



ANNUAL REPORT 2022

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His Highness Sheikh Mohammed bin Rashid Al Maktoum

Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai



Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum

First Deputy Ruler of Dubai, Deputy Prime Minister, Minister of Finance
and President of the Dubai International Financial Centre

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DIFC's exceptional performance in 2022 demonstrates Dubai's growing role as a major driver of innovation, entrepreneurship, and next-generation technologies in the region's financial sector. The Centre's performance, which has been guided by the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to transform Dubai into one of the world's biggest global financial hubs, reflects its ability to keep pace with global economic shifts and the rapid evolution of the world's financial landscape, and provide a platform for financial companies to tap new opportunities.

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H.E. Essa Kazim

Governor of DIFC

Chairman of DIFC Authority
Board of Directors

Governor's Message

As Dubai's economy continues its impressive growth trajectory, DIFC is proud to play a pivotal role as a significant contributor to the emirate's GDP and a key driver of job creation. This success is a testament to the visionary leadership of the UAE, whose globally recognised management of the pandemic, strategic investments, and business-friendly reforms have paved the way for a thriving economy.

Looking back on 2022, DIFC achieved record-breaking growth, driven by an influx of new companies, a surge in lending activity, and significant investments in wealth and asset management. Our long-term residency schemes and innovation-friendly regulatory framework have also continued to attract entrepreneurial talent from across the globe.

Looking ahead to 2023, our focus is on accelerating the future economy and

building upon our established position as a preferred gateway for businesses throughout the MEASA region. As such, we aim to further enhance our offerings and attract more investments into the UAE's financial sector in the year ahead.

Leveraging our strong performance, which saw a 20 per cent increase in new company registrations and a record-breaking USD 166bn in lending arranged by DIFC firms, we will continue to foster an environment that facilitates innovation, growth, and collaboration.

DIFC remains committed to being a key driver of Dubai's economic diversification and a key proponent in achieving our 2030 Strategy and Dubai Economic Agenda 'D33' goals. We are confident that by working together with our partners and stakeholders, we can achieve even greater success in the years to come.



Arif Amiri

CEO of DIFC Authority

CEO's Message

I am delighted to present the DIFC Authority's 2022 Annual Report, a testament to the exceptional results achieved by the entire DIFC community. With a laser focus on delivering our ambitious 2030 Strategy, we are proud to report another year of remarkable growth.

Driven by our leadership's vision to propel the future of finance, DIFC's comprehensive FinTech and Innovation ecosystem has unlocked extraordinary opportunities and success stories for start-ups, established players, and unicorns alike. This is reflected in our robust client base growth across all sectors, particularly financial and FinTech entities, which leverage DIFC's platform to achieve their exponential growth.

DIFC's combined revenue surpassed AED 1bn for the first time, representing an impressive 18 per cent year-on-year increase. This financial strength fuels our ongoing initiatives and amplifies our ability to attract and empower the industry's most innovative minds.

Looking beyond the numbers, we are immensely proud of the milestones

achieved. Wealth and Asset Management firms within DIFC spearheaded investments worth USD 164bn in 2022, exceeding the previous year's figure. The venture capital scene showcased similar dynamism, with capital raised soaring by 78 per cent to a remarkable USD 1.2bn. The insurance sector mirrored this growth trajectory, with gross written premiums reaching USD 2.1bn, a significant leap from 2021.

These achievements are a direct consequence of DIFC's commitment to fostering a world-class business environment, which this year included DIFC Courts achieving 100 per cent paperless operations and remote hearings, in line with our shared digital transformation objectives.

We are confident that DIFC's continuous focus on innovation will propel Dubai's reputation as a global hub for technology and advancement, solidifying our position as a preeminent centre for financial services. As we move forward, we remain dedicated to collaborating with our valued partners and stakeholders to shape the future of finance and unlock unparalleled possibilities for all.

DIFC Board of Directors



H.E. Essa Kazim

Governor of DIFC

Chairman of DIFC Authority
Board of Directors



Abdulla Alturifi Al Shamsi

Board Member



Abdulla Bin Kalban

Board Member



Hamad Buamim

Board Member



Ahmad Bin Hassan Al Shaikh

Board Member



Khalfan Belhoul

Board Member



Hesham Al Qassim

Board Member

A YEAR IN REVIEW

EXECUTIVE SUMMARY

2022 marked another year of exceptional growth for the Dubai International Financial Centre (DIFC), solidifying its position as the leading international financial hub in the Middle East, Africa, and South Asia (MEASA) region. Driven by strategic initiatives aimed at fostering innovation and attracting leading global firms, DIFC achieved record-breaking milestones across key metrics.

Unprecedented Growth:

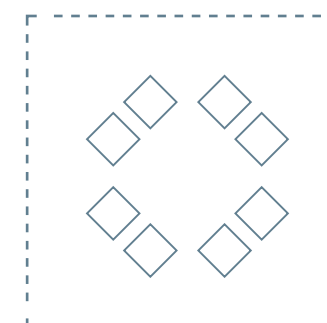
- The number of active registered companies surged by 20 per cent to 4,377, with 1,084 new firms joining in 2022, exceeding the annual milestone of 1,000 for the first time.
- DIFC's combined revenue surpassed AED 1bn for the first time, reaching AED 1.06bn, reflecting an 18 per cent year-on-year increase.
- Operating profit grew by 19 per cent to AED 679mn, highlighting the Centre's financial strength.
- Total assets crossed AED 15.3bn, further solidifying its position.
- The demand for office space skyrocketed, with a record-breaking 809,000 sq. ft. leased in 2022, compared to 349,000 sq. ft. in 2021.

Financial Powerhouse:

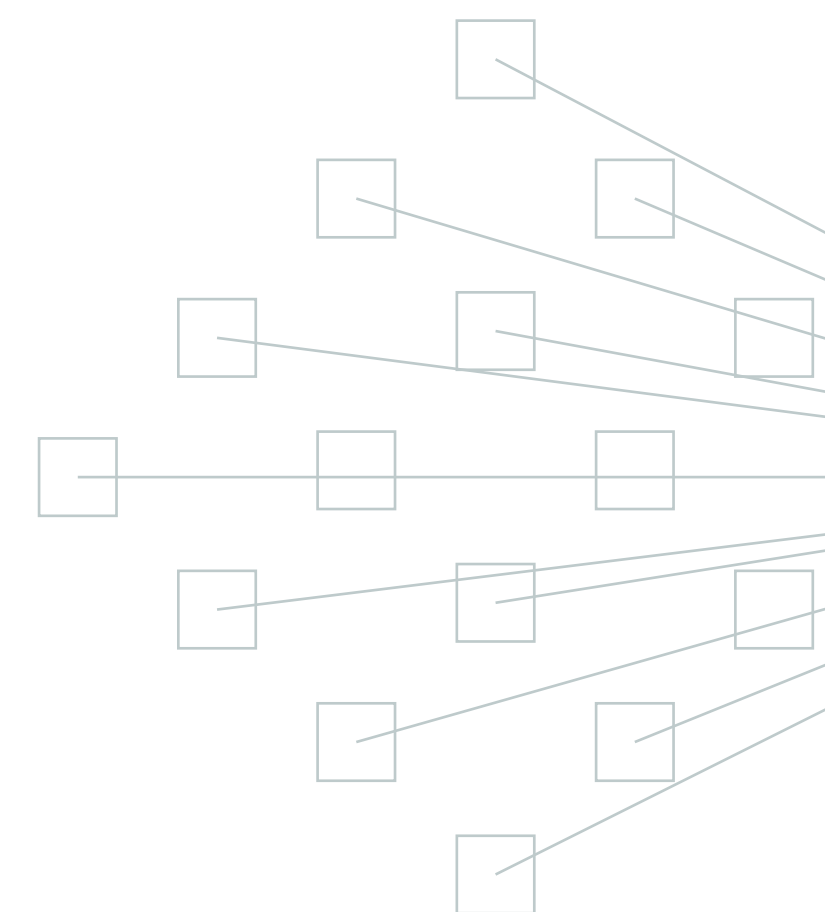
- Despite stable total banking assets of USD 199bn, lending arranged by DIFC firms grew significantly by 54 per cent to USD 166bn.
- As a global hub for emerging market wealth and asset management, DIFC portfolio managers invested USD 164bn in 2022, exceeding the previous year's figure.
- Venture capital activity boomed, with capital raised reaching USD 1.2bn, representing a 78 per cent increase from 2021.
- The insurance sector mirrored this growth, with gross written premiums hitting USD 2.1bn, up from USD 1.8bn in the previous year.

Global Hub for Financial Expertise:

- DIFC continues to attract the world's leading financial institutions, remaining home to 17 of the top 20 banks, 25 of the top 30 systemically important global banks, and a significant presence from the top 10 insurance companies, asset managers, legal and consulting firms.
- It retains its leadership position in MEASA, housing the region's largest clusters of banking, capital markets, FinTech, insurance, wealth and asset management, and professional service companies.



4,377
active registered
companies



FinTech and Innovation: The Growth Engine

- FinTech and innovation emerged as the fastest growing sector within DIFC, attracting over USD 615mn in investments and welcoming a record-breaking 291 new firms in 2022. This surge represents a 36 per cent increase, bringing the total number of FinTech and innovation firms to 686, encompassing start-ups and established global unicorns.

Regulatory Framework and New Entrants:

- The Dubai Financial Services Authority (DFSA) continues to play a vital role in attracting new players. With 89 financial service firms authorised in 2022, the total number of DFSA-regulated entities reached 590, reflecting a significant increase of 74 per cent year-on-year.
- 2022 witnessed the arrival of several notable firms, including ADIB, BIC-BRED, Continental Group International, FinTech unicorn Darwinbox, Jefferies, Habib Bank AG Zurich, Lord Abbett, 1291, Prevensure, Proton, Sculptor Capital Management Hong Kong Limited, 3S Money, United Bank of Africa Group, and Volante.

Looking ahead, DIFC maintains its commitment to fostering an environment that empowers innovation and attracts the world's leading financial minds. As it continues to unlock unparalleled possibilities for its stakeholders, DIFC remains on track to solidify its position as a global leader in shaping the future of finance.



AED 1bn

Combined revenues exceed AED 1bn
for the first time – up 18 per cent from 2021



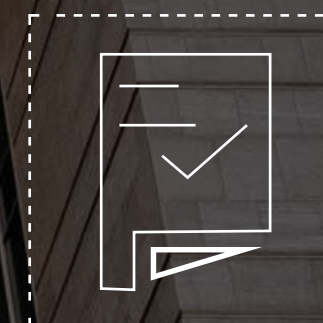
19%

YoY profit
growth



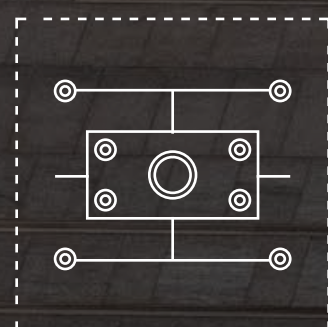
22%

YoY employment
growth to 36,083



4,377

number of active
companies up
20 per cent



+36%

FinTech and
innovation firms



+89

regulated firms licensed
and registered by the DFSA

A competitive, differentiated global financial centre

DIFC has emerged as a transformative force for the UAE's future foreign direct investment (FDI) landscape. Not only did Dubai outperform established financial giants like London, Singapore, New York, and Paris in attracting FDI in 2021, but held the global top spot as a free zone for FDI in the financial sector for five consecutive years (2017-2021). This dominance is reflected in the impressive figure of 58 FDI, DIFC-based projects in 2021, valued at AED 926mn.

As a result, DIFC's impact has performed as a powerful catalyst for sustained economic growth in Dubai, solidifying the emirate's position as a premier global hub. Financial institutions, FinTech companies, and innovation leaders from across the globe have been drawn to DIFC's unique ecosystem while hedge funds, in particular, are increasingly seeking to establish a presence within DIFC, recognising its long-term potential. Today, DIFC manages USD 445bn in assets, further solidifying Dubai's reputation as a secure and reliable investment destination.

The unwavering commitment to transparency and strong governance practices embodied by both the Dubai Financial Services Authority (DFSA) and DIFC play a crucial role in attracting the world's financial heavyweights, with renowned institutions such as Goldman Sachs, Morgan Stanley, and BlackRock all forging a part of our wider community. As DIFC continues to evolve, it remains a cornerstone for the UAE's next generation of FDI, attracting even greater investment and propelling the nation's economic future.

Empowering the future of finance

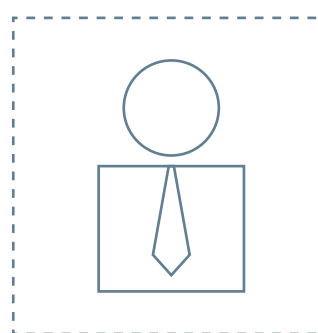
The first quarter of 2022 set the tone for a dynamic year at DIFC. Co-hosting the largest Dubai World Insurance Congress with Global Reinsurance, the event welcomed over 800 delegates from 51 countries. This impressive turnout underscored Dubai's growing reputation as a leading venue for global knowledge exchange in the financial industry.

Further demonstrating its commitment to fostering a diverse and inclusive financial ecosystem, DIFC announced the formation of the eponymous Family Wealth Centre. This pioneering initiative directly aligns with the UAE government's vision to support family businesses and ultra-high net worth individuals (UHNWIs). The Centre is strategically positioned to attract such entities from across the region and globe, establishing Dubai as a premier destination for wealth management.

DIFC's ability to attract leading financial players continued to garner international attention, particularly in the hedge fund space. A tailored proposition offering subsidised license fees and expedited set-up processes proved highly successful with several hedge funds joining DIFC in 2022, and a robust pipeline indicating the potential for continued growth.

The Dubai Financial Services Authority (DFSA) made significant strides in embracing the future of finance by expanding its digital assets regime for DIFC clients. This expansion now encompasses recognised cryptocurrencies, paving the way for supervised innovation in a measured, responsible, and transparent manner. This progressive approach positions DIFC at the forefront of the digital asset revolution.

2022 also witnessed DIFC solidifying its position as a global talent magnet. The year saw the fastest rate of employment growth in DIFC's history with employee numbers exceeding 36,000, a remarkable 22 per cent increase year-on-year. This surge reflects the increasing global recognition of DIFC as a premier hub for both traditional finance and cutting-edge FinTech. Boasting a highly skilled workforce representing over 160 nationalities, DIFC's community is not only a melting pot of diverse talent, but also the highest per capita contributor to Dubai's GDP across all economic sectors.



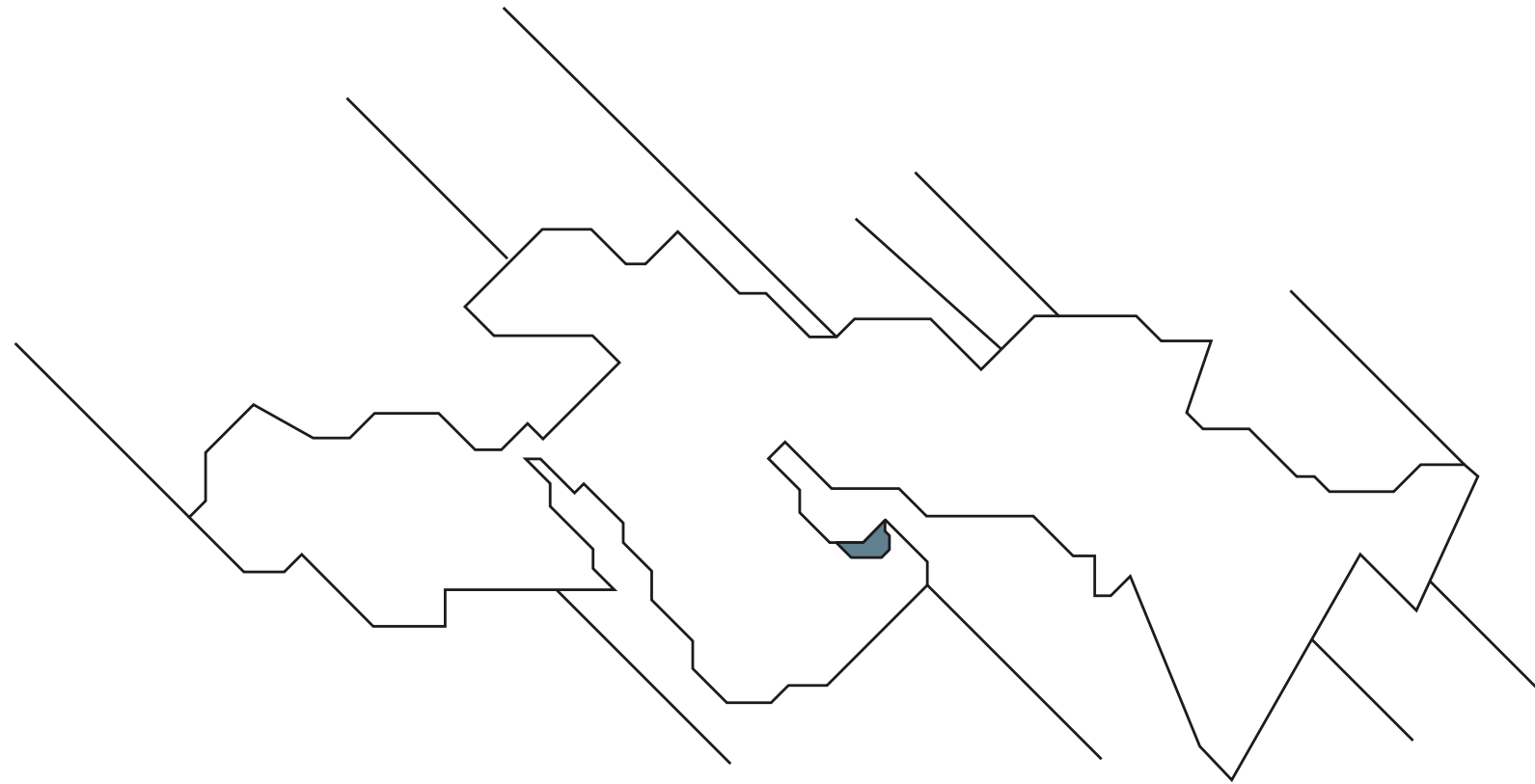
36,083

a 22 per cent
year-on-year increase in
the number of employees.



A global home for FinTech and Innovation

In 2022, DIFC cemented its position as a global leader in financial innovation by spearheading a series of initiatives designed to accelerate the adoption of next-generation technology solutions across the industry.



FinTech Week: Charting the Course for Growth

Kicking off this dynamic year, DIFC hosted FinTech Week, a thought leadership forum that brought together over 1,000 trailblazing FinTech innovators, leading investment firms, established banks, policymakers, and service providers. The event served as a catalyst for discussions around the future drivers of growth in financial services, encompassing 10 key themes critical to the industry's evolution. These themes spanned the cutting edge of technology, including Web 3.0, the metaverse, NFTs, cryptocurrencies, blockchain, payments, embedded finance, open banking, RegTech, and ESG (Environmental, Social, and Governance) considerations.

Scaling Up Innovation: The Dubai FinTech Summit and Beyond

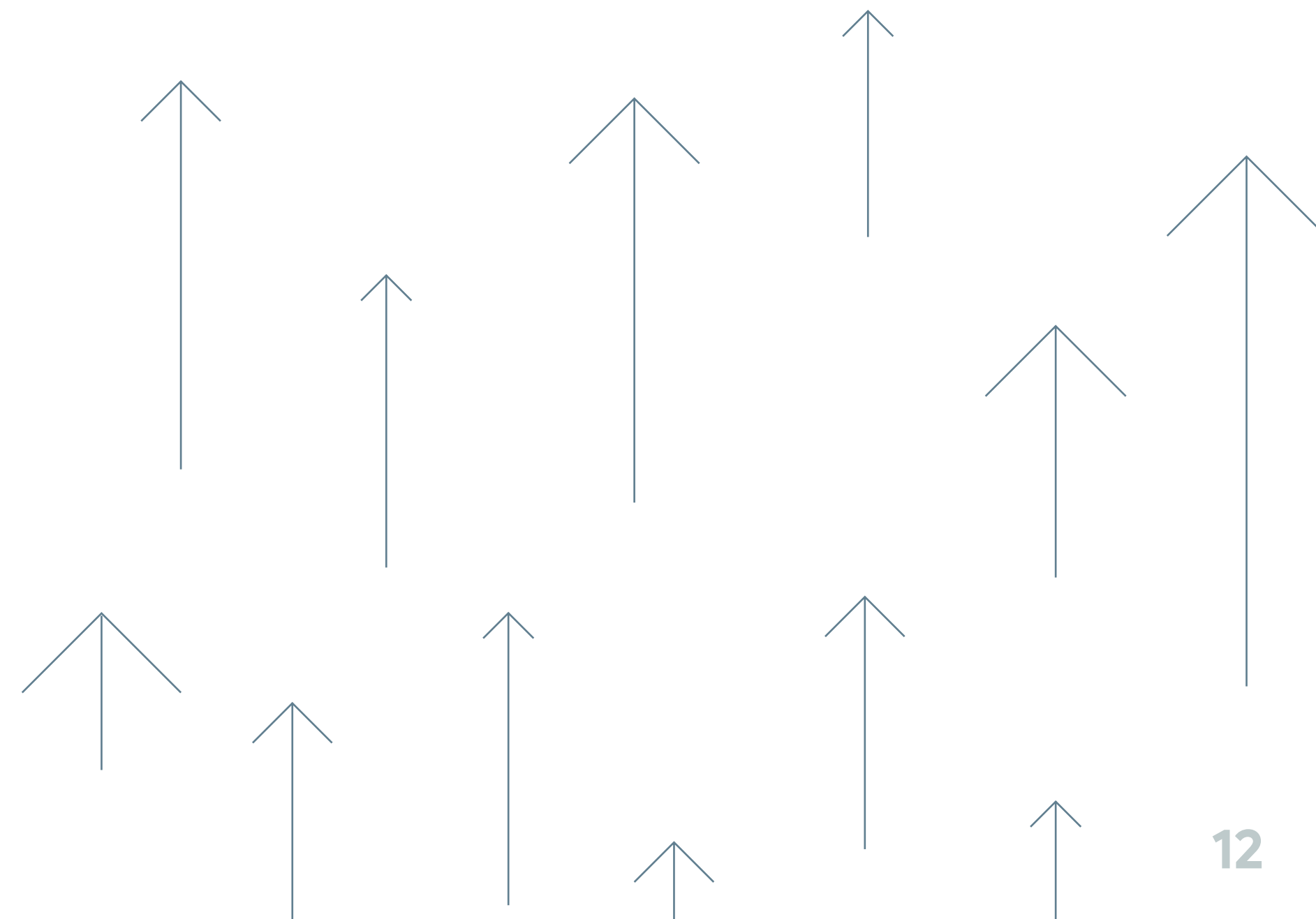
Building on the momentum of FinTech Week, DIFC announced the upcoming Dubai FinTech Summit in 2023. This global event, endorsed by His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, promises to be a landmark occasion. Expected to convene over 5,000 experts, thought leaders, policymakers, and decision-makers in Dubai, the summit will provide a platform to delve deeper into shaping a new wave of innovation, enterprise, and growth for the international financial industry.

DIFC Venture Studio Launchpad: Nurturing the Next Generation of Fintech Stars

Recognising the importance of attracting and nurturing the brightest minds in the industry, DIFC launched the world's first Venture Studio Launchpad with a specific focus on ubiquitous finance and digital asset technologies. This groundbreaking initiative provides comprehensive support for developing, testing, and launching new FinTech ventures, from start-ups and scale-ups to corporate ventures. By offering a holistic development environment, the Launchpad aims to revolutionise the way FinTech companies are built and empowered for success.

Fostering Global Collaboration: Partnering for Innovation

Further solidifying its commitment to fostering a vibrant FinTech ecosystem, DIFC announced a strategic partnership with the Global Start-up Network. This collaboration aims to enhance the relevance and effectiveness of Venture Studios for start-ups, ensuring they have access to the resources and expertise needed to thrive.



Metaverse Investor Day: Embracing the Future of Investment

In a move symbolising its commitment to cutting-edge technologies, DIFC hosted its annual flagship FinTech Hive Investor Day within the metaverse for the first time. This innovative event invited global investors, represented by avatars, to connect and interact with accelerator graduates of DIFC FinTech Hive, the leading financial technology accelerator in the MEASA region.

Open Finance Week and Lab: Building an Inclusive Ecosystem

DIFC further expanded opportunities for industry engagement by hosting Open Finance Week. This dedicated forum provided a platform for knowledge sharing and collaboration between industry stakeholders. Complementing this initiative, DIFC's Innovation Hub launched the region's first Open Finance Lab. This dedicated space fosters the development and growth of the UAE's FinTech sector by providing educational resources and promoting active engagement between banks, regulators, and industry players.

Through these multifaceted initiatives, DIFC has established itself as a global leader in driving financial innovation. By fostering a collaborative environment, attracting cutting-edge talent, and nurturing ground-breaking ideas, DIFC is shaping the future of finance and positioning itself as the preeminent hub for innovation in the years to come.

Leading the Region in Sustainable Finance and Talent Development

Solidifying its position as the leading global financial centre in the Middle East, DIFC not only maintained its top spot in the regional rankings of the Global Financial Centre Index, but also achieved its most significant climb in the global green finance rankings. Underpinned by its collaborative spirit, DIFC partnered with the Global Ethical Finance Initiative (GEFI) to launch a ground-breaking industry-led programme, "The Path to COP28." This initiative, taking place ahead of the UN's crucial COP28 climate conference in Dubai, aims to revolutionise the financial world's approach to achieving Net Zero, unlocking the potential of Islamic Finance for sustainability, and directing resources towards nature, biodiversity, and the UN's Sustainable Development Goals. As the host financial centre for this programme, DIFC is actively facilitating a series of report launches, roundtable discussions, training programmes, and community engagements leading up to the event.

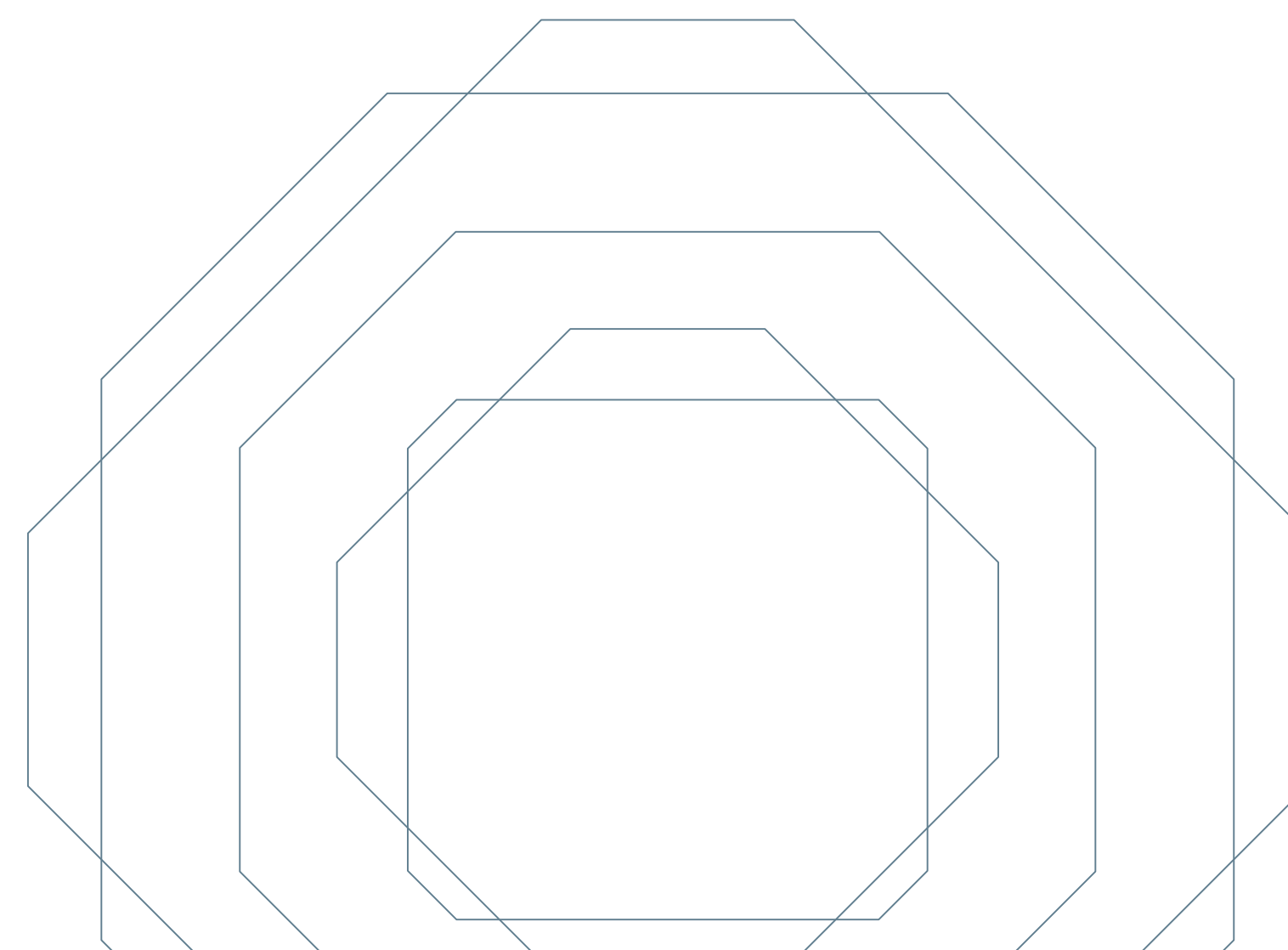
Demonstrating its dedication to sustainability on a national level, DIFC, in collaboration with the Dubai Financial Market (DFM), established the Dubai Sustainable Finance Working Group (DSFWG). This initiative provides companies with a valuable self-assessment tool to measure the maturity of their ESG policies and practices, while aligning perfectly with DIFC's commitment to national sustainability goals, and the strategic initiatives of the UN.

Investing in the future of finance, DIFC Academy continues to be a leading source of premium education, offering a comprehensive curriculum for undergraduate, postgraduate, and executive learners. In 2022 alone, the Academy empowered over 3,600 individuals through its diverse range of programmes. By fostering a culture of sustainability and nurturing the next generation of financial professionals, DIFC is laying the foundation for a thriving and responsible financial ecosystem.



+3,600

the number of individuals
empowered by
DIFC Academy.

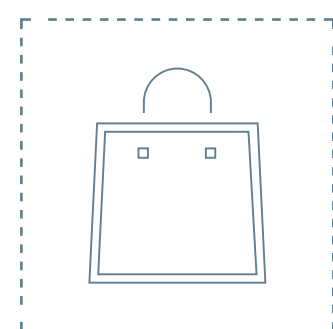


A Community Beyond Finance

2022 solidified DIFC's position not just as a premier financial hub, but also a vibrant lifestyle destination within Dubai. Gate Avenue, DIFC's retail and lifestyle district, experienced a phenomenal year, welcoming 10.34mn visitors – a remarkable 71 per cent increase compared to 2021. This surge reflects DIFC's commitment to providing enriching experiences that go beyond business.

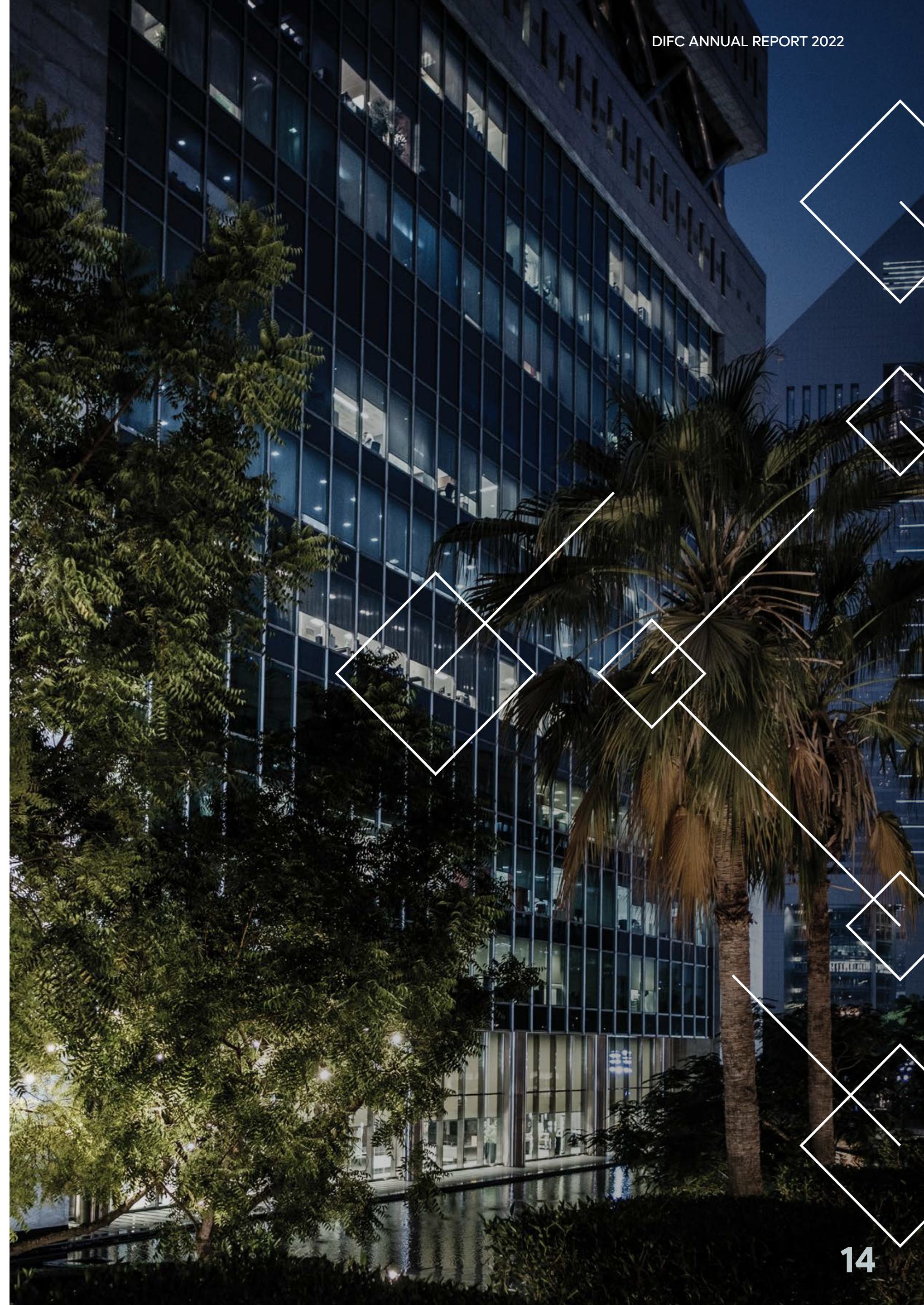
Throughout the year, DIFC's footfall was propelled by a broad calendar of activations. Renowned events like Dubai Watch Week, the Dubai 30x30 Fitness Challenge, and Bloomberg Square Mile continued to draw increasingly diverse crowds. DIFC also embraced innovation, presenting "Prototypes for Humanity" – a thought-provoking showcase of ground-breaking inventions designed to better our world. Sports enthusiasts were also welcomed courtesy of a premium fan zone, specially created for the FIFA World Cup 2022.

These events, alongside a curated selection of world-class restaurants, art galleries, and boutiques, have transformed DIFC into a social hub where residents and visitors can unwind, connect, and discover something new. As a result, DIFC's dedication to fostering a thriving lifestyle scene has played a crucial role towards positioning it as a truly holistic destination – the ideal place to work, live and develop.



10.34mn

the number of visitors to
Gate Avenue, a year-on-year
increase of 71 per cent.



Tripartite Governance

DIFC, a financial free zone as defined in Federal Law No. 8 of 2004, was established by Federal Decree No. 35 of 2004 concerning the establishment of a Financial Free Zone in the Emirate of Dubai as part of its vision to transform the UAE into a hub for institutional finance and a gateway to attract capital and investments into the region. The following three independent bodies have been established in DIFC to achieve its purpose and objectives.

DIFC

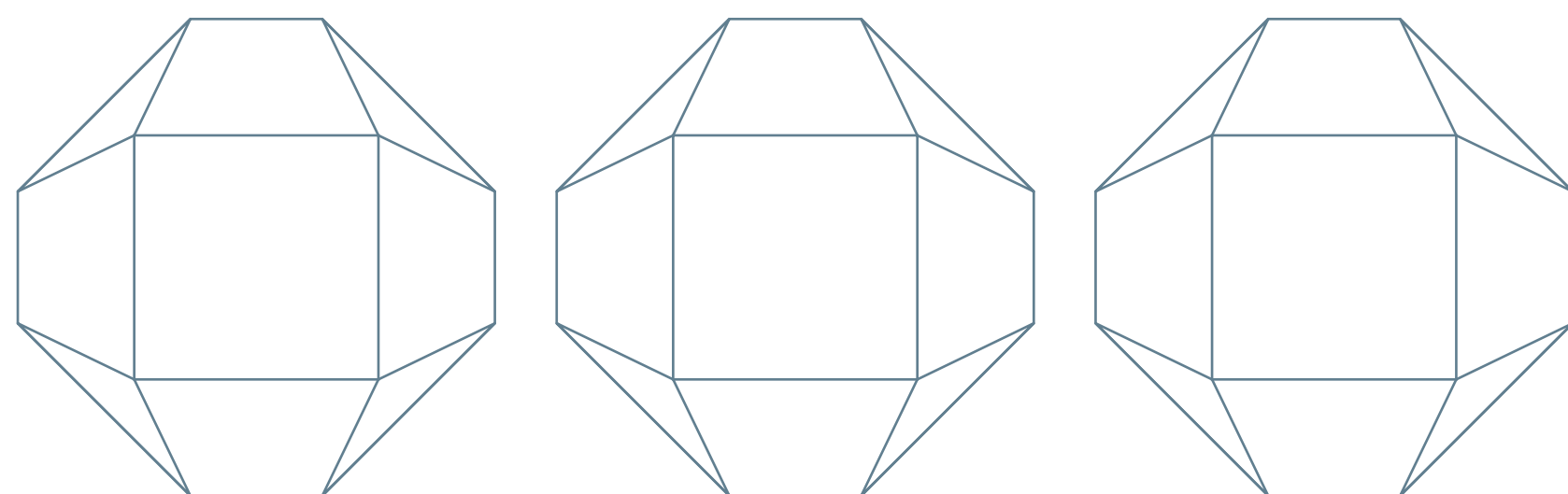
Dubai International Financial Centre Authority (DIFC Authority) was established by Dubai Law No. (9) of 2004, as amended. The DIFC Authority is responsible for the strategy and overall public administration of DIFC. It also is the body charged with the development and administration of laws and regulations other than those relating to the regulation of financial services.

DFSA

Dubai Financial Services Authority (DFSA) was established by Dubai Law No. (9) of 2004, as amended. The DFSA is the independent regulator of all financial services and related activities carried out in and from DIFC.

DIFC Courts

DIFC Courts administers a unique English-language common law system – offering swift, independent justice to settle local and international commercial or civil disputes. The Courts, based in Dubai, provide certainty through transparent, enforceable judgments from internationally recognised judges who adhere to the highest global legal standards. The DIFC Courts are independent of, but complementary to, the UAE's Arabic-language civil law system – offering a choice that strengthens both processes while ensuring public access to world-class justice.





difc.ae