



H.H. Sheikh/ Hamad Bin Khalifa Al-Thani

Emir of the State of Qatar



H.H. Sheikh/ Tamim Bin Hamad Al-Thani

Crown Prince of Qatar

QATAR FINANCIAL MARKETS AUTHORITY'S BOARD OF DIRECTORS

1- H.E. Sheikh/ Abdulla Saoud Al-Thani

The Governor
Chairman of the Board of Directors

2- H.E. Sheikh/ Fahad Faisal Al-Thani

Deputy Governor
Vice-Chairman of the Board of Directors

3- H.E. Mr./ Khalaf Ahmad Almanai

Under Secretary, Ministry of Economy and Finance
Member

4- Mr./ Michael Ryan

Chief Executive Officer of Qatar
Financial Center Regulatory Authority
Member

5- Mr./ Hamad Ali Almanai

Representative of Ministry of Business and Trade
Member

6- Dr./ Hessa Sultan Al-Jaber

Expert in the Authority's work
Member

7- H.E. Sheikh/ Saoud Bin Nasser Al-Thani

Expert in the Authority's work
Member

Mr./ Nasser Ahmad Al Shaibi

Chief Executive Officer



CHAIRMAN MESSAGE

Financial markets constitute one of the most important pillars of economic development for the State of Qatar, which dominated on a special concern while drafting Qatar National Vision 2030. As one of regulators that supervises and controls the financial markets, the relevant activities and the persons dealing in those markets in the State of Qatar, QFMA seeks to contribute effectively in achieving the overall objectives of Qatar Vision 2030 regarding the development of the Qatari capital markets and position it as a regional benchmark of high quality financial services, which create a confidence in investment that can attract funds and foreign technologies and encourage the local investments.

In order to achieve that, QFMA exerts more effort in cooperation with the other regulators in Qatari financial sector to develop the performance of the Qatari capital markets and raise the level of transparency and disclosure that lead to protect investors and help them make their investment decisions in the light of the accurate data and information available in a timely manner. In this regard, QFMA takes the initiative step to disclosure its most important efforts for upgrading the performance of the Qatari capital market, putting the first step in enriching the information of the local markets and making it available on a regular basis for all Qatari market dealers as a first step towards increasing the level of transparency and disclosure in the local market.

QFMA aspires that the periodic reports (quarterly and annual) which will be issued permanently will be a new addition to the community of Qatari capital market in order to help in introducing the development efforts that is being done by the financial regulators , and act as an initiative by QFMA to encourage all parties associated with the Qatari capital market to participate and contribute their opinions and efforts in order to develop and improve the performance of QFMA both at legislative and regulatory levels.

QFMA extends great thanks and gratitude to H.H. The Emir, Sheikh Hamad Bin Khalifa Al Thani, to H.H. The Heir Apparent, and to H.E. The Prime Minister and Minister of Foreign Affairs for their continuous support and assistance. Thanks and appreciation is also conveyed to government bodies and institutions operating in Qatar which provided QFMA with the necessary data in preparing this report.

His Excellency

Abdulla Bin Saoud Al Thani

The Chairman



CEO MESSAGE

Qatar Financial Markets Authority strives to make its mission to the national financial markets consistent with the best practices and principles adopted by the International Organization of Securities Commissions IOSCO, which is to protect investors and maintain the stability, integrity and transparency of the capital markets and enhance the proficiency and knowledge to support the development and diversity of the national economy.

The QFMA believes that investor protection comes firstly from the investor's ability to make the right decision in a timely manner, so the QFMA has put at the top of its priorities during the next phase the concern for developing investment ideas through various means to raise awareness among people dealing in the national financial markets (such as: conferences, seminars, workshops or educational publications). The QFMA also made utmost efforts in order to not only raise the disclosure and transparency levels, but also to improve the quality and type of information, and when to be disclosed which enhance the efficiency of investors to make appropriate investment decision, and to support confidence in the national markets. QFMA is keen to make its staff have the values of integrity, justice and transparency when they deal with all people dealing in the financial markets, as well as the credibility and independence in decision-making so as to ensure the investors protection.

The QFMA aspires through issuing this annual report to put the first step towards activating the authority's future vision and achieving its mission regarding to raise levels of disclosure, transparency and communication with investors and to protect and provide them periodically with information about our national markets performance, both in terms of legislations and statistics of market performance.

This report highlights the Authority's activities to develop the legislative structure of Qatari capital market during 2012, and the impact of those activities on the market performance including data showing the market value, trading volume, and number and type of investors. It also sheds light on the Authority's efforts in the field of accountability, law enforcement, training and awareness, and in the field of the internal performance.

The report is not only about the Authority's activities to develop the local market, but it extends to include the Authority's activities in cooperation with related local and international institutions.

Nasser Ahmad Al Shaibi

Chief Executive Officer

VISION, MISSION & **VALUES**



VISION



Position Qatari capital markets as a regional benchmark of financial services.

MISSION



Protect investors, maintain Qatari capital markets stability, integrity and transparency; and enhance the proficiency to support development and diversity of the national economy.

VALUES



QFMA depends on the core values in the performance of its staff and officials and enable institutional order values that the staff in Authority commitment through their duties as follows:

INTEGRITY

Applying the highest ethical standards and honesty in addressing issues and taking decisions.

EXCELLENCE

Striving to be innovative, creative and fact-based in designing and executing the tasks.

FAIRNESS

Being impartial and independent in dealing with the public and relevant institutions.

RESPONSIBILITY

Making decisions and executing the procedures (actions) clearly and transparently and bear the consequences.

TEAMWORK

Working cooperatively and collaboratively with others to achieve mutual benefits and meet the targeted interest.

IDENTITY

Maintain the culture, customs & values of Qatar.

THE ESTABLISHMENT

Qatar Financial Markets Authority (QFMA) was established under the Law No. 33 of 2005 regarding the establishment of Qatar Financial Markets Authority & transfer Doha Securities Market (Qatar Exchange currently) to Qatari shareholding company to regulate & supervise the financial markets in Qatar by taking all the supervisory & regulatory powers needed to exercise its functions under this law.

The QFMA officially undertook its responsibility on September of 2007, where the market, the listed companies and financial services companies were informed that the official functions of supervision and regulation were transferred from the Market to the Authority after such functions were with the Market for the last 10 years.

To keep up with developments in the financial markets, Law No. 8 of 2012 was issued regarding Qatar Financial Markets Authority and entered into effect on October of 2012 to replace the repealed law No. 33 of 2005.

Key functions



The QFMA aims to maintain confidence in the dealing system of financial markets, and protect the investors in Securities and others who deal in securities in order to ensure stability of financial markets and reduce risks which may face. In order to achieve its objectives, the QFMA shall specifically:

1. Regulate and supervise financial markets.
2. Regulate dealing in securities activities with fair, transparency and competitiveness.
3. Raise public awareness of securities activity and encourage their investment in securities and develop it.
4. Monitor the rules governing activities related to trading of Securities and others among investors.



5. Implement disclosure policy in order to achieve fair, transparency and prevent conflicts of interest and internal information exploitation.
6. Combat the causes of financial crimes that are related to financial markets.
7. Enhance links, communications and information exchange with foreign financial markets, regulators,

and regional and international organizations and institutions to benefit from their operations in a way that assists in developing financial markets within the State.

8. Conduct studies, collect information and statistics on financial markets activities and publish relevant reports.

1. ORGANIZATIONAL STRUCTURE

QFMA's organizational structure consists of the Board, which is linked directly with Chief Executive Officer (CEO) and Internal Audit Department.

All departments in the Authority are linked to CEO as follows:

1- SECURITIES AND ISSUE AFFAIRS DEPARTMENT

The Department is responsible for issuance and registration affairs of securities by following-up registration of capital for issuers, including reviewing the prospectus, following-up related economic studies, reviewing the financial statements of issuers in addition to registration of Exchange Traded Funds (ETFs). It also follows up the disclosure and the periodic review of the listed companies statements, including annual and semi-annual reports, initial statements, and reports of the auditors on the financial statements. This Department also takes the responsibility of following up the insiders' disclosures and their commitment to their own disclosure requirements, and following-up disclosures of listed companies that related to essential matters of the company.

2- MARKET OPERATIONS, COMPLIANCE AND LICENSING AFFAIRS DEPARTMENT

The Department handles license applications by financial services companies including applications seeking approval for natural persons who exercise the licensed activities in these companies. The Department is also responsible for conducting inspection of financial services companies to ensure their compliance with the provisions of QFMA's law, regulations and instructions.

The Department also licenses, supervises and inspects performance of financial markets and depositaries to make sure that their functions and operations in accordance with applicable law, regulations and instructions as well as reviews the related regulations and instructions and follows-up information, data and decisions issued to make recommendations about them. The Department also holds the tasks of monitoring and following-up of trading in financial markets.

3- RESEARCH, PLANNING AND INTERNATIONAL COOPERATION DEPARTMENT

The Department is responsible for conducting research affairs and providing decision-maker in the Authority with all necessary statistics, statements and information about Qatari capital market and the relevant developments. It also follows-up the legislations related to the capital markets and makes recommendations about them. The department follows-up the Authority's relations with international organizations and institutions.

4- LEGAL AFFAIRS AND ENFORCEMENT DEPARTMENT

The Legal Affairs & Enforcement Department provides advice and support on various assigned topics, prepares and discusses drafts of rules, regulations and instructions related to the Authority's work as well as provides legal support to the other departments.

The department is also responsible for preparing memoranda of understanding and court cases papers, preparing and following up proceedings of court cases filed by or against the Authority and implementation of the legal proceedings against violators, in addition to preparing local and international contracts and agreements which is the Authority is a party.

5- COMPLAINTS DEPARTMENT

The Complaints Department is responsible for receiving complaints submitted to the QFMA, which are related and linked to financial markets, activities and all transactions, whether against the parties subject to the QFMA's jurisdiction or against listed companies or any other parties.

These complaints are been studied in accordance with the applicable procedures and rules, it also considers the violations referred to it by CEO.

6- MEDIA AND COMMUNICATION DEPARTMENT

The Department takes the responsibility of preparing plans and programs to educate investors and promote a culture of investment in the capital market by organizing and coordinating local and international conferences and meetings to define the QFMA role, preparing press conferences and meetings with journalists to provide them with press releases and information required, holding lectures and seminars and monitoring the economic news from various types of media.

The Department also holds the website designing and content updating. In addition to designing all QFMA's publications used in all events such as conferences and exhibitions.

7- IT DEPARTMENT

The IT Department identifies, develops and follows up IT policies and procedures in the Authority and work to be implemented through projects that support the functions of the QFMA's departments.

To implement these projects, the department manages relation with IT services providers through contracts to ensure the correct implementation of projects covering hardware and software licenses, warranty certificates, maintenance and the support of infrastructure of IT and applications.

The department implements the necessary measures to ensure the security and integrity of the information and coordinates with the concerned official entities in the State. The department also follows up the developments of the safety and security of data and information technology.

8- HUMAN RESOURCES AND TRAINING DEPARTMENT

This department's responsibility is to provide professional and expertise staff and organize all matters relating to their own affairs and to raise their efficiency to suit the QFMA needs and strategies which consistent with the Qatar National Vision 2030.

9- INTERNAL AUDIT DEPARTMENT

This Department is linked to the Board of Directors taking the responsibility of making sure that the procedures and actions carried out by Authority's departments are consistent with applicable laws, regulations and instructions.

10- ADMINISTRATION AND FINANCE DEPARTMENT

The department provides and organize all administrative supplies and services necessary for the Authority's work as well as the implement and follow-up all financial actions according to related legislations.

2. PARTIES SUBJECT TO QFMA's JURISDICTION

The QFMA shall regulate, supervise and control financial markets activities to provide the best services for investors by enhancing fairness and integrity, and strengthening sound and fair dealings.

The QFMA regulates and supervises the following parties:

1. Qatar Exchange (QE).
2. Depositories.
3. Listed companies.
4. Financial services companies.
5. Persons dealing in financial markets and activities.
6. Investors.

PART ONE

QFMA's EFFORTS

QFMA

charts



1. STRATEGIC PLANNING

During 2012, The QFMA has taken some diligent actions towards reconstruction and reformation of its public policy, including its future vision, mission and values that must be applied by all employees, as well as developing strategic plans, programs and specific projects to

be implemented which makes the QFMA a model for other financial markets regulators to increase the effectiveness and flexibility of the regulatory and supervisory performance.

In order to position Qatari capital markets to be a center of financial services that are consistent with the latest developments in the global and regional financial markets, QFMA's efforts in terms of strategic planning were focused on:

1-1 DEVELOPING QFMA's STRATEGIC PLAN (2013 – 2017)

The QFMA has finished the project of developing a strategic action plan for the period from 2013 to 2017 in order to re-draft its future vision, values and main objectives, that develops Qatari capital market and achieves the targeted goals for each of the Qatar National Vision 2030 and the National Strategy 2011-2016.

1-2 DEVELOPING THE ORGANIZATIONAL STRUCTURE TO COPE WITH QFMA's FUTURE VISION

After Issuing Law No. 8 of 2012 regarding Qatar Financial Market Authority, QFMA began some actions to restructure the organization that can reflect QFMA's future vision and cope with the new additional functions in order to have greater flexibility in regulation, supervision & control over the financial markets and people operating in the markets.

2. LEGAL LEGISLATIONS

QFMA is making great efforts in developing the legislations regulating capital market in order to increase the efficiency of legislations & expand the size and quality of the activities, as well as achieve harmonization with legislations and other laws governing the financial sector, QFMA's efforts

in developing legislations and existing regulations are divided into three phases as follows:

- 1- Laws and regulations issued during 2012.
- 2- Regulations completed and in consultation phase.
- 3- Regulations in process.

2-1 ISSUED LAWS AND REGULATIONS

In 2012, The QFMA completed the procedures of drafting and issuance of laws, regulations and the following decisions:

- Law No. 8 of 2012 regarding Qatar Financial Markets Authority.
- Liquidity Provider Activity (LP).
- Securities Lending And Borrowing Activity (SLB).
- Sponsored Access (SA).
- Listing of Investment Funds Units Rules.
- Expand the rules of Securities lending and borrowing to cover liquidity providers.
- Listing and Offering of Securities in the Venture Market Rules.
- Rules of Offering and Listing Sukuk and Bonds.

2-2 LAWS AND REGULATIONS COMPLETED AND IN CONSULTATION

The QFMA has completed of drafting and preparation of a number of draft rules and regulations governing the various financial services

3. COMMUNICATION WITH CAPITAL MARKET COMMUNITY

activities during the second half of 2012, and sent to specialists for their views on those rules and regulations including:

- Merger and Acquisition.
- Rules of Licensing and Regulating Depositary.
- Capital Adequacy standards for financial services companies.
- Real Estate Investment Trust (REITs).
- Corporate governance code for Second Market.

2-3 LAWS AND REGULATIONS IN PROCESS

1. Rules of external auditors & financial evaluators of financial services companies and listed companies.
2. Rules of Licensing and Regulating Credit Rating.

The QFMA made several efforts during the year to communicate with the various parties in Qatari capital market, in order to develop investment awareness among investors, financial services companies and people professionals working in the market to provide them with the most and latest legislative and regulatory developments.

The QFMA exerts more efforts on communication with the capital market community to educate & coordinate local & international cooperation with the Authority by:

- Publishing investment culture in securities to the investors.
- Publishing and developing the knowledge to financial services companies.

The QFMA also was keen to confirm their presence and participation in the most important meetings and events related to capital markets, including:

- The 6th meeting of Union of Arab Securities Authorities in Doha - on February, 2012.
- The 6th meeting of the Committee of Heads of GCC Securities Market Regulators - on May, 2012.
- The 3rd meeting of Ministerial Committee of the Board Chairmen of GCC Financial Markets Regulators which was held in Riyadh, Saudi Arabia - May 2012.
- The 37th meeting of the International Organization of Securities Commissions (IOSCO) in Beijing - in 2012.

With regard to the efforts of publishing financial awareness and knowledge for the listed companies and financial services companies about regulatory and supervisory efforts, the QFMA implemented the media plan through workshops or other media ways representing in:

- Starting the professional academic program to approve regulated functions in the financial services companies - on February 2012.
- Organizing the training program in cooperation with the U.S. Securities Commission entitled **EFFECTIVE OVERSIGHT AND DEVELOPMENT OF CAPITAL MARKETS PROGRAM** - on September 2012.

4. MARKET'S OPERATIONS

The QFMA made intensive efforts in the areas of monitoring & supervision of the parties related to the operation in the Qatari capital market, including financial services companies, either through an office control or a field one in order to check these companies commitment to legislation issued by the Authority.

As well as in following-up market trading and securities offerings and listing, in addition to the investigation and accountability procedures against complaints and violations in market.

4-1 COMPLAINTS AND INVESTIGATIONS

The QFMA developed complaints rules and procedures which include determining the general framework & guidelines that explain submitting the complaint, especially in the area of conducting business, activities and functions organized by the QFMA and subject directly to its control and supervision. These rules and procedures also describe the bases of dealing with the complaint and prepare the final report and recommendations in this regard as may be necessary.

The QFMA reviewed 8 complaints and 18 investigations as it is distributed in the following table:

Complaints and Investigations

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Complaints	2	2	2	2	8
Investigations	2	7	2	7	18

4-2 LICENSING AND CONTROL

The QFMA exerted an effort in conducting inspection (periodical

or sudden) on financial services companies operating in conducting the market, in order to check their commitment with legislations issued by the QFMA. The QFMA also conducted licensing and control on persons dealing in the financial markets and financial services companies and followed up their commitment with licensing conditions.

The number and type of activities that have been licenced

ACTIVITY	No.
Provision of custody services	3
Providing advising on securities	1
Persons dealing in the financial markets	23

The Authority also monitors the QE trading operations in order to ensure their integrity and that all parties comply with the applicable legislations as well as to find out violation early, if any.

4-3 DISCLOSURE AND CAPITALIZATION

The QFMA followed up companies' disclosures in local newspapers and on the QE website through daily review of newspapers and verification of disclosures received by the Authority and the QE at the same time in order to raise the transparency level. It also followed up merger and acquisition projects that have been announced and the capital increase of companies listed in QE and their dividends whether cash or bonus shares. In addition to following up and reviewing the governance reports issued by listed companies.

5. DISCIPLINARY & Appeal

Disciplinary Committee formed upon the Board of Directors resolution, No. (2) of 2009 for the issuance of the Committee's procedures, to be the sole party responsible for considering the matters referred to it by the CEO with respect to violations and complaints.

The QFMA imposes the sanctions and penalties, set forth in Law No. (8) of 2012 which replaced Law No. (33) of 2005 regarding Qatar Financial Markets Authority.

5-1 DISCIPLINARY COMMITTEE

The Disciplinary Committee looked into seven cases proceedings referred to it in 2012. The Committee has issued four disciplinary resolutions in its three sessions held in 2012 and published on QFMA's Website.

5-2 APPEALS COMMITTEE

Appeals Committee held 21 meetings during the year to study submitted appeal applications against disciplinary decisions issued by the Authority, summarizes as follows:

Summarizes the work of the Appeals Committee

ITEM	No.
Appeals and stay of QFMA proceedings requests that have been submitted to the Committee	16
Appeals	10
Requests of a stay of QFMA proceedings	6
Appeals & requests of a stay of QFMA proceedings that have been adjudicated	13
Appeals & requests of a stay of QFMA proceedings which is still under consideration by the Committee	3
Decisions made by the Committee	20

6. INSTITUTIONAL PERFORMANCE AND SUPPORT SERVICES

QFMA's efforts based on the development of support services and raise the efficiency of institutional performance.

- Training and developing the staff.
- Attract and maintain the excellent competencies.
- Periodic evaluation of the functional performance of the staff.
- Increasing Qatarization percentage in the QFMA.
- Developing the hardware and software, raising the level of security and protecting of information technology at the QFMA.

7. LOCAL, REGIONAL AND INTERNATIONAL COOPERATION

7-1 THE UNION OF ARAB SECURITIES AUTHORITIES (UASA)

The QFMA Received presidency of UASA from Sultanate of Oman during the sixth meeting of the Union, which was held in Doha on February, 2012, and thus the CEO of the QFMA / Nasser Shaibi was the chairman of the Union.

The CEO proposed as UASA Chairman to restructure the Union & amend its regulation which leads to the development of the work mechanism of the Union and activation of its role. The proposal included the following:

- 1- Developing a strategic vision of the Union and identifying its key objectives.

- 2- Amending the regulation to expand the Union's member base.
- 3- Establishing the General Forum of the Union.
- 4- Changing the technical organs of the Union by developing the Board / Executive Committee.
- 5- Developing a new organizational structure for the Union includes technical organs of the Union, the Secretariat, its components and their relationship with each other.
- 6- Establishing an Arab financial markets information center.
- 7- Creating a new Website on the Internet to present the Union & link the communication among the members.
- 8- Developing a new mechanism for selecting the General Secretary of the Union and the conditions to be fulfilled.

The Union presidency organized a training program about supervision and control over capital markets titled "EFFECTIVE OVERSIGHT AND DEVELOPMENT OF CAPITAL MARKETS PROGRAM" in cooperation with both the U.S. Securities and Exchange Commission and the Union of Arab Securities Authorities.

This program was held in Doha during the period from 23 - 27 September 2012 in the presence of delegations from seven Arab countries as well as representatives from the Qatar Financial Markets, QCB, QFC Authority, and QE).

7-2 THE COMMITTEE OF HEADS OF FINANCIAL MARKETS REGULATORS

The committee compared the unified Rules on GCC countries with regulations used in Qatar to find the similarities and differences.

Those rules include the following:

- 1- Unified rules for listing of mutual funds units.
- 2- Unified rules for listing of stocks.
- 3- Unified rules for listing of bonds and Sukuk.

7-3 INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)

The QFMA in cooperation with the IOSCO has completed the joining procedures and became a full member on February 12th, 2013.

7-4 FINANCIAL SECTOR REGULATORS

The QFMA in cooperation with QCB and QFC have developed a vision and a perception about restructuring the surveillance and supervision system for the Qatari financial sector in the next period by developing an integrated system of surveillance and supervision of the various activities in the Qatari financial sector (banking activities, financial service activities, insurance and reinsurance activities) which will lead to integrate the supervisory functions and achieve stability in the Qatari financial sector.

PART TWO

STATISTICS & DATA OF QATAR EXCHANGE

QFMA

charts



1. TRADING ACTIVITY OF QATAR EXCHANGE (2007 - 2012)

Since the inception of Qatar Exchange (QE) in 1997, the number of listed companies was 17, and increased to 40 companies in 2007, to be 42 companies by the end of 2012.

The market value of listed companies increased from 347 QR billion by the end of 2007 to reach 459 QR billion by the end of 2012 with a growth rate of 32.2% over the past five years.

Despite the increase in market value of listed companies in QE, the activity volume in QE has declined by the end of 2012 where the number of executed transactions declined from 1.8 million transactions in 2007 to 881 thousand transactions in 2012. The number of traded shares declined from 3.4 billion in 2007 to 2.4 billion during 2012.

The value of traded shares declined from 108 QR billion in 2007 to 71 QR billion in 2012, which led to a decline in the daily average of the trading value from 432 QR million during 2007 to 280 QR million in 2012.

QE Trading Activity (2007-2012)

ITEM	2007	2008	2009	2010	2011	2012
Stock market activity						
No. of listed companies	40	43	44	43	42	42
No. of financial services companies	7	7	7	7	10	11
Market value in (QR Billion)	347	279	320	450	457	459
No. of traded shares (in million)	3,411	3,893	3,450	2,094	2,302	2,428
Trading value in (QR billion)	108	175	92	67	83	71
No. of transactions (in million)	1.8	2.1	1.7	1	1.1	0.9
Daily average of trading value (QR million)	432	691	364	267	331	280
Debt market activity						
Trading value of T Bills (QR million)	0	0	0	0	98	793
No. of T Bills traded (in thousands)	0	0	0	0	10	80
No. of T Bills transactions	0	0	0	0	02	25

Source: QE Monthly Bulletins

2. QE STATISTICS

The number of listed companies in QE was 42 Qatari shareholding companies and the number of shares listed and available for trading was 10.28 billion shares with market value of 459.8 QR billion. The number of financial services companies licensed was 11 companies, where the number of investors in QE was 964 thousand including 294 thousand Qatari investors.

Capital Market Components	
No. of financial services companies	11
No. of registered investors in the market	964,548
No. of Qatari registered investors	294,423
Number of non-Qatari registered investors	670,125
No. of Qatari listed companies	42
No. of foreign listed companies	0
No. of companies traded during the year	42
No. of companies with increase in share price	17
No. of companies with decrease in share price	25
No. of companies with no change in shares price	0
No. of listed shares (million)	10,288
Market value of listed shares (million)	459,883 QR
Average earnings per share (EPS)	3.74 QR
Average annual cash dividends per share (revenue share)	3.69 QR
Average earnings per share of shareholders' equity	26.28 QR
Profitability multiplier	11.97 times
Multiple of book value (closing price / book value per share P / B)	1.7 times

Source: QE Monthly Bulletins

3. DEBT INSTRUMENTS ACTIVITY

During 2012, the market has witnessed listing of the first governmental debt instrument, which was short-term Treasury Bills, with standard maturity periods of either three, six or nine months, where the total number of T-Bills that have been listed in QE during the year was 4.3 million in comparison with 370 thousand T-Bills in 2011. The nominal value of the T-Bills listed was 43.2 QR billion in comparison with 3.7 QR billion in 2011, distributed as follows:

Listed T-Bills

	Value (QR million)	No.	Value (QR million)	No.
Type of listed T-Bills	2011		2012	
3 months	1,700	170,000	21,300	2,130,000
6 months	1,000	100,000	11,185	1,118,500
9 months	1,000	100,000	10,800	1,080,000
Total listed T-Bills	3,700	370,000	43,285	4,328,500

Source: QE Monthly Bulletins

Monthly Development of T-Bills Listing

	3 months		6 months		9 months	
2012	NO.	Value (million)	NO.	Value (million)	NO.	Value (million)
March	340,000	3,400	180,000	1,800	195,000	1,950
April	115,000	1,150	41,000	410	55,000	550
May	175,000	1,750	100,000	1,000	70,000	700
June	200,000	2,000	100,000	1,000	100,000	1,000
July	200,000	2,000	100,000	1,000	100,000	1,000
August	200,000	2,000	100,000	1,000	100,000	1,000
September	195,000	1,950	100,000	1,000	100,000	1,000
October	200,000	2,000	100,000	1,000	80,000	800
November	170,000	1,700	100,000	1,000	100,000	1,000
December	335,000	3,350	197,500	1,975	180,000	1,800
TOTAL	2,130,000	21,300	1,118,500	11,185	1,080,000	10,800

Source: QE Monthly Bulletins

4. T-BILLS TRADING

The trading volumes of T-Bills has significantly increased during the year, as follows:

Monthly Development of T-Bills Listing

ITEMS	2011			2012		
	No. of Transaction	No. of Traded T-Bills	Trading Value	No. of Transaction	No. of Traded T-Bills	Trading Value
3 months	—	—	—	2	4000	39,913,850
6 months	—	—	—	7	26,600	264,278,150
9 months	2	10,000	98,202,900	16	49,500	489,044,550
TOTAL	2	10,000	98,202,900	25	80,100	793,236,550

Source: QE Monthly Bulletins

5. SHARES LISTING

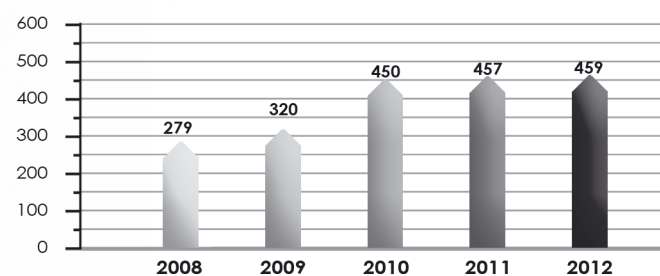
During the year, 14 companies listed on QE listed shares of capital increase which amounted to 57901 million leading the increase of the total listed shares to 10.283 billion shares, with an increase of 6% of the number of listed shares by the end of 2011, which amounted to 9.7 billion shares. It should be noted that most increases in the capital was in the first half of the year, which resulted from the distribution of bonus shares that have been approved at the general assemblies of the listed companies in the first half of the year.

6. SHARES TRADING

6-1 THE MARKET VALUE

The market value of shares listed on QE increased slightly to reach 459 QR billion at the end of 2012, compared with 457 QR billion at the end of 2011 with a growth rate 0.55%

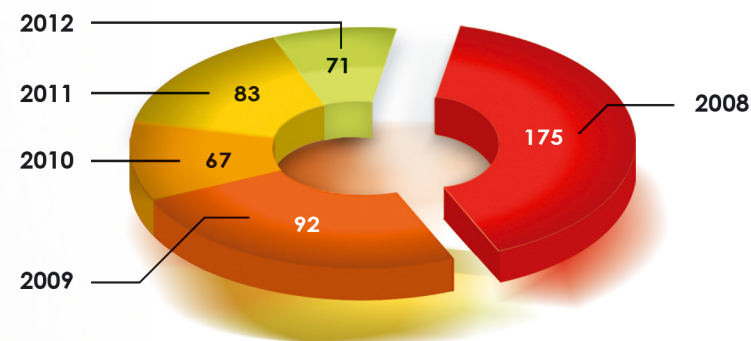
Source: QE Monthly Bulletins



The Market Value of Listed Shares (QR Billion)

6-2 VALUE OF TRADED SHARES

The value of traded shares during the year declined to reach 70.6 QR billion while it reached 83.5 QR billion in 2011 with a decline of 15%.

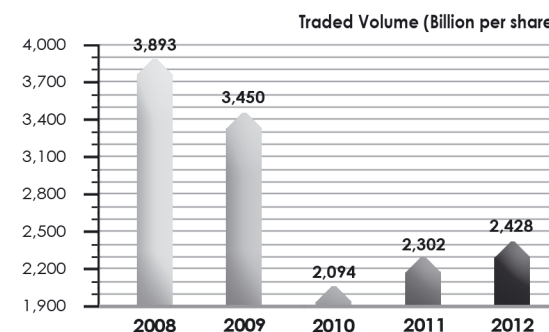


Traded Value (QR Billion)

Source: QE Monthly Bulletins

6-3 NUMBER OF TRADED SHARES

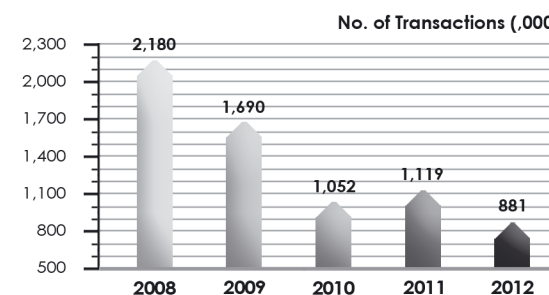
Number of shares traded in QE during the year increased to be 2.4 billion with an increase of 5.4%, while it reached 2.3 billion in 2011.



Source: QE Monthly Bulletins

6-4 NUMBER OF TRANSACTIONS

Number of transactions in QE during 2012 declined to be 881 thousand, while it reached to 1.1 million at the end of 2011 with a decline of 21%.



Source: QE Monthly Bulletins

6-5 QE GENERAL INDEX

The General Index of QE declined during 2012 compared with 2011 by 4.3% after rising consecutively for three years, where the index closed at 8358 points at the end of the year. While at the end of 2011, the index closed at 8779 points.

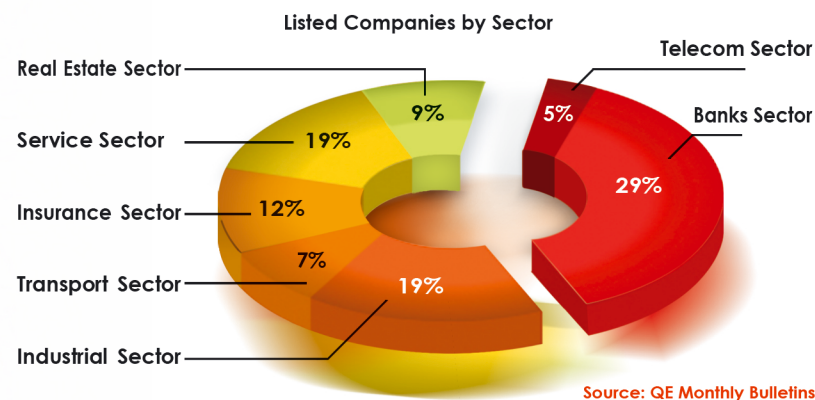


Source: Qatar Exchange

7. LISTED COMPANIES STATISTICS

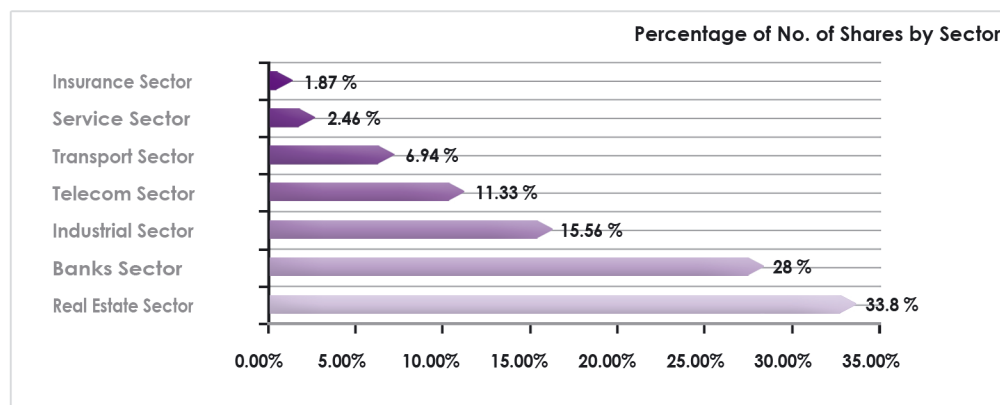
7-1 LISTED COMPANIES BY SECTOR

The number of listed companies in QE at the end of 2012 was 42 Qatar Shareholding Companies including 5 companies in the Insurance sector (12% of the total number of listed companies), 8 Industrial companies (19%), 12 companies in Banks and Financial Services sector (29%), 8 Companies belong to the Service sector (19%), 4 Real Estate companies (9%), 2 Telecom companies (5%), and 3 Transport companies (7%).



7-2 NUMBER OF LISTED SHARES BY SECTOR

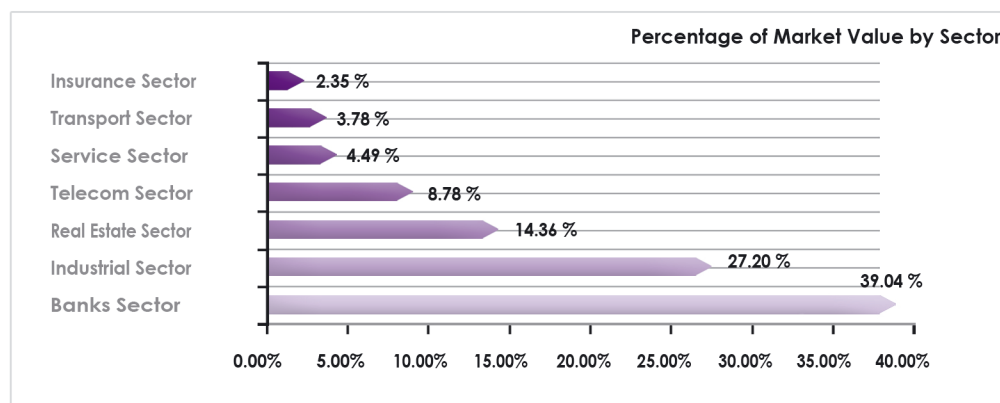
The number of shares listed in QE at the end of 2012 was 10.2 billion shares, including 3.47 billion shares for Real Estate sector (33.8% of the total number of listed shares), 2.8 billion for the Banks sector (28%), 1.6 billion for the Industry sector (15.6%), 1.16 billion of Telecom companies (11.33%), 714 million for the Transport sector companies (6.94%). 252.7 million of the Services sector companies (2.46%), and 191 million shares for the Insurance sector companies (1.87%).



Source: QE Monthly Bulletins

7-3 MARKET VALUE BY SECTOR

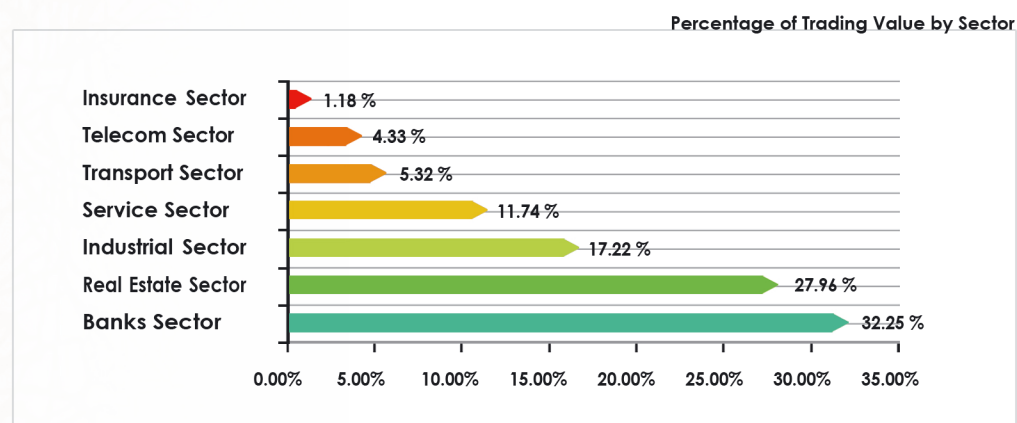
The total market value of the listed companies at the end of the year was 459 QR billion, including 179.5 QR billion represents the market value of the Banks sector (39% of the total market value of listed companies), 125 QR billion for Industry sector (27.20%), 66 QR for the Real Estate sector (14.36%), 40.3 QR billion for Telecom sector (8.78%), 20.6 QR billion for Services sector (4.49%), 17.3 QR billion for Transportation sector (3.78%), and 10.8 QR billion for Insurance sector (2.35%).



Source: QE Monthly Bulletins

7-4 THE VALUE OF TRADED SHARES BY SECTOR

The value of traded shares in QE during 2012 was 70.6 QR billion including 22.7 billion represents the value of traded shares in Banks sector (32.25% of the total value of shares traded), 19.7 QR billion for the Real Estate sector (27.96%), 12.2 QR billion for Industry sector (17.2%), 8.3 QR billion for Services sector (11.7%), 3.7 QR billion for Transportation sector (5.32%), 3 QR billion, for Telecom sector (4.33%), and 835 QR million for Insurance sector (1.18%).

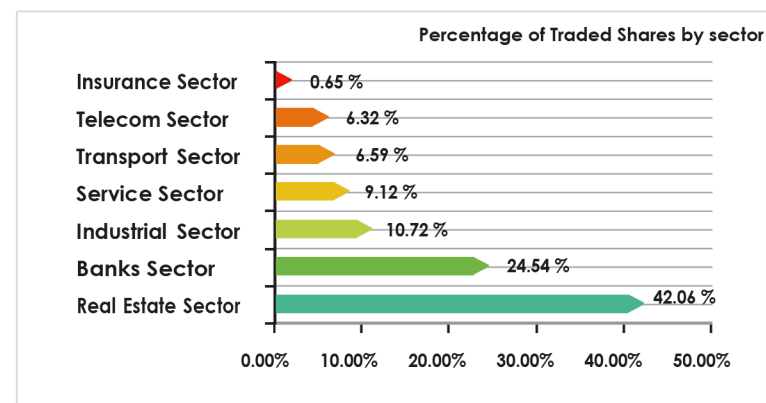


Source: QE Monthly Bulletins

7-5 NUMBER OF TRADED SHARES BY SECTOR

The Real Estate sector acquired the highest percentage of number of shares traded in QE during the year amounted to 42.06% of the total number of shares traded, followed by the Banks sector with 24.54%, then the Industry sector in the third place with 10.72%, while the services sector placed in the fourth place with 9.12%, followed by the Transportation

sector with 6.59%, the Telecomm sector with 26.3% and Insurance sector ranked the last with 0.65%.



Source: QE Monthly Bulletins

7-6 TURNOVER RATIO BY SECTOR

The turnover ratio in QE was 15.3% as a whole, where the Service sector led the turnover ratio amounted to 40.1%, then the Real Estate sector 29.9%, followed by the Transportation sector with 21.6%, then the Banks sector with 12.6%, the Industry sector with 9.7%, followed by Insurance sector with 7.7% and Telecomm sector in the last place with turnover ratio of 7.5%.

Summary of Listed companies Statistics by Sector

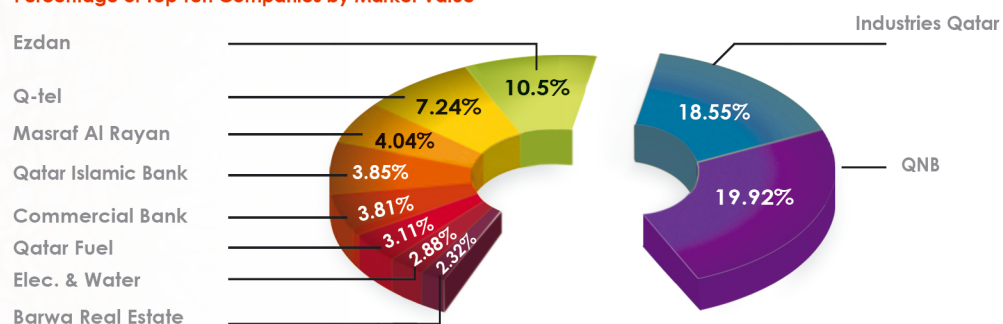
	No. of Companies	No. Shares	Market Value per share	Value of traded shares	Turnover ratio per share
Banks Sector	12	2,883,590,763	179,532,960,736	22,790,329,975	12.6%
Insurance Sector	5	191,945,700	10,824,209,310	835,456,714	7.7%
Industrial Sector	8	1,601,819,269	125,083,875,716	12,173,037,423	9.7%
Service Sector	8	252,774,569	20,645,256,256	8,297,709,762	40.1%
Real Estate Sector	4	3,478,846,328	66,059,516,062	19,759,688,130	29.9%
Telecom Sector	2	1,165,720,000	40,372,370,000	3,059,225,855	7.5%
Transport Sector	3	714,159,346	17,365,432,789	3,758,417,638	21.6%
TOTAL MARKET	42	10,288,855,975	459,883,620,869	70,673,865,500	15.3%

Source: QE Monthly Bulletins

7-7 TOP TEN LISTED COMPANIES BY MARKET VALUE

The top ten of listed companies by market value in QE acquired 76.2% of the total market value of all listed companies with 350.5 QR billion from total of 459.6 QR billion, 60% for the first top five companies of the total market value.

Percentage of Top Ten Companies by Market Value

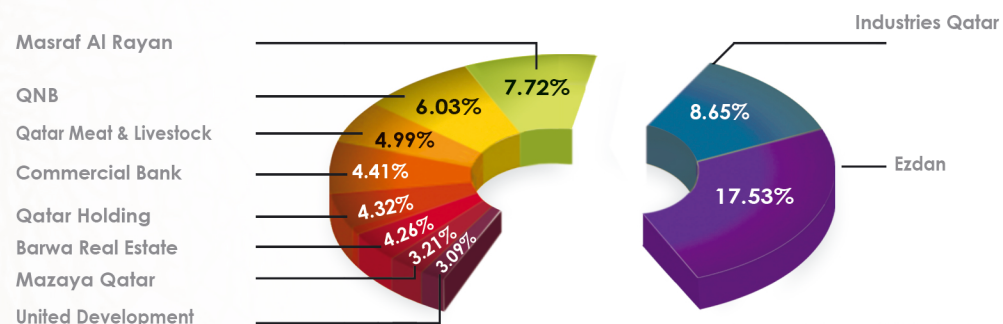


Source: IT Dep. - QFMA database

7-8 TOP TEN LISTED COMPANIES BY TRADED VALUE

The top ten listed companies by traded value acquired at 64.21% of the total traded value of all the companies listed in QE with 45.3 QR billion from the total 70.6 QR billion, 44.92% for the first top five companies from the total value traded.

Percentage of Top Ten Companies by Traded Value

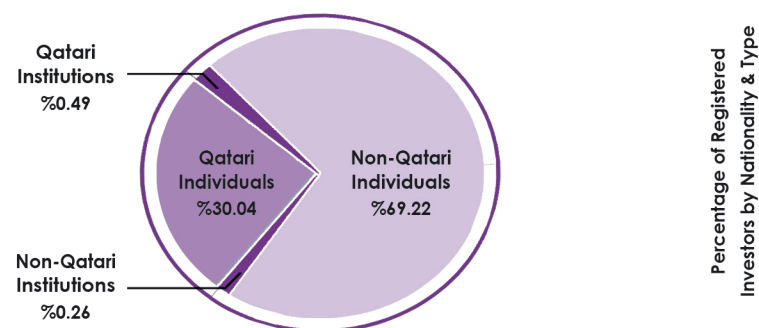


Source: IT Dep. - QFMA database

8. INVESTORS STATISTICS

8-1 THE NUMBER OF INVESTORS BY NATIONALITY (INDIVIDUALS & INSTITUTIONS)

The number of investors listed in QE by the end of 2012 was 964.5 thousand, including 670.1 thousand was non-Qatari investors (69.4% of the total number of listed investors), and 294.4 thousand was Qatari investors (30.6%). The total number of individual investors was 957.3 thousand (99.25% of the total number of listed investors).



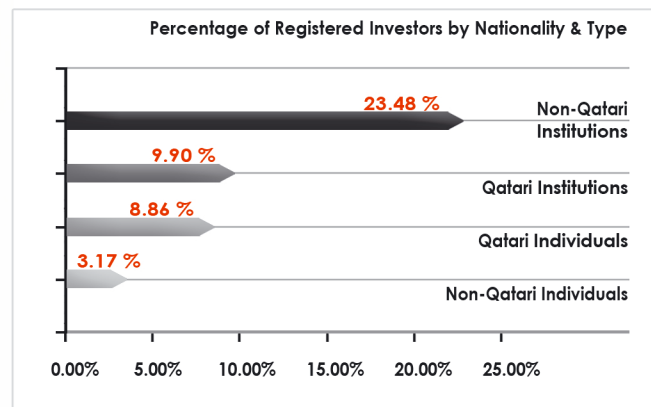
Source: IT Dep. - QFMA database till 20/12/212

The Qatari investors was 289.7 thousand individuals and 4717 institutions, while the non-Qatari investors was 667.6 thousand individuals and 2,500 institutions.

The investors traders - carried out one or more transactions in QE during 2012 - was 47.953 which accounted 4.97% of the total number of registered investors in QE, including 26.152 were Qatari and 21,801 were non-Qatari.

The Qatari investors traders was 25.685 individuals and 467 institutions.

On the other hand, the non-Qatari investors traders was 21.214 individuals and 587 institutions.



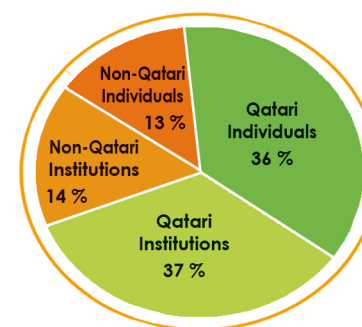
Source: IT Dep. - QFMA database till 20/12/2012

8-2 INVESTORS' BUY TRANSACTIONS

Qatari investors (individuals and institutions) acquired buy transactions in QE during 2012, which amounted to 52.3 QR billion (73% of the total buy transaction), while 19.1 QR billion for the non-Qatari (27%).

Where buy transactions of the Qatari institutions amounted 26.7 QR billion (37% of the total buy transactions), while the non-Qatari institutions amounted 10.1 QR billion (14%).

Percentage of Investors' Buy Transactions

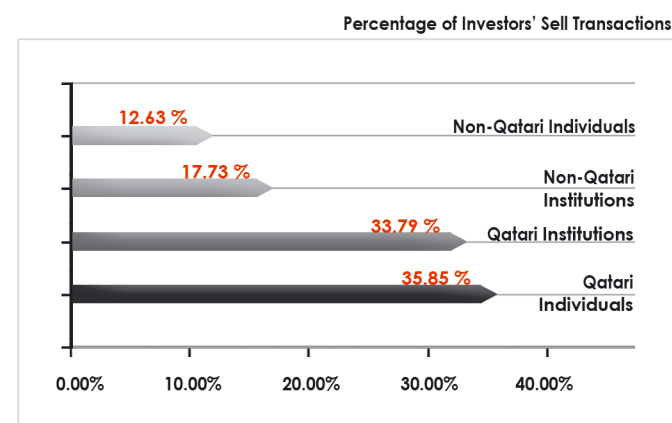


Source: IT Dep. - QFMA database

8-3 INVESTORS' SELL TRANSACTIONS

Qatari investors (individuals and institutions) acquired on Sell transactions during 2012, where the sales value was 49.7 QR billion (69.64% of the total Sell transactions during 2012), while the value of Sell transactions for non-Qatari was 21.6 QR billion (30.36% of the total Sell transactions).

The sell transactions has focused on Qatari individuals whose their sell transactions value were 25.6 QR billion (35.8% of the total market Sell transactions), while non-Qatari institutions acquired on 12.6 QR billion of Sell transactions during 2012 (17.73% of the total Sell transactions in the market).



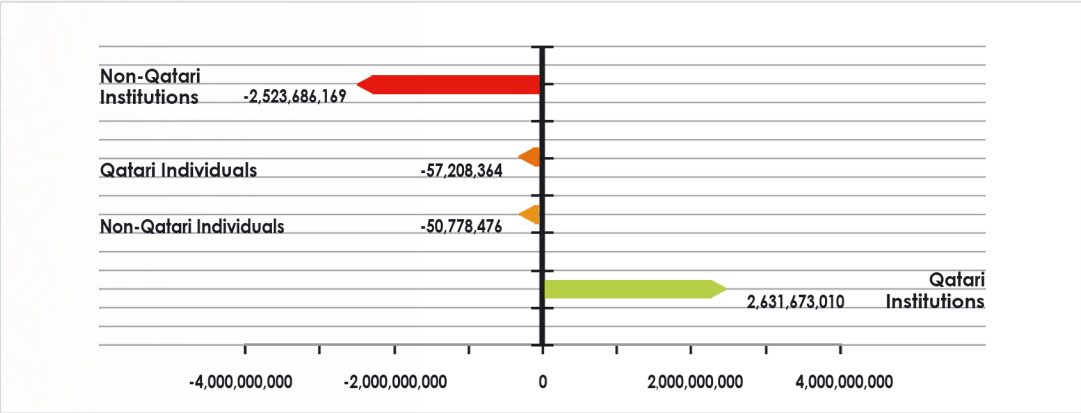
Source: IT Dep. - QFMA database

8-4 NET TRANSACTIONS OF INVESTORS

The net transactions of all investors categories in QE tended to Sell as net transactions except Qatari institutions which tended to Buy transactions amounted 2.6 QR billion, while the net sell transactions of non-Qatari institutions were 2.5 QR billion. The net Sell transactions of non-Qatari individuals amounted to 50.7 QR million, so non-Qatari transactions were 2.574 QR billion.

While the net Qatari sell transactions amounted to 2.574 QR billion, including 57.2 QR million for Qatari individuals.

Net Investors' Transactions



Source: IT Dep. - QFMA database

Net Investors' Transactions

	QATARI			NON-QATARI			TOTAL
	Individuals	Institutions	TOTAL	Individuals	Institutions	TOTAL	
Investors' buy transactions	25,562,934,978	26,782,413,739	52,345,348,716	8,974,222,170	10,147,542,663	19,121,764,834	71,467,113,550
Investors' sell transactions	25,620,143,342	24,150,740,729	49,770,884,071	9,025,000,646	12,671,228,833	21,696,229,479	71,467,113,550
Net of Investors' transactions	-57,208,364	2,631,673,010	2,574,464,645	-50,778,476	-2,523,686,169	-2,574,464,645	

Source: IT Dep. - QFMA database

9. COMPARING QE WITH THE GCC markets

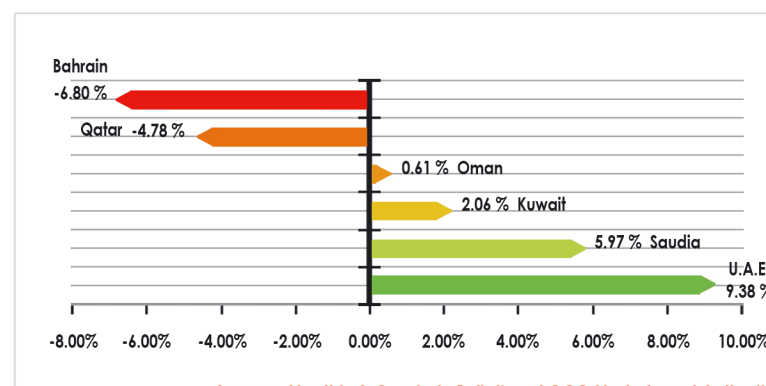
9-1 QATARI MARKET PERFORMANCE

The QE performance turn to decline of 4.7% after two consecutive years of increase and excellent performance compared with the GCC markets, where QE placed the first among the GCC markets during 2010 & 2011 respectively, but it relapsed during 2012.

GCC Markets General Index

COUNTRY	Closing value of index at the end of 2011	Closing value of index at the end of 2012	Change percentage
Bahrain	1143.69	1065.61	(% 6.8)
Oman	5695.12	5730.08	0.61 %
Kuwait	5814.2	5934.28	2.06%
Emirates	2341.42	2561.22	9.38%
Saudia	6417.73	6801.22	5.97 %
Qatar	8779.03	8358.94	(% 4.78)

Source: Monthly & Annual Bulletins of GCC Markets and Authorities



Source: Monthly & Quarterly Bulletins of GCC Markets and Authorities

COUNTRY	Closing value of index at the end of 2009	Closing value of index at the end of 2012	Change percentage
Bahrain	1458.2	1065.61	(26.9%)
Oman	6368.8	5730.08	(10 %)
Kuwait	7005.3	5934.28	(15.28 %)
Emirates	2771.56	2561.22	(7.58 %)
Saudia	6121.79	6801.22	11.09 %
Qatar	6959.2	8358.94	20.11 %

GCC markets during (2009 - 2012)

Source: Monthly & Annual Bulletins of GCC Markets and Authorities

QE maintained the first place in the cumulative performance for three years with increase rate of 20.11%, while the Saudi market ranked the second with increase rate of 11.09%.

9-2 TURNOVER RATIO

The Qatari market achieved the second place compared with GCC markets in terms of the turnover, amounted to 13.5%, after the Saudi market which achieved the highest turnover rate among the GCC markets amounted to 134%, while UAE market placed at the third with turnover rate of 15.2% followed by Omani market of 12.1% and then Kuwait market of 12% and Bahrain at the lowest turnover rate reached to 1.6%.

GCC Markets' Activity

MARKET	No. of Listed Companies	No. of Transactions	No. of Traded Shares (Million US \$)	No. of Trading Value (Million US \$)	Market Value (Million US \$)	Turnover Ratio
Saudi	158	10,764,105	83,653	501,417	373,404	% 134
Qatar	42	881,638	2,428	19,362	125.9	% 15.3
Emirates	132	879,140	56,806	19,294	126,618	% 15.2
Kuwait	204	476,412	41,483	12,552	103,929	% 12
Bahrain	50	8,612	561	251	15,423	% 1.6
Oman	138	322,074	4,247	2,716	22,265	% 12.1

Source: Arab Monetary Fund except Qatar data from QE

9-3 MARKET VALUE

The Qatari market came in the third place in terms of market value, which amounted to 125.9 US \$ billion after the Saudi market and the UAE market. The market value of companies listed in the Saudi market was 373.4 US \$ billion, while in the UAE market amounted to 126.6 US \$ billion followed by Kuwaiti market with a market value of 103.9 US \$ billion, then the Sultanate of Oman market with 22 US \$ billion and Bahrain with a market value of 15.4 US \$ billion.

9-4 TRADING VALUE

The Qatari market came in the second place in terms of trading value compared with GCC markets during 2012 where the value of traded shares was 17.7 US \$ billion

after the Saudi market by 501 US \$ billion followed by UAE by 19.2 US \$ billion, while the Kuwaiti market was in the fourth place in terms of trading value of 12.5 US \$ billion, then Oman market by 2.7 billion and Bahrain by 251 US \$ million.

9-5 **NUMBER OF TRANSACTIONS**

The Qatari market achieved the third place during 2012 in terms of the number of transactions which was 881,663, after each of the Saudi market who came in first place by 10.7 million, and the UAE market in the third place by 771.2 thousand. in the fourth place was the Kuwaiti market by 476.4 thousand followed by Oman market in the fifth place by 322 thousand, and Bahrain by 8,612 transactions.

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