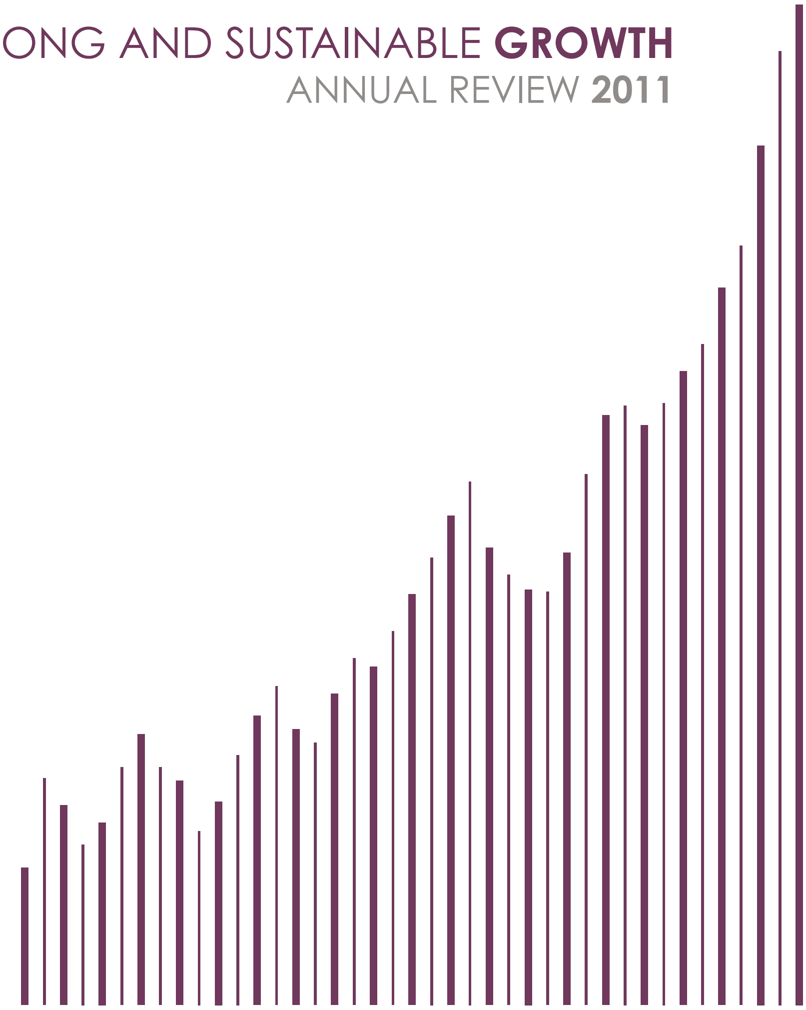
qatar
FINANCIAL CENTRE
AUTHORITY

STRONG AND SUSTAINABLE **GROWTH**
ANNUAL REVIEW **2011**



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MESSAGE FROM THE CHAIRMAN

Qatar's recent success has been remarkable. Qatar boasts one of the world's most dynamic and fastest growing economies with nominal Gross Domestic Product (GDP) increasing nearly 15-fold between 1995 and 2010 and five times in real terms between 1995 and 2010. Although it is likely that the economic growth rate will moderate in the next few years relative to the explosive 16.6% real annual growth rate seen in the last five years, Qatar's performance will continue to be strong by international standards, representing one of the highest growth rates in the world.

As we begin 2012, the country is entering a new era in its history. Dramatic growth in financial services is expected to play a substantial role in propelling the economy forward as Qatar continues to diversify away from its dependence on hydrocarbons. This is central to the government's overall strategy to create a modern, knowledge-based economy in line with the National Vision 2030.

The National Development Strategy document for 2011-16, envisages the QFC Authority will play a key role in helping Qatar to capitalise on this growth in financial services. From the origins of the Qatar Financial Centre (QFC) in 2005, our mandate has been to build a world-class financial services marketplace, providing a platform to tap into the country and the region's vast potential. Following our decision in 2010 to focus on the creation of hubs in reinsurance, captive insurance and asset management, over the last year we have actively sought to put in place one of the most business friendly tax environments coupled with new regulations to encourage captive insurers and asset managers.
In addition, the QFC offers distinct advantages over other locations in the region including a legal system based on English common law, efficient administration, full access to the domestic market, repatriation of profits and a robust regulatory regime.

All in all, the QFC is making a powerful proposition to which an increasing number of financial firms from around the world are paying close attention. Further recognition of this came last year with both Qatar's achievement as the highest ranked financial centre in the Middle East in the prestigious Z/Yen Global Financial Centres Index and the Global Investor award of Best Financial Centre in the Middle East 2011.

As we continue to develop the QFC, the QFC Authority has greatly benefited from the contributions of an exceptional Board of Directors, some of whom have recently retired following the expiration of their Board terms. In particular, I would like to thank Dr. Hussain Ali Al Abdulla and H.E. Dr. Khaled bin Mohammed Al Attiyah who retired in 2011, and also Mr. Ian Cormack, Dr. Chris Gibson-Smith, Dr. Guocang Huan and Mr. Stuart Pearce who retired from the Board in March 2012. Their counsel and support has been invaluable and I sincerely thank them for their contributions.

We have recently welcomed some prestigious new members to the Board. In March 2011, H.E. Sheikh Jassim bin Abdul Aziz bin Jassim Al Thani, Minister of Business and Trade, formally joined as Deputy Chairman. His advice and support will be invaluable for the next phase of the QFC's growth. In addition, Mr. Rashid Ali Al Mansoori and Mr. Bob Wigley were appointed as Non-Executive Directors in June 2011 and December 2011 respectively.

The financial services sector in Qatar is expanding rapidly and increasingly becoming a mainstay of the Qatari economy. This presents many exciting opportunities. We at the QFC Authority are striving to take advantage of these, ensuring that the QFC fulfills its potential to become a major financial centre in the region.

H.E. YOUSEF HUSSAIN KAMAL
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

In 2011 we made considerable strides in further refining the QFC's business environment and developing the QFC's business infrastructure to support the growth in Qatar's financial services.

Within the fastest-growing economy in one of the world's fastest emerging markets, the QFC Authority's strategy seeks to leverage Qatar's unique strengths and development opportunities. It provides investors access to a vibrant market and encourages the development of increasingly sophisticated financial services, particularly in the fields of Asset Management, Reinsurance and Captive Insurance.

Qatar's rapid growth in contrast to other areas of the globe, sound economic management, ideal geographic position between East and West and political stability, continue to be instrumental in helping to realise this ambition.

Into the future, Qatar will continue to present itself as an exciting platform for business growth. This has been accomplished through strong collaboration with institutions both inside and outside Qatar.

In 2011, the QFC Authority participated in even greater horizontal coordination across the key members of the financial services industry within the State of Qatar to further strengthen the sustained development of the industry. Institutions such as the Qatar Central Bank, the Ministry of Business and Trade, the Ministry of Justice, the Qatar Financial Markets Authority, Qatar Exchange, the QFC Regulatory Authority and others are collaborating to develop an integrated financial services strategy.

We also significantly strengthened our links with other financial centres internationally. In June 2011, the QFC Authority entered into a Memorandum of Understanding (MOU) with Luxembourg for Finance, the agency for the development of the financial sector in Luxembourg. This was followed in September 2011 by the QFC Authority's MOU with Pudong New Area Financial Services Bureau (PFSB). Each MOU was signed to foster, pursue and develop the common interests of the respective bodies and the QFC Authority.

As 2012 unfolds we will build on our strong and growing relations with other financial sector bodies in Qatar and abroad to enhance the flourishing financial sector within the country.

ABDULRAHMAN AHMAD AL-SHAIBI
Board Member and Managing Director

MESSAGE FROM THE QFC AUTHORITY ACTING CEO

In 2011, the QFC Authority was in the second year of pursuing its strategy of focusing on the development of three business hubs - Asset Management, Reinsurance and Captive Insurance as an essential part of the expansion of Qatar's financial services sector. We have made remarkable progress in creating a more attractive business environment in 2011, whilst at the same time achieving increased international recognition for Qatar as a leading financial centre.

The country's insurance sector is already one of the fastest growing in the world, and the potential for future growth is considerable. To further the development, new regulations were introduced by the Qatar Financial Centre Regulatory Authority (QFCRA) in 2011 focusing on captives and insurance intermediation. I was also pleased that our flagship (re)insurance conference Multaqa had 330 registered delegates, of which approximately 60 were C-suite executives.

Similarly, Qatar's emergence as an asset management hub saw an important development when the QFCRA's revised QFC Collective Investment Scheme and Private Placement Schemes Rules went live on January 1st, 2011, which allowed QFC institutions to expand the range on investment products that can be offered to retail investors within the State under supervision and control of the QFCRA. In addition, Qatar won international recognition when the 2011 MENA Investment Management Forum (previously known as FundForum Middle East), a flagship conference for the asset management industry, was held in Doha for the first time.

In 2011, the QFC tax environment emerged as an important competitive advantage. QFC and the State of Qatar corporate tax rates were harmonised with incentives in place to support our hub strategies. The QFC Authority also supported a leading edge research project into the taxation of Islamic Finance.

In addition, the QFC legal environment was significantly enhanced with changes that will increase business efficiency and ease of setup. Further, important legislation was established around Securities Regulation, Limited Liability Partnership Rules, and public consultation papers were published on amendments to the Companies Regulations and Limited Liability Partnership Regulations.

SHASHANK SRIVASTAVA
Acting CEO and Chief Strategic Development Officer

QFC AUTHORITY BOARD OF DIRECTORS

H.E. YOUSEF HUSSAIN KAMAL
Chairman

H.E. Yousef Hussain Kamal has served as Minister Of Economy & Finance, since 1998. He also serves in the following positions: Secretary General: Supreme Council for Economic Affairs & Investment. Chairman: Qatar National Bank, Qatar Steel, Ras Gas Co. LTD, Qatar Financial Center Authority, Steering Committee (Investment Free Zone.) Vice Chairman: Qatar Petroleum, Industries Qatar, Qatar Diar Real Estate, Planning council and Qatar Airways. Board Member: Public Works Authority, Qatar Foundation and Qatar Investment Authority. He also represents the State of Qatar as Governor to the international monetary fund, The World Bank, Arab Monetary Fund, The Islamic Development Bank, and The OPEC Fund. The story of success covers more than three decades, since he joined as section chief within the department of Financial Affairs, Ministry of Finance and Petroleum in 1973. After that, he held many key posts in the Ministry such as Director of Financial Affairs in 1988 and under Secretary of Ministry of Finance, Economy and Commerce in 1993. He assumed his current post in 1998. H.E Kamal holds a B.A in Business Administration from Cairo University and Several Public Financial Courses from the International Monetary Fund and different American Universities.

QFC AUTHORITY BOARD OF DIRECTORS

H.E. SHEIKH JASSIM BIN ABDULAZIZ AL-THANI
Deputy Chairman

H.E. Sheikh Jassim bin Abdulaziz Al-Thani is the Minister of Business and Trade, a position he took up in 2010. He also has non-executive roles as: Chairman of Qatar Foundation International; Qatar Foundation Endowment Fund Executive Committee and Qatar Small and Medium Enterprise Authority; Vice Chairman of ictQatar (Supreme Council or Information Communication and Technology); Member of the Executive Committee of Qatar National Bank and a Board Member at Porsche SE. Prior to his current post, he worked at Ras Gas Company Ltd, Commercial and Shipping Group and was then appointed as Chairman of Qatar Ras Gas Marketing Committee where he focused on the international market development strategy of LNG. H.E. Sheikh Jassim bin Abdulaziz Al-Thani holds a Masters in International Affairs, Urban Politics and International Security from Columbia University School of International Affairs, New York, USA and also holds a Bachelor of Sciences in Finance from Suffolk University, Boston, USA.

QFC AUTHORITY BOARD OF DIRECTORS

ABDULRAHMAN AHMAD AL-SHAIBI
Board Member and Managing Director

Mr. Abdulrahman Ahmad Al-Shaibi is Director of Finance for the Qatar Petroleum Group. He is a member of various Executive Committees, responsible for the ambitious expansion plans of Qatar Petroleum (QP) in the LNG sector, petrochemicals and non-energy sector projects such as aluminium and steel. He is also part of a select team responsible for developing a suitable business model for Qatar Petroleum International, the international arm of QP. Qatar Petroleum International is expected to lead the development efforts for various international energy projects and transform QP from only a local player to a global energy player in the years to come. Mr. Al-Shaibi is a member of the State's Finance Policy Committee, and is also a Board member of various other companies including Qatargas, its sister companies and QASCO. Mr. Al Shaibi is the Chairman of Qatar Insurance Services LLC, a wholly-owned subsidiary of the QFC Authority responsible for promoting the Qatarlyst product, a web-based trading platform for the insurance and reinsurance industry.

RASHID ALI AL-MANSOORI
Board Member

Mr. Rashid Ali Al-Mansoori is currently the Deputy CEO of the Qatar Exchange (previously the Doha Securities Market). He also served as a Board member in Qatar Exchange, a brokerage firm and some other government entities. He served as IT Director at the Qatar Investment Authority (QIA) where he was responsible for establishing the IT department and setting investment and financial system applications. He also served as IT Director at Qatar Olympics Committee and the Head of Applied Systems at the Ministry of Interior. He worked in various positions at Qatar Petroleum directly after graduation. Mr. Al-Mansoori holds a BSc degree in Computer and Management Sciences (USA 1987).
Mr. Al-Mansoori has specialized expertise in the fields of administration, IT and financial services.

QFC AUTHORITY BOARD OF DIRECTORS

BOB WIGLEY
Board Member

Mr. Bob Wigley's current roles include being Chairman of Yell Group plc and Expansys plc. He was appointed an Ambassador for UK Business by the UK Prime Minister in 2011. In 2008, he chaired a panel of leading London financial services company CEOs for the incoming Mayor of London, Boris Johnson, producing a major report on how to maintain London's competitiveness in global terms for the decade ahead, and he now sits on the Mayor's Panel of Economic Advisers. Until January 2009, Bob Wigley was Chairman of Merrill Lynch Europe, Middle East and Africa. He has also been a member of the Court of the Bank of England, a member of the Senior Practitioner Committee of the UK Financial Services Authority, and the FSA's nominated representative on the Market Consultative Panel of the Council of European Securities Regulators.

DR. ARNAB BANERJI
Board Member

Dr. Arnab Banerji is Chairman of Collabrium Capital, an emerging markets investment house. He is a non-executive director of Kames Capital, which is part of the AEGON group. He has held a number of senior financial positions, including at Nomura Securities, Citibank and Foreign & Colonial where he was the group Chief Investment Officer. He has served on the Morgan Stanley Capital International Advisory Board; the UK's Export Credit Guarantee Advisory Board and was a director of CDC, the emerging markets private equity group. For three years he worked in No 10 Downing Street as the Senior Policy Advisor on Economic Affairs to then-Prime Minister, Tony Blair. Arnab is a graduate of Oxford University and has degrees in Human Physiology and Medicine. He is a member of the University's Medical Sciences Advisory Board.

JACQUES AIGRAIN
Board Member

Mr. Jacques Aigrain was CEO of Swiss Re from 2006 to 2009, having joined the company in 2001 as Head of Financial Services, New York. Prior to this, he spent 20 years with JP Morgan Chase, working in the New York, London and Paris offices where he held a number of senior roles, including Co-Head of Global M&A and Co-Head, Client Management. In addition to his role as Chairman of LCH. Clearnet, Jacques is currently a Supervisory Board Member of Lyondell Bassell NV, Deutsche Lufthansa AG and Swiss International Airlines AG. He is also a Non-Executive Director at Resolution Ltd. Jacques is a dual French and Swiss citizen and he holds a PhD in Economics from Sorbonne University, and a MA degree in Economics from the Paris Dauphine University.

QFC AUTHORITY MANAGEMENT TEAM

SHASHANK SRIVASTAVA
Acting CEO and Chief Strategic Development Officer

Mr. Shashank Srivastava joined the QFC Authority in April 2006 and has been instrumental in developing its three hub strategy, focusing on asset management, reinsurance and captive insurance. Shashank has 16 years of global experience in the strategy consulting and investment industries. He previously held key positions with Dresdner RCM Global Investors and Andersen Consulting. Prior to joining the QFC Authority, Shashank worked in the Strategy Department of the Dubai International Financial Centre and was Assistant Vice President at Abraaj Capital. He has also worked for Swiss Re and Prudential in the UK. Shashank earned an MBA from the Manchester Business School, University of Manchester in 1997 and holds a B. Com Honours from the Shri Ram College of Commerce, University of Delhi, India.

FAHAD ISMAIL H.M. ZAINAL
Chief Administration Officer

Mr. Fahad Ismail H.M. Zainal has recently joined the QFC Authority as Chief Administrative Officer. He has a strong background in administration and human resources, and has held a number of previous leadership positions, both at Qatar Project Management (QPM) 2009-11 and prior to that, at Qatar Petrochemicals (QAPCO) where he worked for more than a decade, overseeing human resources, information technology, procurement and general services. Fahad is a member of the Institute of Personnel Development and a certified Quality and Environment Lead Assessor. He also currently sits on the advisory committees of several educational institutions.

QFC AUTHORITY MANAGEMENT TEAM

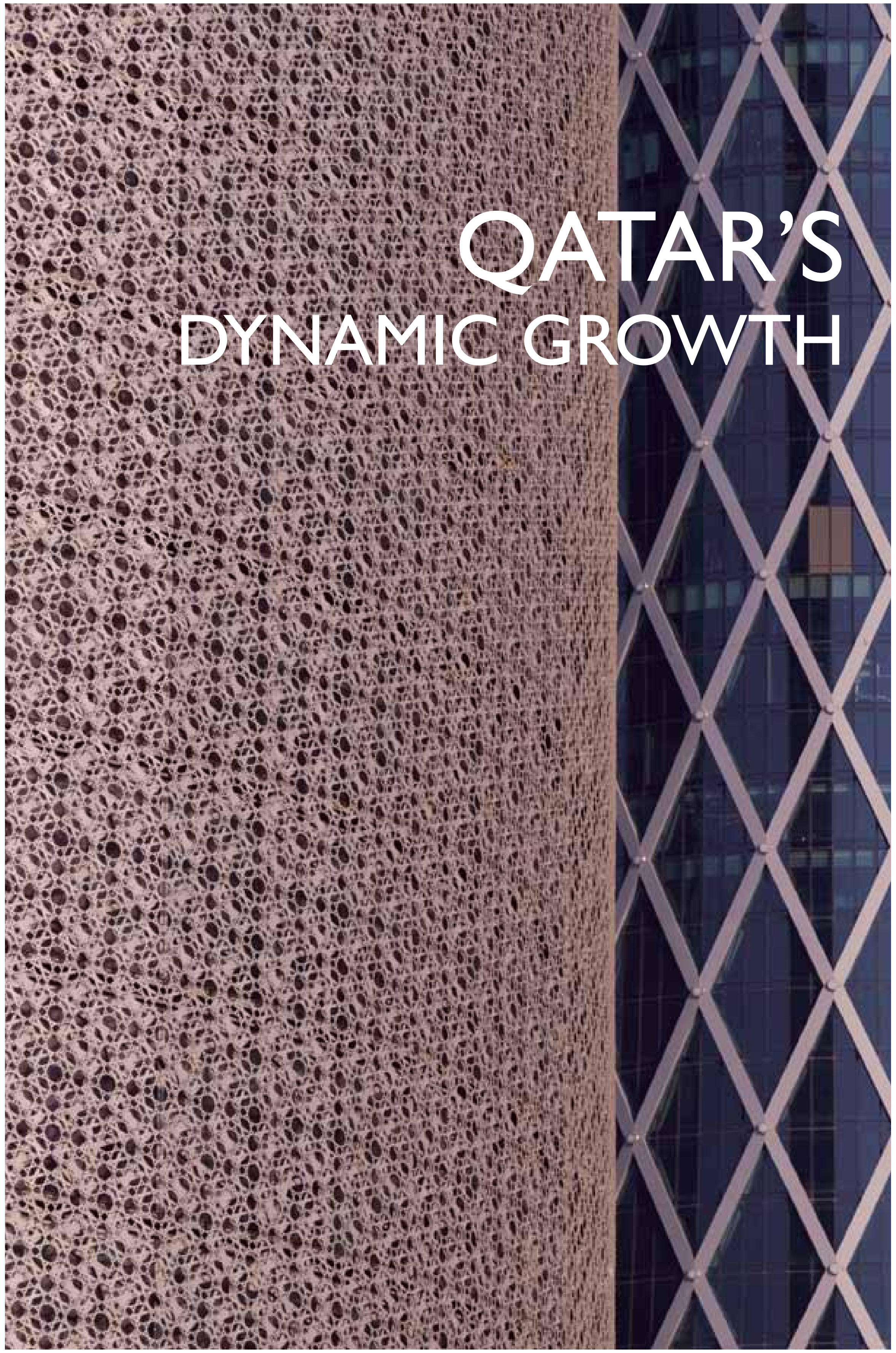
IAN ANDERSON
Chief Finance and Tax Officer

Mr. Ian Anderson joined the QFC Authority in August 2006. He is a Fellow of the Institute of Chartered Accountants and is a member of the UK Chartered Institute of Tax. He spent 10 years as a consultant at PriceWaterhouseCoopers before transferring into the airline and leisure travel industry. As Director of Tax and Treasury of MyTravel Group from 1993 up to his current appointment, he was responsible for worldwide tax planning, including cross-border asset financing, leasing and debt financing. Ian has an MBA from the Manchester Business School and a degree in Economics and Law from the University of Durham.

DAVID DHANOO
Group Chief Legal Officer and Board Secretary

Mr. David Dhanoo joined the QFC Authority in April 2007 as Deputy Chief Legal Officer before moving to Qatar Insurance Services LLC in May 2009 as Chief Legal and Compliance Officer and then re-joining the QFCA as Group Chief Legal Officer in February 2011. David was previously General Counsel and Company Secretary of an Allianz Group company in London where he spent over twelve years. David qualified in 1988 as a Barrister of England & Wales and holds LL.B and LL.M degrees from London University, Queen Mary College.

QATAR'S DYNAMIC GROWTH



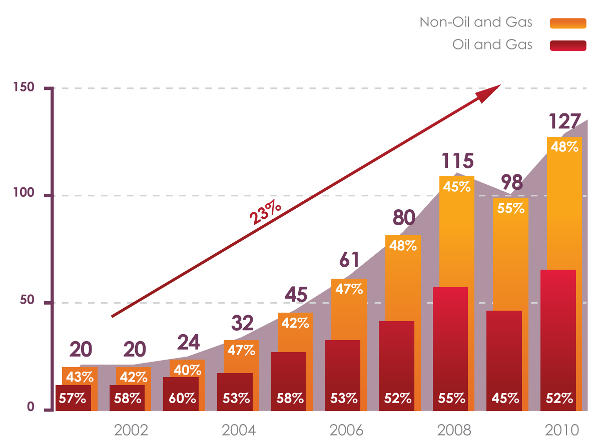
Burj Qatar and Tornado Tower

Though 2011 was a year of profound economic uncertainty in many international markets, it also marked yet another positive milestone in the ongoing development of Qatar's economy and its rapidly expanding financial services industry.

Qatar is now the fastest growing economy in the world with real GDP growth averaging at 16.6% between 2007-2011, according to Qatar National Bank. With a trade balance of approximately US$ 82 billion at the end of 2011, up from US$ 51 billion at the end of 2010, this equates to around 47% of GDP, a stellar performance by any international standard. According to Qatar National Bank, this growth will continue into 2012 with another 10% increase in real GDP forecast for the year.

Historically, Qatar's strong economic performance has been largely driven by its thriving hydrocarbons sector. Qatar has the third largest reserves of natural gas in the world, worth more than US$ 16 trillion. Qatar is also the world's largest exporter of liquefied natural gas (LNG), with a full export capacity of 77 million tons per year.

GDP BY MAIN ECONOMIC SECTORS (2001-2010) (Totals in US$ Billion).



Source: QSA and QNB Capital Analysis

The strong performance of the Qatari economy in recent years has supported a progressive and far-sighted investment in the country's infrastructure at all levels. The sheer scale of Qatar's public and private infrastructure and industrial investment programs is expected to total more than US$ 140 billion over the next five years.

The decision by FIFA to award Qatar the right to host the FIFA World Cup 2022 is another testament to the substantial success of Qatar's development strategy. The event is expected to accelerate much of the existing US$ 140 billion investment budget in terms of related physical infrastructure, such as the State's ambitious rail development plans. One of the direct impacts is an expected investment of US$ 3 billion earmarked to build nine new sports stadiums and to renovate another three.

The basis for much of this wide-ranging investment strategy is attributable to the Qatar National Vision 2030, an economic, social and cultural blueprint for the country's future development. The aim of Qatar National Vision 2030 is to promote a balanced and sustainable growth agenda around four key pillars – Social Development, Economic Development, Human Development and Environmental Development. These four key pillars will create a diversified, knowledge-based economy with a substantial and competitive private sector that will be supported by modern, progressive and pro-business public institutions.

The success of Qatar's economic strategy, its financial stability and its wide-ranging and progressive investment strategy has been recognized by all the major international credit-rating agencies. Standard & Poor's has given Qatar a stable sovereign rating of AA/A-1+ while Moody's has given it a stable sovereign rating of AA2 since July 2007. Qatar's credit rating is stable and the highest in the Arab world.

In addition the most recent World Economic Forum Global Competitiveness Report ranked Qatar as the world's 14th most competitive economy in 2011-12. This represents a jump of three places on the previous year and gives Qatar the highest ranking of all the countries in the Middle East and North Africa (MENA) region.

QATAR'S FINANCIAL SERVICES SECTOR

The financial services sector in Qatar is not just growing at a rapid pace but demand is also accelerating for increasingly sophisticated and tailored financial, capital and risk intermediation services in the country. Qatar's integrated strategy to develop the financial services sector, which is overseen by the Financial Markets Development Committee (FMDC), has already made it an ideal location for regional and global financial services firms seeking to gain a foothold in the fastest-growing region in the world.

In the domestic market, Qatar Exchange (QE) emerged as the 'best performing market' in the Arab region for the second year in a row, with its index growing 1.12% in 2011. At the end of 2011, the market capitalisation of the companies listed on the Exchange amounted to US$ 125 billion.

Another significant step for Qatar's financial sector development will be the introduction of an integrated regulator, which is currently going through a period of careful study and development.

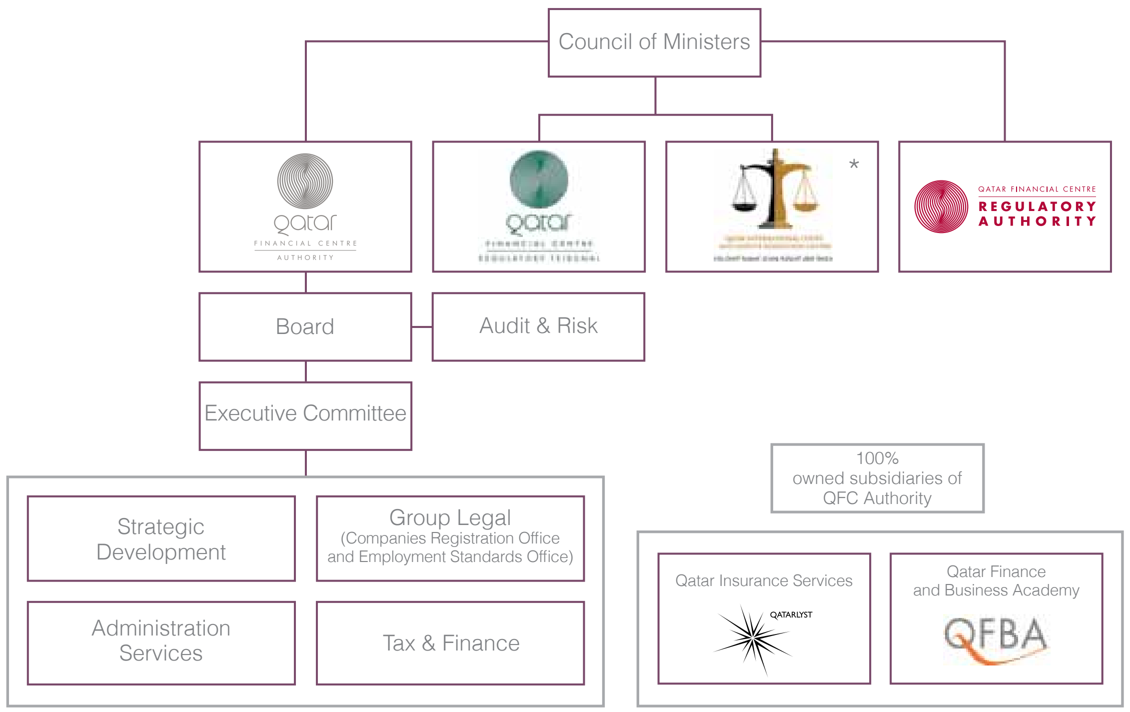
Unifying the regulatory roles of the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority and the Qatar Financial Markets Authority will strengthen the oversight and regulation of financial services activities in Qatar.

This in turn will inspire greater confidence amongst international investors, whilst potentially spurring exciting new growth opportunities for both domestic and international financial services providers in Qatar.

Education City

THE QFC ENVIRONMENT

Museum of Islamic Art



* QICDRC is a trading name for the QFC Civil and commercial court, the QFC Regulatory Tribunal, and the ADR Centre. This maintains a mandatory jurisdiction for QFC related disputes under the QFC law, and also as a regulatory tribunal for appeals against the QFC regulatory authority.

At the heart of the Qatar's growing financial services industry is the Qatar Financial Centre (QFC) and the Qatar Financial Centre Authority (QFC Authority), which is charged with driving all its commercial strategy, ensuring compliance by licensed QFC firms with all non-financial services, QFC regulations and rules, and administering the QFC Companies Registration and Employment Standards Offices. Set up in 2005 by the Government of Qatar, it has met with considerable success in developing a thriving and world-class international financial services centre in Doha, Qatar's modern and expanding capital.

Having attracted many of the world's leading financial institutions to Qatar, the QFC Authority is now taking a more focused role in promoting the development of Qatar's financial sector. In addition to providing a window on banking, insurance and investment opportunities, the QFC Authority's strategy seeks to develop core business strengths around asset management, reinsurance and captive insurance.

The commercial strategy of the QFC Authority is complemented by an independent financial regulator, the QFC Regulatory Authority, as well as an independent judiciary comprising a Civil and Commercial Court and a Regulatory Tribunal.

Modelled closely on other major international financial services centres around the world, and adhering to a principles-based compliance regime, the QFC Regulatory Authority (QFCRA) is the independent and transparent regulatory body of the QFC. It is responsible for regulating, authorising and supervising banking, financial, and insurance-related businesses carried out in and from the QFC. With a broad range of powers vested in it, the QFC Regulatory Authority authorises, supervises and, when necessary, disciplines firms and individuals.

For its part the QFC Civil and Commercial Court derives its powers from the QFC Civil and Commercial Court Regulations and Procedural Rules and provides mechanisms for resolving disputes between QFC firms and their counterparts through a court inspired by international best practice from leading commercial courts around the world, including the Commercial Court in London. The QFC Judiciary also encourages and facilitates various forms of alternative dispute resolution (ADR) such as arbitrations and mediations. When and where appropriate, decisions of the QFC Authority, QFC Regulatory Authority and other QFC institutions can be appealed in a fair and transparent manner to the wholly-independent QFC Regulatory Tribunal.

Amphitheatre at Katara Cultural Village

CORPORATE GOVERNANCE

Good corporate governance is at the foundation of the QFC and its regulatory regime. The QFC Authority plays an important role in ensuring transparency is at the very heart of corporate governance in the QFC. It does this by adhering to well-defined principles of international best practice.

QFC Law and Regulations and a detailed Corporate Governance Policy manual, clearly set out the constitution, powers and roles of the QFC Authority Board, its Chairman and Director General. The QFC Authority's Board is comprised of a wealth of expertise and experience from local and international members, each bringing with them wide-ranging knowledge and expertise in the financial services and business world. The Board is led by its Chairman H.E. Yousef Hussain Kamal and Deputy Chairman, H.E. Sheikh Jassim bin Abdulaziz Al-Thani.

Whilst ultimately responsible to the Council of Ministers, the Board, amongst other things, leads the QFC Authority in determining its strategic initiatives and in overseeing the discharge by the executive management of the day-to-day business of the QFC Authority.

The Board has further established well-defined and effective Audit, Risk and Remuneration Committees to carry out important oversight functions, to ensure the continued effectiveness of the Board.

QFC AUTHORITY SUBSIDIARIES

DR. ABDULAZZIZ AL HORR
CEO of Qatar Finance & Business Academy (QFBA)

QFBA

QATAR FINANCE & BUSINESS ACADEMY

As part of its strategy to develop a world-class international financial services industry, the QFC Authority, in collaboration with the Qatar Foundation, has established the Qatar Finance & Business Academy LLC (QFBA), an educational centre of excellence that delivers innovative, pragmatic and world-leading financial services education aimed at financial services executives at all levels of their careers.

The QFBA forms an integral part of the Human Development pillar in the Qatar National Vision 2030, which will see the transformation of Qatar into a knowledge-based and knowledge-led economy, and is listed in the Qatar National Development Strategy 2011-16 as a means to expand and strengthen capabilities in the financial sector.

The educational and training programmes offered by the QFBA have been designed with best global practice in mind, in collaboration with a number of leading international educational and industry establishments. These include the Toronto Centre, Thomson Reuters, the Chartered Institute for Securities & Investment, the Bath Consultancy Group, the Faculty of Islamic Studies and the International Management & Finance Academy.

JAMES SUTHERLAND
CEO and a Board Member of QIS LLC
General Manager of Qatarlyst SPC

KHALID AL MUGHESIB
Deputy CEO and Board Member

QATARLYST

QATAR INSURANCE SERVICES

Qatar Insurance Services LLC (QIS) is a wholly owned subsidiary of the QFC Authority. QIS also owns Qatarlyst SPC and Qatarlyst Limited (formerly Ri3k Limited), which provides a web-based e-trading service to insurance and reinsurance companies around the world.

With offices in Doha, London and Dubai, Qatarlyst essentially provides buyers, brokers and carriers with a trading platform, with significant benefits. It offers all the online processes required from quoting and placing through to the binding of commercial insurance facultative and treaty reinsurance and Retakaful risks.

The demand for insurance continues to grow apace, with the greatest potential currently being seen in the Middle East where US$ 1.1 trillion is being invested in high-value projects alone. This exponential rise in insurable assets is transforming the GCC region into a new frontier for the global insurance industry. Evidence suggests that the next decade will see a quantum leap for the insurance sector, with analysts predicting a doubling of the Gulf market for Reinsurance and Large Commercial risks (RLC).

Such rapid growth brings a wealth of opportunity for the global insurance and reinsurance markets and leads to an increase in transactions and a greater level of information and paper flow. In turn, that generates a greater administrative burden on all parties involved in a transaction, with a growing need to streamline and improve the essential transfer of data, securely, from one party to another.

Qatarlyst is a new solution which has been developed by the Qatar Financial Centre Authority (QFC Authority) in conjunction with regional industry leaders. It has been created from the recognition and with the firm belief that many of these issues within the reinsurance and large commercial risks community, both in the GCC and elsewhere, can be addressed through the intelligent use of sophisticated yet accessible technology.

THE QFC AUTHORITY HUB STRATEGY

The QFC Authority is focused on the execution of a very clear strategy to develop the QFC three key world-class hubs covering Asset Management, Reinsurance and Captive Insurance.

ASSET MANAGEMENT HUB

The asset management industry in the GCC, and Qatar in particular, is poised for significant growth over the coming years, driven largely by the opportunities to generate emerging market returns in what is a low-risk environment.

This growth has been facilitated by the regional Sovereign Wealth Funds (SWFs) as well as growing numbers of High Net Worth Individuals (HNWIs) on the back of an exceptionally strong economy.

All of this has presented the regional financial services industry with enormous challenges, as well as considerable opportunities for firms looking to gain a foothold in the region or to expand beyond the domestic market.

The QFC Authority's focus in developing a world-class Asset Management Hub is supported by a number of important factors, including a progressive regulatory and tax regime that is amongst the best in the world.

The QFC Authority offers asset managers a robust legal system based on English common law, transparent principles-based regulation and one of the friendliest tax regimes in the world. This includes no tax on the profits of funds, no withholding taxes on distributions from funds, advance rulings on tax-exempt status and access to Qatar's growing network of tax treaties.

The successful strategies employed by the QFC Authority since 2005 have led to a number of leading regional and global asset managers locating in the QFC. These include AXA Investment Managers, Credit Suisse, Barclays Capital, the Industrial & Commercial Bank of China and Deutsche Bank, while local investment managers include QNB Capital, Qatar First Investment Bank, Concordia Capital, and Amwal.

"We made good progress in meeting our strategic goals for asset management in 2011. The QFC Authority is very well-placed to become a leading regional centre for asset management and we expect that 2012 will see further advances in that direction."

Yousuf Al Jaida
Director, Asset Management & Banking

CAPTIVE INSURANCE HUB

The strategy to focus on the establishment of a Captive Insurance Hub at the QFC has stemmed from the need for local and regional companies involved in major capital projects to focus on more effective, efficient and sophisticated alternative risk management strategies.

The global captive insurance industry today is a multi-national business, worth tens of billions of dollars with more than 5,600 captive insurance firms. However, despite this significant growth in the developed world, the captive concept has experienced relatively limited take-up in the Middle East, with only a handful of firms establishing their own captives over the last decade. Lack of awareness of alternative risk transfer mechanisms in general, and the captive concept in particular, is arguably the biggest single impediment to captive growth.

However, the double-digit economic growth rates that have been achieved in recent years have led to greater complexity in business and therefore in the associated risks. Infrastructure spending is increasing significantly and transparency and governance requirements are growing. The combined result is greater demand for more appropriate mechanisms to transfer risk. In turn, this allows more flexibility in the structuring of a company's risk coverage, along with cover more suitable to their needs at more attractive rates.

The QFC's regulatory regime takes account of the changing nature of this growing and hugely important market. The QFCRA has issued a new regulatory framework applying to captive insurers, captive managers and insurance intermediaries. They have been designed to support the development of Qatar as a regional centre for captive insurance. The changes include a new class of insurance captive, a risk-based model for setting minimum capital requirements, and streamlining of the approval process. The QFCRA has also introduced a dedicated rulebook for captive insurance management and insurance mediation.

The regulatory environment at the QFC has benefited from extensive consultation with the industry, which has helped to ensure that the framework in place meets international standards, and provides a strong foundation for the successful development of a captive market in Qatar.

REINSURANCE HUB

The prospects for insurance and reinsurance firms operating in the GCC region have never been more exciting. The insurance industry across the GCC region is poised to grow at a rate of 10% between 2011 and 2013. Qatar, in particular, presents an even larger opportunity, with annual compound growth rates forecast at around 18% between 2011 and 2013.

The opportunities for international and local insurance firms in the GCC are being driven by a number of important fundamentals, including the high infrastructural spending initiatives in member countries, increasing consumer awareness levels, more compulsory lines of business and other factors driving growth. Since 2000, more than US$ 628 billion non-hydrocarbon related infrastructure contracts have been awarded in the GCC region. In Qatar alone, some US$ 140 billion will be invested in infrastructural projects through to 2015 in the build-up to the FIFA 2022 World Cup.

The burgeoning demand for insurance services in the region is also being driven by other factors, not least of which are the spread of mandatory health and motor insurance, other private insurance schemes and ever-growing consumer wealth and sophistication. At the same time, the increasing availability of Takaful Shariah-compliant insurance products is also contributing to the overall growth in the life market.

As demand for insurance grows, so too does the demand for reinsurance products and services. Given Qatar's buoyant economic prospects, the QFC Authority believes the outlook for insurance and reinsurance firms is extremely positive.

Reinsurers that are active in the QFC in Doha will also be able to benefit from close proximity to the fast-growing markets in Qatar, and indeed, the rest of the MENA region.

Likewise, the favourable tax regime is geared to support this growing part of Qatar's financial services industry with a 0% tax rate and no insurance premium taxes.

"The insurance and reinsurance industry in the GCC is at an inflection point. At both the general macroeconomic and insurance industry levels, the region's attractive fundamentals compare favourably with the broader global picture. Additionally, this is likely to grow stronger and will maintain the industry's exceptional growth momentum seen in recent years."

Akshay Randeva
Director, Strategic Development

TAX AND FINANCE, LEGAL AND ADMINISTRATION

TAX AND FINANCE

Since it was set up in 2005, the success of firms operating in the QFC has meant that tax revenues generated from their activities are considerably ahead of target. As the QFC grows through the expansion of new and existing firms, tax revenues should continue to grow.

The QFC Authority has been active in an international context, contributing to Qatar's submission to the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes. It will also be contributing to Phase 2 of the review during 2012.

Qatar ranks 2nd in the world for the ease of paying tax, matched by an attractive tax rate of 10%, both in the QFC and in the State (Paying Taxes 2011 – the Global Picture, produced by the World Bank, the International Finance Corporation and PricewaterhouseCoopers).

During 2011, the QFC Authority also continued its support for a research project into the taxation of Islamic finance projects with a consortium of international banks. QFC firms also continue to benefit from the ever-increasing network of double tax treaties entered into by Qatar.

LEGAL

During 2011, the Commercial Contracts, Legislative and Policy, Compliance and Corporate Secretariat functions in the QFC Authority and its subsidiary companies were successfully merged into a new centralised Group Legal Department. This led to a significant improvement in the quality of work relating to all its legal, commercial, legislative, policy, board secretariat and compliance functions. In addition, the Companies Registration Office function, previously delegated to the QFCRA, was successfully transferred from the QFCRA to the QFC Authority, and now operates as a more independent unit within the Group Legal Department of the QFC Authority.

The centralised team, now comprising Group Commercial Legal Services, Legislation and Policy, Employment Standards Office, Companies Registration Office and Group Corporate Secretariat, has benefited immensely from the central leadership and management of a new Group Chief Legal Officer and Board Secretary. It also benefits from a common legal contracts vision and approach, operating scale and efficiencies, and a one stop shop for the provision of all legal services for the QFCA Group. The centralised approach has created opportunities to increase competencies and to develop local Qatari talent, offers potential for cost reductions in the future and a common legal environment touch point for all QFC firms, government relations and other QFCA stakeholders.

During 2011, the Group Legal Department made significant contributions in a number of areas, as well as introducing improvements in data integrity and refinements in corporate governance by the introduction of an integrated corporate governance policy and manual. The Group Legal Department also introduced much-needed new legislation, such as the Securities Regulations, LLP Rules and certain consequential amendments to the QFCA administered regulations and rules.

ADMINISTRATION

The administrative and operational focus of the QFC Authority, is geared towards ensuring that its resource utilization is prioritized on strategic rather than operational factors. In turn, resources are firmly focused on its hub development strategy. In addition, both Qatar Insurance Services (QIS) and the QFBA link into the administrative support structure of the QFC Authority, when and where necessary, once again leading to optimal resource utilization across the group.

Effective execution of the administrative functions of the QFC Authority is performed by several different teams. Immigration and Government Affairs, Procurement, Marketing and Corporate Communications, Human Resources, Information Technology and Customer Service and Facilities together ensure that QFC Authority implements its strategy as effectively as possible.

As part of its commitment to the Human Development pillar of Qatar National Vision 2030, the QFC Authority continues to support the development of local Qatari professionals.

During 2011, Ms Aisha Al-Ishaq, a Business Analyst with the QFC Authority, was the first Qatari national ever to be awarded the prestigious Mansion House Scholarship by the Lord Mayor of the City of London.
As part of her scholarship, Aisha was awarded an internship with Gatehouse Bank Plc in London, an Islamic investment bank.

KEY ACHIEVEMENTS IN 2011

2011 was another busy year for the QFC Authority. During the year, it was involved in a number of key initiatives, both domestically and internationally, that were aimed at strengthening its existing position in the global financial services arena. At the same time, the QFC Authority succeeded in collaborating with other entities to share knowledge, research global trends in Financial Services, facilitate and promote best practice and spur financial product development.

INCREASED GLOBAL COLLABORATION

As part of its strategy to forge greater co-operation and understanding with other financial services centres around the world, the QFC Authority entered into a Memorandum of Understanding (MOU) in June 2011 with Luxembourg for Finance, the public-private partnership between the Luxembourg Government and the Luxembourg Financial Industry Federation. In September 2011, a MOU was entered into with Pudong New Area Financial Service Bureau (PFSB) in the Shanghai region of China, again to promote a mutually beneficial exchange of knowledge and information. In addition, the QFC Regulatory Authority signed a Co-operation Agreement with the UK's financial services regulator, the Financial Service Authority that establishes a foundation for the sharing of information, resources and technical knowledge between the two Authorities. During the year, other MOUs were signed with Turkey and India.

In total, QFC now has formal relationships with 22 different financial centres around the world, a clear demonstration of its commitment to sharing knowledge and continuous development of financial best practice.

THOUGHT LEADERSHIP IN FINANCIAL SERVICES

During 2011, the QFC Authority continued to endorse and support various thought leadership initiatives in the MENA region that lead to a better understanding of the financial services industry and the many opportunities it offers in the GCC region.

The GCC Reinsurance Barometer is the most comprehensive analysis of its kind in the GCC region. Published twice yearly, this important research tracks changes in sentiment amongst leading reinsurance professionals in the MENA region.

Other publications or commissioned research with which the QFC Authority was closely associated include the following:

- The GCC Captive Insurance Guide
- Global Financial Centres Index
- Quantum Magazine
- GCC Mutual Fund Index 2011
- MENA Funds Directory - Zawya
- Qatar Guide to Asset Management
- Middle East Investment Panorama
- Euromoney International Reinsurance Review Yearbook
- Sovereign Wealth Funds (Financial markets series)
- The quarterly Dun & Bradstreet Business Optimism Index Reports

SUPPORT OF LEADING EVENTS

Hosted by the QFC Authority and Global Reinsurance Magazine, the 5th Annual Multaqa conference was one of the highlights of the year. The two-day conference has firmly established itself as the leading independent international insurance, reinsurance and risk management event in the region and attracted delegates from across the world.

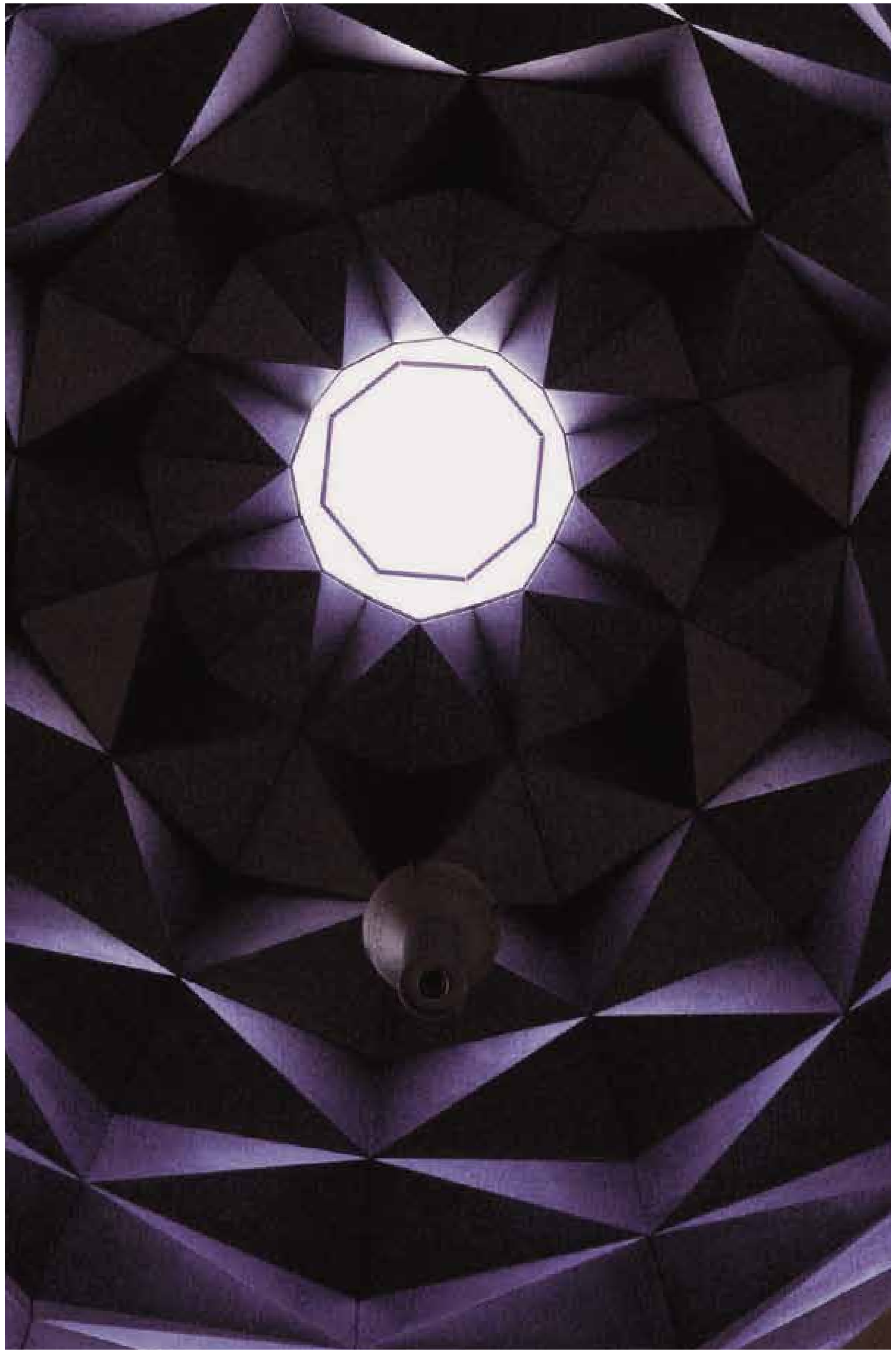
H.E. Yousef Hussain Kamal, Minister of Economy and Finance, opened the conference and delivered the keynote speech. Other keynote speakers included Graham White, Deputy Chairman of Lloyd's of London, Hans Joachim Guenther, Chief Underwriting Officer for Europe and Asia of Endurance and Juergen Gerhardt, CEO of Echo Re.

The QFC Authority also took a lead role in sponsoring other key events and conferences in both Qatar and further afield. These included Fund Forum International in Monaco, the largest asset management industry event in Europe, and Rendezvous de September in Monte Carlo, which was attended by over 2,500 reinsurance professionals.

In October 2011, the QFC Authority also sponsored the Middle East and North Africa (MENA) Investment Management Forum. The forum brought together leading asset management and investment experts, opinion formers and investment decision makers from all countries of the MENA region. Previously known as FundForum Middle East, this was the first time the conference, the premier event for the asset management industry, was held in Qatar.

One of the key highlights of 2012 will be the Global Asset Management Summit partnered by the QFC Authority and Bloomberg. The Bloomberg Doha conference, which will be held in April, will cover a comprehensive spectrum of asset classes and topics, including private equity, fixed income, real estate, hedge funds, oil, and fundraising. More than 250 CEOs, asset managers, CIOs and prominent Qatari decision makers will attend the two-day conference.

GLOBAL PRESENCE



Interior Dome , Museum of Islamic Art

CORPORATE SOCIAL RESPONSIBILITY

The QFC Authority's policy on Corporate Social Responsibility (CSR) reflects its ambition to achieve its business goals, while at the same time adhering to the highest standards of Corporate Citizenship. With this in mind, the Authority strives to improve the environment and continuously looks for opportunities to contribute to the well-being of the local community.

During 2011 the QFC Authority continued to work with a range of charitable, cultural and educational establishments, including the Museum of Islamic Arts, the youth-mentoring programme, INJAZ Qatar, as well as universities within the State of Qatar, including Georgetown University Qatar, Carnegie Mellon Qatar, the Qatar Faculty of Islamic Studies, and Qatar University.

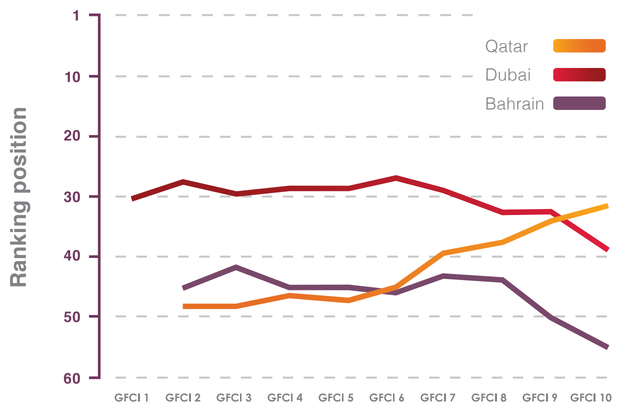
As part of the QFC Authority's commitment to the local community, it worked closely with Qatar Charity and the 2011 Ramadan Charitable Donation Initiative.

A non-governmental organisation, Qatar Charity was set up in 1992 for the development of Qatari society and to meet the needs of underprivileged needy communities. It works in the fields of sustainable development, alleviating poverty as well as providing disaster relief and emergency response.

AWARDS & RANKINGS

The hard work and dedication of the QFC Authority and its subsidiaries, coupled with the emergence of Qatar as a global player in the international financial services industry, has not gone unnoticed. Indeed during 2011, Qatar was ranked as the top financial centre in the Middle East by the Global Financial Centres Index (GFCI) coming in 30th place.

Rankings of GCC Financial Centres according to the Global Financial Centre Index (GFCI)



In addition, the QFC Authority was awarded the 'Best Financial Centre in the Middle East' by Global Investor magazine.

Finally, late in 2011, the QFC Authority won the Financial Services Award of the year at the Arabian Business Achievement Awards Qatar.

LICENSED FIRMS

Despite the challenging regional environment and the strong economic headwinds in international markets, 22 new firms were licensed by the QFC Authority in 2011. QFC Authority has licensed a total of 148 firms since its inception, with a total of 121 active licensed firms, based on the Public Register as of 31 December 2011.

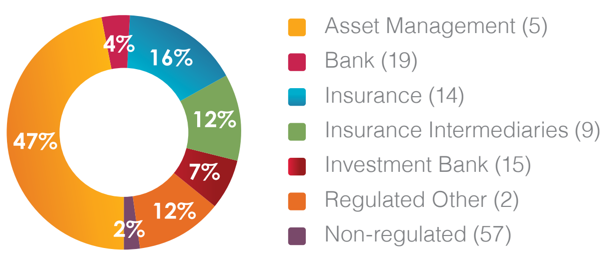
Of these 121 firms, 64 were regulated while the balance, 57, operate in areas such as accounting, legal services, consulting and other professional services.

An analysis of the firms operating in the QFC also shows that 47% are from the Middle East, 28% from Europe, 14% from North America while 11% come from the Asia-Pacific region. In addition, of the 64 regulated firms operating in regulated activities, more than 50% are from countries in Europe, Asia Pacific and North America.

Many of the firms operating in the QFC are leading global players in the financial services industry. These include Deutsche Bank, Credit Suisse, JP Morgan Chase, Goldman Sachs, State Bank of India, Barclays, AON, Citibank, Mitsui Sumitomo and AXA Insurance, to name but a few.

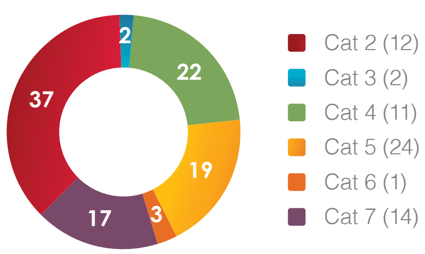
In terms of the financial pedigree of the firms licensed by the QFC, 65% of them are rated by credit rating agencies like Moody's and Standard & Poor's. An impressive 85% of these rated firms all have credit ratings higher or equal to the investment grade BBB or above while 29% are rated A- to AAA.

QFC Licensed Active Firms By Type

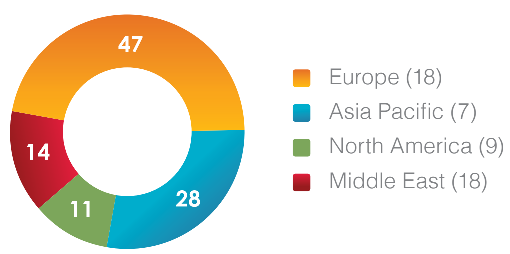


QFC Regulated Active Firms By:

Category



Region



FIRMS LICENSED DURING 2011

QFC Number	Firm Name	Date of QFC License	Permitted Activities / company
129	Concordia Capital LLC	13-Jan-2011	Asset Management
145	Amwal LLC	14-Sep-2011	Asset Management
137	State Bank of India – QFC Branch	4-Jul-2011	Bank
143	Abu Dhabi Islamic Bank – Qatar Financial Centre Branch	31-Jul-2011	Bank
131	Takaful International Company – QFC Branch	15-Feb-2011	Insurance
141	Q-Life and Medical Insurance Company LLC	30-Jun-2011	Insurance
147	Bahrain National Insurance Company BSC (C) QFC Branch	10-Oct-2011	Insurance
128	JPMorgan Chase Bank, N.A.	5-Jan-2011	Investment Bank
139	Regester Larkin Limited	19-May-2011	Consultancy Services
127	Qatar Holding Gold and Resources LLC	5-Jan-2011	Holding Company
133	Qatar Asset Management Company LLC	28-Feb-2011	Holding Company
140	Wi-Tribe Limited	28-Jun-2011	Holding Company
148	Mayhoola For Investments (QFC) – LLC	25-Oct-2011	Holding Company
132	Clifford Chance Middle East LLP	21-Feb-2011	Legal Services
134	McGrigors LLP – QFC Branch	7-Mar-2011	Legal Services
136	Lalive in Qatar LLC	28-Mar-2011	Legal Services
138	Baker & McKenzie LLP	17-Apr-2011	Legal Services
144	K&L Gates LLP	23-Aug-2011	Legal Services
146	Bennett Jones (Middle East) LLP	10-Oct-2011	Legal Services
149	Herbert Smith Middle East LLP	24-Nov-2011	Legal Services
135	Matrix GCC Real Estate Fund LLC	23-Mar-2011	Non-regulated Other
130	SThree Qatar LLC	24-Jan-2011	Professional Services

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