue recognition policies adequately disclosed in the financial statements?	Yes, revenue recognition policies are detailed in the Notes to the Annual Financial Statements, under significant accounting policies (Note 2)

2.4 Derivatives		Comments
16	Does the company use instruments such as options, futures or forwards to manage business risk?	The company has back-to-back forward exchange contracts (FEC) and interest rate swaps (IRS) on request of customers, and uses interest rate swaps for interest rate risk management purposes
17	How does the company account for derivatives?	Derivatives are fair valued through the statement of income consistent with IAS 39
18	Does al khaliji's investment portfolio comprises derivative instruments? If yes, how much of al khaliji's revenues losses arise from derivatives?	We do not have any derivatives in the investment portfolio
19	From the accounts it appears that the cost of hedging is quite high. Was it worth it? Why should the company continue to hedge? Does the company hedge its exposure to foreign currency risk? What types of exposures are hedged? What types of derivatives are used to hedge?	<ul style="list-style-type: none"> <li>• At this point, there is not cost of hedge contrary to the point indicated in the question on the left</li> <li>• We have interest rate swaps designated as fair value hedges to hedge the interest rate risk of fixed rate debt securities. The changes in FV of the hedges compared to the hedged items remained effective</li> <li>• We primarily manage foreign exchange (F/X) risk by means of matched funding of F/X assets with same denomination F/X liabilities as far as possible, and through the use of cross currency swaps where effective</li> </ul>
20	Does the company hedge its exposure to loss from changes in interest rates? What types of exposures are hedged? What types of derivatives are used?	The Bank does not employ interest rate derivatives for cash flow purposes (i.e. to hedge floating rate instruments), only fair value movements in the fixed rate securities
21	What is the notional value of al khaliji's derivative holdings?	As at 31 March 2010: <ul style="list-style-type: none"> <li>• Gross total of FEC's = QR 639 million</li> <li>• Interest Rate Swaps = QR 1,929 million</li> </ul>
22	How does IAS 39 ("Financial Instruments") impact the results?	<ul style="list-style-type: none"> <li>• al khaliji has complied with IAS39 since it was established</li> <li>• The effects of IAS 39 are clearly noted in our financials</li> </ul>

2.5 Corporate Failures		Comments
23	<p>Does the company have an Internal Audit department? If not, is al khaliji considering the establishment of such a department?</p>	<ul style="list-style-type: none"> <li>• Yes, it has an Internal Audit department that provides independent, objective assurance, and consulting activity designed to add value and improve operational efficiency</li> <li>• It facilitates al khaliji to accomplish its objectives by bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes</li> <li>• The Internal Audit division, as part of its audit plan, independently reviews the adequacy and effectiveness of the internal control system. This review includes an assessment of the risks and controls in each operating unit and process</li> </ul>
24	<p>Is Internal Audit sufficiently independent that it would report significant issues to the Audit Committee which could reflect negatively on Senior Management?</p>	<ul style="list-style-type: none"> <li>• al khaliji has an Audit Committee, in conformance with QCB requirement</li> <li>• Day-to-day responsibility for internal control rests with Management, which includes putting in place policies and instructions, and a process of identifying, evaluating and managing risks faced by al khaliji</li> <li>• al khaliji Audit Committee has approved the Charter for Internal Audit that sets out among other matters, the reporting structure, authority and independence of the internal audit function</li> <li>• The Group Head of Internal Audit reports directly to the Audit Committee of the Board. The Management neither influences the scope, frequency, timing and report content, nor the choice of staffing with regard to Audit</li> </ul>

2.6 External Auditors		Comments
25	What were the audit fees for previous years?	Audit fees: <ul style="list-style-type: none"> <li>• QR 250,000 in 2007 – 2008</li> <li>• QR 400,000 in 2009</li> </ul>
26	How long has the external auditor been the company's auditor? Does the company have a rotation policy? If not, why not? How many years has the current audit engagement partner been on the external audit team?	<ul style="list-style-type: none"> <li>• The external auditor (Deloitte) has been with al khaliji since the inception of the Bank</li> <li>• In compliance with the Qatar Central Bank regulation, the Bank will rotate the external auditors after a maximum of 5 years</li> </ul>
27	How has the effectiveness of the auditor been assessed?	Effectiveness of the auditors have been assessed through regular reviews by the Audit Committee
28	Have any of the directors previously worked for the external auditors? When? If so, do they have any continuing connections with the external auditors?	No
29	Is a representative of the external auditors present at the AGM?	Yes
30	Why is the audit report very long and why are there so many caveats?	It is a standard audit report as required by the professional standards

2.7 Internal Audit		Comments
31	Is there an internal audit function?	Yes, there is
32	Has al khaliji outsourced its Internal Audit function? Why / why not?	Our subsidiary, Al Khaliji France S.A., has outsourced the internal audit function to E&Y. The option to outsource was chosen in the absence of appropriate in-house resources (especially in the case of the Paris branch). We are actively endeavoring to employ in-house resources.

2.7 Internal Audit		Comments
33	What was the nature of the main activities undertaken by the internal audit function in the last year? Did these activities reveal any significant weaknesses? Have suggestions for improvement been acted upon?	<ul style="list-style-type: none"> <li>• Internal Audit plan, approved by the Audit Committee, covers all business and support functions in the Bank. In addition, Internal Audit has provided advisory services when requested by Management</li> <li>• Internal Audit has also undertaken a proactive role in reviewing various policies and instructions prior to their adoption and implementation ; an approach that enhances controls and adds value to the whole process and benefits the organization</li> <li>• At the conclusion of each audit, a report stating audit findings, associated risks, recommendations and an action plan by the unit management is distributed to the Chief Executive Officer, the Chairman and the Audit Committee</li> <li>• Weaknesses have been pointed out as part of the audit report and presented to the Audit Committee. The Audit Committee regularly follows up on outstanding issues</li> </ul>
34	Who reviews the work performed by internal auditors? Are their recommendations followed up to ensure that they are being acted upon by Management and are effective?	<ul style="list-style-type: none"> <li>• The Audit Committee of the Board evaluates the performance of the Internal Audit function</li> <li>• Follow-up audits are performed as deemed necessary and at appropriate intervals</li> </ul>
35	Is the internal audit function based on a risk-focused methodology?	<ul style="list-style-type: none"> <li>• In selecting audit entities from the audit universe, a complete coverage is done as required by the Qatar Central Bank regulation. However, within each entity, a risk based audit methodology is applied</li> <li>• The internal audit function independently reviews the adequacy and the effectiveness of the internal control system</li> <li>• Internal Audit uses a risk based approach which entails the assessment of all relevant risks and prioritizing audit focus on key risks areas to optimize cost vs. benefit. Matters arising are reported to the Audit Committee</li> </ul>
36	Does the internal audit department have direct access to the Board of Directors, the Audit Committee and external auditors? How often do internal audit meet these parties?	<ul style="list-style-type: none"> <li>• The Group Head of Internal Audit reports to the Audit Committee of the Board of Directors which meets at least 4 times a year</li> <li>• The internal auditors meet the external auditors at least once annually</li> </ul>

### 3. Governance and Shareholder Communication

3.1 Corporate Governance	Comments
<p>37</p> <p>How do the directors consider that the changes they have made to the company's corporate governance practices have helped to improve the company's results?</p>	<ul style="list-style-type: none"> <li>• al khaliji directors believe that its people and its customers expect the very best and, as such, build the Bank on the solid foundations</li> <li>• Corporate governance must be about more than just a statement of compliance</li> <li>• Directors at al khaliji believe that a good corporate governance framework promotes transparent and efficient systems and processes, consistent with the rule of law, and clearly set out responsibilities, while recognizing the rights of stakeholders</li> <li>• al khaliji has put in place a corporate governance structure in accordance with international best practice founded on OECD principles and Basel II banking regulations</li> <li>• In addition to the full Board of Directors, al khaliji has established 5 Board committees: Audit, Remuneration, Compliance and Risk, Corporate Governance and Nominations, and Executive</li> <li>• These committees have terms of reference defining the authorities delegated to each committee by the Board</li> <li>• Each of the committees is attended by the relevant Board members who have the requisite skills, independence, experience and technical knowledge to perform their roles</li> </ul>
<p>38</p> <p>What fees for non-audit services were charged by the external auditors in this year and last year? To what did they relate? Why have they increased</p>	<ul style="list-style-type: none"> <li>• To avoid conflict of interest instances, al khaliji avoids assigning any services to its External Auditors unless it is approved by the Audit Committee of the Board</li> <li>• Under some circumstances, the external auditors are officially required by the Qatar Central Bank to perform additional services to address regulatory developments</li> <li>• The external auditors perform their responsibilities independently</li> </ul>

3.1 Corporate Governance		Comments
39	<p>Is the Audit Committee proactive in seeking to ensure the quality and integrity of financial statements and accompanying reports? Are Audit Committee members dedicated, independent, financially literate and able to challenge the views of executive management?</p>	<ul style="list-style-type: none"> <li>• Yes, we believe that the audit committee is proactive in seeking to ensure the quality and integrity of financial statements and reports</li> <li>• Before approving or reviewing annual or interim financials, the Audit Committee members meet with the CFO, internal auditors and external auditors and hear their views and reports.</li> <li>• In essence, the Committee adhered to the principal charter which calls for it to:               <ul style="list-style-type: none"> <li>○ Review the integrity of financial reporting</li> <li>○ Ensure the independence and effectiveness of internal audit functions</li> <li>○ Review the adequacy and effectiveness of controls in respect of financial accounting and reporting</li> <li>○ Oversee the selection and compensation of al khaliji external auditor for appointment and approval at each annual general meeting and ensure the external auditor's independence</li> <li>○ Review the adequacy and effectiveness of risk management policies and methodologies; and oversee compliance with all applicable laws and regulations</li> </ul> </li> </ul>
40	<p>Does the senior independent director meet with institutional shareholders? What does he discuss? Why do private shareholders not get the same access to information?</p>	<ul style="list-style-type: none"> <li>• The Chairman, the CEO, the CFO and the Head of Investor Relations regularly meet with institutional shareholders and investors</li> <li>• The Head of Investor Relations also meets with retail investors and answers their queries over the phone and the email</li> <li>• Access to information is equally available to all shareholders through our press releases, chairman's letters, corporate website, press conferences ...</li> </ul>

3.2 Directors	Comments
<p>41 How often does the Board of Directors meet? Where are the Board meetings held? How long do meetings last? What was the average attendance of directors?</p>	<ul style="list-style-type: none"> <li>• al khaliji Board meet at least 6 times per year within a period not exceeding 2 months</li> <li>• Board meetings are generally held in the Head Office of the Bank. Once a year, the Board hold its meeting in one of the Bank’s subsidiaries or any other offsite location</li> <li>• Board meetings last at least two hours, depending on the complexity of the agenda</li> <li>• al khaliji directors attend the Board meetings regularly either in person or by proxy. Attendance average is disclosed in the Annual Report of the Bank (available on the corporate website: <a href="http://www.alkhaliji.com">www.alkhaliji.com</a>)</li> </ul>
<p>42 Why do so many directors not attend Board meetings / Audit Committee meetings?</p>	<ul style="list-style-type: none"> <li>• No such problem exists</li> <li>• In very limited cases, non attendance was mostly due to travel reasons / business trips</li> </ul>
<p>43 What do non-executive directors add to the company?</p>	<p>Non executive directors play a central role in corporate governance and delivering independent opinion about the Bank’s policies and strategic decisions</p>
<p>44 What experience does al khaliji’s directors have of the banking industry?</p>	<p>Please refer to our corporate website (<a href="http://www.alkhaliji.com">www.alkhaliji.com</a>) and Annual Reports</p>
<p>45 How are disagreements between directors resolved?</p>	<ul style="list-style-type: none"> <li>• Directors always discuss proposed resolutions in the best interest of the Bank and its shareholders</li> <li>• In case of disagreements during Board sub-committees’ meetings, disagreements are submitted to the Board for resolution</li> <li>• In case of disagreements during Board meetings, external advice is sought (external auditors or other external experts) to give an independent opinion that serves the best interest of shareholders</li> </ul>
<p>46 Does the company have nomination and remuneration committees? Who is on these committees? How often do these committees meet? Do all members attend all meetings?</p>	<ul style="list-style-type: none"> <li>• Yes, it has both</li> <li>• At least 3 non-executive members of the Board of Directors</li> <li>• Meetings’ frequency and attendance are set in the Terms of Reference (TORs)</li> <li>• Members attend regularly all committees meetings</li> </ul>

3.2 Directors		Comments
47	Does the Board of Directors have a formal mission statement? Does the company have a code of conduct for directors?	<ul style="list-style-type: none"> <li>The Board have approved terms of reference that reflect their mission and remit of responsibilities</li> <li>Yes, Board members have signed a code of conduct for directors</li> </ul>
48	Does the Board, the Board's Committees and individual directors undergo an annual evaluation exercise? If not, why not? If yes, how was this conducted?	This was put in place and applied for the 2009 exercise, as per the new policy
49	What is the average length of service of the current Board? Are there specific terms of appointment for directors?	<ul style="list-style-type: none"> <li>The existing Board was appointed by the founders for five years and is comprised of 7 members.</li> <li>al khaliji has formed a Board Corporate Governance &amp; Nomination Committee to assist the Board of Directors in determining the composition and structure of the Board, in accordance with the Fit &amp; Proper Criteria</li> <li>The Committee considers the fitness propriety, competencies and skills that the Board considers to be necessary for new nominee to possess</li> <li>In addition, the Committee reviews and approves the orientation program for new Directors and on-going development of existing Board members</li> </ul>

3.3 Audit Committee		Comments
50	Does the company have an audit committee? If not, why not?	<ul style="list-style-type: none"> <li>al khaliji Board has formed an Audit Committee to assist the Board to execute its statutory and fiduciary responsibilities for the oversight of al khaliji internal audit</li> <li>The Group Head of Internal Audit reports to the committee</li> <li>This Committee is chaired by an independent director</li> </ul>
51	Did all members attend all meetings?	The quorum was maintained in all meetings
52	What steps are taken to ensure that the Audit Committee is independent of management?	All members are non-executive directors
53	Do the Audit Committee members have accounting or finance backgrounds?	Yes

3.3 Audit Committee		Comments
54	Can someone tell the shareholders what the Audit Committee actually does?	The Audit Committee is a committee of al khaliji Board of Directors for the purpose of reviewing and monitoring financial reporting and audit responsibilities, internal and external audit matters. The Terms of Reference of the Audit Committee are published on al khaliji website
55	Has the audit committee reviewed the independence of the external auditors?	<ul style="list-style-type: none"> <li>• Yes, the Audit Committee oversees the selection and compensation of al khaliji external auditor for appointment and approval at each annual general meeting and ensures the external auditor's independence</li> <li>• This is one of the main tasks outlined in the Committee's charter (terms of reference)</li> </ul>
56	Does the audit committee review accounting policies?	Yes, one of the principal tasks of the committee includes reviewing the adequacy and effectiveness of al khaliji controls in respect of financial accounting and reporting

3.4 Remuneration Committee		Comments
57	Does al khaliji have a Remuneration Committee? If not, why not?	Yes, it does
58	Is the Remuneration Committee made up of independent non-executive directors?	Yes
59	What steps are taken to ensure that the Remuneration Committee is independent of management?	<ul style="list-style-type: none"> <li>• Members are all non-executive members of the Board</li> <li>• Terms of reference are in place defining the remuneration committee's duties and responsibilities</li> <li>• Remuneration committee's decisions are governed by the applicable laws in many aspects</li> </ul>
60	How often did the Remuneration Committee meet last year? How many members are on the Committee? How long were most meetings?	<ul style="list-style-type: none"> <li>• The remuneration committee met 3 times in 2009</li> <li>• 3 non-executive members are members</li> <li>• Meetings' duration is at least 2 hours</li> </ul>
61	Did all members attend all meetings?	Yes, all members attended all meetings
62	What is the background of the remuneration committee members?	Members are qualified and have previous experience in the field
63	How often does the Remuneration Committee report to the Board?	All minutes are reported to the Board of Directors

3.5 Share Price		Comments
64	How does the company view the current share price – low / high? Why?	<ul style="list-style-type: none"> <li>• We are comfortable with the performance of our share price and see it as being in line with the fluctuations of the Qatar Exchange and our regional peer group</li> <li>• We are investing for long term growth and believe our share price reflects this</li> </ul>
65	Why are the company's shares selling at such a high / low price earnings (ratio)?	The price earnings ratio is not the most useful yardstick with which to gauge the value of al khaliji stock, given the fact that we are a young bank that did not reach its growth momentum yet
66	Why has the company's share price not moved in line with changes in the stock market?	We are comfortable with the performance of our share price and see it as being in line with the fluctuations of the Qatar Exchange
67	What steps are being taken to increase the share price? What is the company's target share price in two years' time?	We are continually striving to build value at for all the shareholders and stakeholders in al khaliji
68	Are brokers known to be advising customers to sell / buy the company's shares? Are any mutual funds known to be selling / buying significant blocks of the company's shares?	<ul style="list-style-type: none"> <li>• Brokers and analysts are positive on Qatar and so far seem positive to neutral on al khaliji</li> <li>• The moderate volume of exchanged shares reflects liquidity and trust in al khaliji share and it has maintained a position in the top 20 index</li> <li>• There is no major mutual fund activity in the shareholder base and therefore no such volatility</li> <li>• Our institutional shareholders maintain their long positions in al khaliji</li> </ul>
69	What percentage of the company's shares do officers, directors and employees hold? Does the company have a system for monitoring shares traded by these groups? Have any officers or directors or associates recently disposed of large blocks of the company's shares?	<ul style="list-style-type: none"> <li>• We regularly monitor changes in shareholder base, including shares held by directors and staff</li> <li>• The Board of Directors have approved the Conflict of Interest Management Policy that regulate among others the trading activities of al khaliji directors, officers and employees in al khaliji shares</li> <li>• No officers or directors hold or has disposed of large blocks of al khaliji shares</li> <li>• The list of our major shareholders is regularly updated and available on the Investor Relation's section of our corporate website (<a href="http://www.alkhaliji.com">www.alkhaliji.com</a>)</li> </ul>

3.5 Share Price		Comments
70	How many shareholders does the company have? Has this increased from last year? Why?	<ul style="list-style-type: none"> <li>We have around 20,000 shareholders</li> <li>The number of retail shareholders diminished (consolidation)</li> </ul>
71	What is the anticipated effect of long-term incentive plans on earnings per share?	We expect a 3-fold increase in al khaliji earnings per share in the coming 3-years
72	al khaliji has a policy of making severance payments where termination was due to poor performance. Why is this at the discretion of the remuneration committee rather than being automatic? Who monitors whether the departing executive has found work within 12 months of termination?	<ul style="list-style-type: none"> <li>Management generally receives 3-month salary compensation upon termination of work contracts (plus 1-month salary as end-of-service indemnity for every year spent with al khaliji)</li> <li>Other staff members receive 2-month salary compensation upon termination of their work contracts (plus 1-month salary as end-of-service indemnity for every year spent with al khaliji)</li> </ul>

3.6 AGM & Voting Issues		Comments
73	Has the company considered enabling shareholder participation in AGMs via the internet?	The Qatari law does not cover shareholder participation via the internet
74	Why does the company not hold its annual meeting in a company facility?	The Company does not have adequate facility that can accommodate its large number of shareholders. It is also custom in Qatar to use a prestigious external venue
75	Will a post-meeting report be sent to shareholders?	The Minutes of Meeting of the AGA as well as the press release, presentations, and other supporting documents are uploaded on our corporate website
76	How do the directors encourage shareholders to attend and vote at the AGM?	<ul style="list-style-type: none"> <li>We encourage our shareholders to attend and vote at the AGM by sending the invitation by post mail, publishing the invitation in newspapers, contacting them by phone, visiting the offices of corporate shareholders</li> <li>The high quorum secured at our 2009 AGA (80%) is a proof of our seriousness and professionalism</li> </ul>

3.7 Reports & Communications to Shareholders		Comments
77	What is the company doing to improve shareholder communications?	<ul style="list-style-type: none"> <li>• We regularly keep our shareholders informed through press releases, press conferences, annual reports, Chairman's letters, corporate website, etc.</li> <li>• We also participate in investor forums and road-shows where we provide our shareholders with information about the Bank, its strategy and plans, etc.</li> </ul>
78	To whom is the annual report distributed?	Our annual reports 2007, 2008 and 2009 were distributed to investors, shareholders, analysts, journalists, regulators, etc.
79	Are the company's reports to shareholders available on the internet? Are the financial statements available on the company's website?	Yes, all our annual reports and financial statements are available on the corporate website ( <a href="http://www.alkhaliji.com">www.alkhaliji.com</a> )
80	What is the policy on briefing analysts? What information do analysts receive which other shareholders do not receive?	<ul style="list-style-type: none"> <li>• A briefing session for analysts is organized twice a year</li> <li>• Equal information is given to analysts and shareholders, however analysts have technical questions that shareholders usually don't ask</li> </ul>
81	Has management met separately with institutional investors who hold significant amounts of the company's stock? Has management met separately with analysts? If so, what is the nature of the meetings and what information is shared in the meeting?	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Equal information is given to analysts and shareholders, however analysts have technical questions that shareholders usually don't ask</li> <li>• The Bank regularly attend Investor conferences where they meet with analysts on request and as part of the programme</li> </ul>

For additional information, you can contact:

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