




DIFC AUTHORITY ANNUAL REVIEW 2012

An aerial photograph of Dubai, United Arab Emirates, showing a dense cluster of skyscrapers in the financial district, with a large highway interchange in the foreground and the city extending towards the coast under a clear blue sky.

A Global Crossroads: Dubai ranks 6th out of 53 international financial centres in the “2012 Banker (FT Business)”.

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H.H. SHEIKH MOHAMMED BIN RASHID AL MAKTOUM

Vice President and Prime Minister of the UAE
Ruler of Dubai



H.H. SHEIKH
MAKTOUM BIN MOHAMMED
BIN RASHID AL MAKTOUM

Deputy Ruler of Dubai
President of the Dubai International Financial Centre



MESSAGE FROM THE CHAIRMAN

Since the launch of Dubai International Financial Centre in 2004, we have had one simple purpose: to be a global financial hub. The simplicity of this vision, articulated by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai and along with the enormous support and continued commitment of Dubai's leadership, has helped the Centre achieve so much in such a short time.

As we review our 2012 accomplishments, it is clear that DIFC further solidified its position as the global financial hub for the Middle East, Africa and South Asia. An example of this is the Global Financial Centres Index lifting Dubai from a “transnational specialist centre” to a “global contender”, reflecting Dubai’s multilayered connections with financial centres around the world.

Our success is not only reflected in independent third-party assessments, but also in our own numbers. We saw a steady increase in the total number of companies in the Centre, as well as in the number of people working in the district. Occupancy rates across the Centre remained high, even as new commercial office space was added in DIFC.

We know that there will be challenges, ranging from continued uncertainty about the pace and direction of growth globally, particularly in developed economies, to competition from other financial centres within, and outside of this region.

But as we demonstrated again in 2012, we have our fingers on the pulse of the industry – whether through our international road shows in nine cities, our dozens

of events in Dubai and around the world, and our closer-to-home meetings, workshops and seminars within DIFC – all of which ensures that we are continually speaking with our existing and potential customers. In this way, we continually enhance our appeal.

The establishment of DIFC was as timely as it was visionary, but, ultimately, alongside Dubai’s cosmopolitan lifestyle, and quick and efficient air connections to the region and world, it is only DIFC’s high-quality regulatory framework, excellent infrastructure, and ongoing steps to further enhance our attractiveness that will continue to draw leading global and regional financial institutions, and other related companies, to the Centre.

Looking ahead, DIFC expects to play a significant supportive role in helping realise the recently announced vision of His Highness Sheikh Mohammed to develop Dubai as the leading international centre for Islamic finance. With DIFC Authority’s in-house knowledge and through the expertise of firms across the Centre, DIFC provides an ideal location to develop and list sukuks and other Shari’ah-Compliant products, and to offer wholesale Islamic banking, wealth management and insurance services to the world.

As we grow, we look forward to helping DIFC - registered companies take advantage of the various opportunities this region offers, while also helping the financial services sector and capital markets in this region to deepen. Ultimately, it is our mission to contribute to the development of communities here at home, around the Region and the world.



H.E. Abdul Aziz Al Ghurair
Chairman - Board of Directors

Dubai International Financial
Centre Authority

MESSAGE FROM THE CEO

It is with great pleasure that I present the 2012 Annual Review of Dubai International Financial Centre Authority. The year 2012 was one of success and continued progress in broadening and deepening the financial services ecosystem that has attracted so many firms to the Centre, and that has solidified DIFC's role as the global financial hub for the Middle East, Africa and South Asia.

In its ninth year, DIFC continued to deliver growth and climb the rankings of multiple well-respected international financial centre indices. Dubai rose to 6th place, from 8th, among global financial centres, according to The Banker (FT Business). In the Global Financial Centres Index, Dubai rose to 22nd place, from 29th place, and was identified not as a “transnational” centre, as in the past, but as a “global” centre, reflecting Dubai's expanding linkages with financial centres around the world.*

What's more, our growth not only continued; it accelerated. The Centre granted more than 170 commercial licenses to new firms – a 27 percent increase over 2011.

The Centre was an increasingly busy place, with the number of people working in the district rising to over 14,000, a 16 percent increase over 2011. As well, we saw solid growth among both regulated and non-regulated firms, while our retail and cultural offerings continued to expand and diversify with more restaurant and art gallery openings.

Another sign of the busy environment was the marked rise in the number of ‘authorised firms’, and the decision by several authorised firms already operating in the Centre to upgrade their licenses to a higher category, thereby expanding their scope of operations from the Centre.

* 2012 reports for the Banker (FT Business) and Global Financial Centres Index

As well, we continued to attract firms from across the globe, reinforcing DIFC's reputation as the gateway between East and West. By end-2012, the composition of the Centre's regulated firms was 37 percent from Europe, 26 percent from the Middle East, 18 percent from North America, 11 percent from Asia, and 8 percent from the rest of the world.

The physical infrastructure within the Centre expanded as well, with an increase of over 800,000 sq. ft of new commercial office space arising from the opening of new developments. At the same time, occupancy remained strong, with DIFC-owned office and retail space above 94 percent, while occupancy of DIFC-managed third-party real estate rose substantially to 90 percent.

We also continued to improve our ‘soft’ infrastructure during the year. Several DIFC laws were enacted in the areas of employment, data protection, real property, non-profit organisations and beyond. This was done to ensure that companies operating from DIFC enjoy a legal and regulatory environment that is a peer to the best in the world and in line with the requirements of other top regulatory environments.

As well, we expanded our many global linkages through new memoranda of understanding, business development road shows, and participations in dozens of international conferences, workshops and seminars.

DIFC achieved much in 2012 – and over the past nine years. In fact, it is hard to imagine that in less than a decade, DIFC has emerged to serve a region that extends from Morocco to India and from Turkey to South Africa. However, our vision to be a global financial hub drives us to look for new opportunities to enhance our offerings. We will build on our successes in 2012 as we look to double our size over the medium term. Our strategy will focus squarely on our successful mix of delivering world-class infrastructure and an internationally recognised legislative and regulatory framework. DIFC succeeds because it provides an enabling platform for global and regional companies looking to build fruitful and sustainable business relationships across this region.



Jeffrey H. Singer
Chief Executive Officer

Dubai International
Financial Centre Authority

The Gate Building Alight: As firms from developed and emerging economies alike establish a presence in DIFC, the number of people working in the Centre continues to rise, reaching over 14,000 by end-2012, up 16 percent from a year earlier.



DIFC AUTHORITY HIGHLIGHTS FOR 2012

More than 14,000 people worked at DIFC-registered companies in 2012, up 16 percent from the previous year.

DIFC was home to 293 Authorised Firms, 50 Ancillary Service Providers and two Authorised Market Institutions in 2012.



912 active registered companies were operating within DIFC, up 7 percent year-on-year.

More than 170 new commercial licenses were issued, up 27 percent from the number of new licenses issued in 2011.



There were 345 regulated companies, 450 non-regulated companies and 117 retailers registered with DIFC.



New companies coming into DIFC accounted for the leasing of approximately 260,000 sq. ft of space.

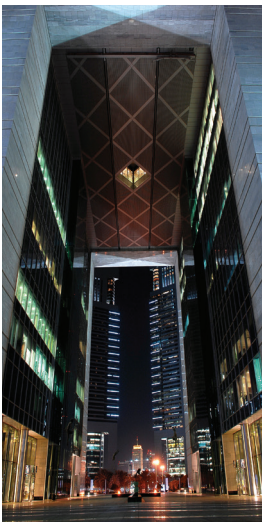
Occupancy was 94 percent in DIFC-owned commercial office space in the Gate building, the Precinct Buildings and the Gate Village.

DIFC installed 3,000 LED bulbs, along with motion sensors, in a project that will save 700,000kWh of electricity a year.

Existing companies added nearly 35,000 sq. ft of additional leased office space.

Dubai was among the top five international financial centres where companies are thinking of opening offices.

More than 400 senior delegates attended the DIFC Forum 2012.



Dubai climbed two places, to 6th, among 53 international financial centres ranked by The Banker (FT Business).



Emirates Palace: At US\$375 billion, the UAE economy was the second largest economy in the Arab World in 2012 and has more than doubled in the past six years, according to the Institute for International Finance.

CORPORATE PROFILE & OVERVIEW

DIFC is the global financial hub for the Middle East, Africa and South Asia, providing a world-class platform connecting this region's markets with the economies of Europe, Asia and the Americas.

VISION

TO BE
A GLOBAL
FINANCIAL
HUB

MISSION

TO PROMOTE THE GROWTH
AND DEVELOPMENT OF
FINANCIAL SERVICES AND
RELATED SECTORS WITHIN
THE UAE ECONOMY AND TO
PROVIDE STATE-OF-THE-ART
INFRASTRUCTURE AND
COMPETITIVE SERVICES
TO OUR STAKEHOLDERS

VALUES

INTEGRITY
TRANSPARENCY
EFFICIENCY



"DIFC successfully established an advanced ecosystem for local, regional and international businesses. Its robust and comprehensive regulatory framework, and the myriad services available to businesses are key factors that enable member organisations to seamlessly function, develop and expand. We look forward towards a long and mutually beneficial partnership."

John Vitalo
Chief Executive Officer, Middle
East & North Africa

Barclays Plc

DIFC IN BRIEF

Dubai International Financial Centre (DIFC) is an onshore financial centre that provides a supportive and secure platform for financial institutions to develop their businesses. Located in a 110-acre financial district, DIFC has all the elements found in the world's most successful financial industry ecosystems: an independent regulator, an independent judicial system with a common-law framework, a global financial exchange, inspiring architecture, powerful and enabling infrastructure, support services and a vibrant business community. This, combined with Dubai's world-renowned lifestyle, education, healthcare and transportation infrastructure, make DIFC the perfect base to take advantage of the region's rapidly growing demand for financial services.



THE REGION'S LEADING GATEWAY FOR CAPITAL

Since its launch in 2004, DIFC has quickly grown to become a global hub for institutional finance and a gateway for capital and investment in a region stretching from the Middle East to the Indian subcontinent. DIFC is the financial and business hub connecting the region's growth markets with the markets of Europe, Asia and the Americas.

Guided by its core values of integrity, transparency and efficiency, DIFC is playing a pivotal role in meeting the growing financial needs of a region that is emerging as a major force in the global economy and is at the centre of a major shift in global capital flows from developed countries to growth markets.

DESIGNED FOR FINANCIAL SERVICES PROFESSIONALS

DIFC has been designed to provide a complete range of business and lifestyle facilities for financial professionals. The infrastructure within the district features ultra-modern office space, retail outlets, cafes, restaurants, gourmet dining, art galleries, residential apartments, public green areas and hotels within prime locations. The DIFC real estate offering currently comprises the Gate building, the Precinct Buildings, the Gate Village, and other buildings, including Liberty House, Currency House and Tower, Index Tower, Park Towers, Sky Garden, Emirates Financial Tower, Daman Offices, Ritz-Carlton DIFC and Limestone House. This growing district houses a thriving financial industry cluster, as well as retail and lifestyle spaces.

DIFC is anchored by the Gate building, an iconic structure that has come to symbolise the region's financial industry development and is considered to be a masterpiece of contemporary architecture.

CORE BODIES

DIFC has three core institutions, each of which operates independently: DIFC Authority, the Dubai Financial Services Authority and the DIFC Courts.

DIFC AUTHORITY

DIFC Authority develops policies and oversees the strategic development, operational management and administration of DIFC. DIFC Authority is also responsible for the development of laws and regulations for non-financial services activities that are not regulated by the Dubai Financial Services Authority. DIFC Authority provides assistance to prospective license applicants at every stage of the application process and welcomes companies operating in the following sectors:

- ♦ Banking
- ♦ Islamic Finance
- ♦ Wealth Management
- ♦ Insurance and Reinsurance
- ♦ Capital Markets
- ♦ Professional Services
- ♦ Management Offices
- ♦ Retail

DUBAI FINANCIAL SERVICES AUTHORITY

At the heart of the DIFC concept is the Dubai Financial Services Authority (DFSA), the independent regulator of financial and ancillary services conducted in or from DIFC. The DFSA's regulatory mandate covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, an international equities exchange and an international commodities derivatives exchange.

DIFC COURTS

DIFC Courts administer an English-language common law system that offers swift, independent justice to settle local and international commercial and civil disputes. The Courts provide certainty through transparent, enforceable judgments from internationally recognised judges, who adhere to the highest global legal standards.

Nearly 500 cases have been resolved through the DIFC Courts since 2007, with over 90 percent of Small Claims Tribunal cases successfully concluded within three weeks. The Courts' community-focused approach encourages early settlement, while their successful track record supports Dubai's growing status as an international business hub.

The DIFC Courts are independent from, 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.

ADMINISTRATIVE BODIES

- ♦ **Registrar of Companies (RoC)**
The RoC is responsible for all matters related to incorporation and registration of companies based in DIFC. The RoC is also responsible for administering DIFC's Companies Law and Regulations.
- ♦ **Registrar of Real Property (RoRP)**
The RoRP administers the Real Property Law and the Strata Title Law, and registers all land and units in DIFC in the DIFC Land Register. The RoRP ensures the protection of the rights of buyers, sellers and leaseholders of all property in the DIFC financial district.
- ♦ **Registrar of Security (RoS)**
The RoS administers the recording and registering of security interests and establishing priority of collateral pledged against loans, guarantees and other financial transactions. The RoS enables banks or any entity inside or outside DIFC to register any security interest that they may take against facilities they have extended to borrowers in DIFC.

SUBSIDIARIES

- ♦ **DIFC Investments**
DIFC Investments LLC (Company) is a limited liability company owned by DIFC Authority. The principal activities of the Company are to possess, own, sell and lease land and any other immovable and movable properties, and develop such properties in order to achieve the objectives of the Dubai International Financial Centre (DIFC). The Company also manages an investment portfolio that includes private equity investments, and regional and international funds.

DIFC AUTHORITY BOARD OF DIRECTORS



H.E. ABDUL AZIZ AL GHURAIR Chairman

Abdul Aziz Al Ghurair is the Vice Chairman of the DIFC Higher Board of Directors & Chairman of DIFC Authority. He is the Chief Executive Officer of Mashreq Group and Chairman of the Abdulla Al Ghurair Group, one of the UAE's largest business conglomerates that employs nearly 65,000 people. He has held numerous high profile posts, including a four-year term as Speaker of the UAE Federal National Council (the UAE parliament) that concluded in February 2011.

Al Ghurair is also the Chairman of Emirates Banks Association and is on the Board of Emirates Foundation. He is a member of the Board of Trustees of the UAE Higher Colleges of Technology and the Chairman of Masafi & Chairman of Oman Insurance Company. He previously sat on the Board of Directors of companies such as Emaar Properties PJSC, Dubai Investments PJSC, Visa International, MasterCard, Dubai Economic Council, the Dubai Chamber of Commerce and Industry and Co-Chairman of the Arab Business Council. He also was a member of the Constitutive Council for GCC Leaders and President of the Knowledge Fund. Al Ghurair trained as an industrial engineer and earned an honour's degree from California Polytechnic State University.



ESSA KAZIM Board Member

Mr. Essa Kazim is the Chairman of Borse Dubai and Managing Director & CEO of the Dubai Financial Market (DFM).

Mr. Kazim began his career as a Senior Analyst in the Research and Statistics Department of the UAE Central Bank in 1988 and then moved to the Dubai Department of Economic Development as Director of Planning and Development in 1993. He was then appointed as Director General of the DFM from 1999 to 2006.

Mr. Kazim holds an honorary Doctorate from Coe College, a Masters degree in Economics from the University of Iowa, a Masters Degree in Total Quality Management from the University of Wollongong and A Bachelor degree from Coe College.

He is currently a Member of the Higher Board of Directors of the Dubai International Financial Centre (DIFC) and the Board of DIFC Authority, Member of Dubai Economic Council, Board Director of NASDAQ Dubai, Board Director of Noor Islamic Bank, Member of the Board of the Rochester Institute of Technology, Board Director of NASDAQ OMX, Member of the Board of Etisalat, Member of the UAE-UK Business Council, Member of the Board of Governors of Hamdan Bin Mohammed E-University and Secretary General of the Higher Committee of Islamic Economy Initiative.



HUSSAIN AL QEMZI

Board Member

A seasoned banker with more than 28 years of experience working with leading financial institutions in the UAE, Hussain Al Qemzi is Group Chief Executive Officer of Noor Investment Group LLC and Chief Executive Officer of Noor Islamic Bank PJSC, the Group's flagship entity. A UAE National, Mr Al Qemzi is an insightful leader with proven experience of incubating, leading and managing strategic ventures and business transformation initiatives. Previously, he was the Chief Executive of Sharjah Islamic Bank and a former board member of Dubai Financial Market and Dubai International Financial Exchange, now called NASDAQ Dubai.

Mr Al Qemzi was Chief Operating Officer of DIFC in its early years and so is credited with helping lay the groundwork for its success. He also is a member of the DIFC Higher Board of Directors, Chairman of the Board of Directors of Awqaf and Minors Affairs Foundation, Vice Chairman of Emaar Properties PJSC, and a member of the Board of Directors of the Emirates Institute for Banking and Financial Studies. Mr Al Qemzi is a member of the Board of Directors of the DIFC Supreme Council and a member of the Dubai Islamic Finance Council.



SAMEER AL ANSARI, FCA, PHD

Board Member

Sameer Al Ansari qualified as a Chartered Accountant in London in 1987 and has worked in Dubai ever since. Mr Al Ansari is the founder of PE Plus a regional business and management advisor. He was the Chief Executive Officer of SHUAA Capital, the region's leading financial services institution, between 2009 and 2011. From 2004 to 2009, Mr Al Ansari was the founding Chairman and Chief Executive Officer of Dubai International Capital, where he created a globally recognised private equity investment company with US\$13 billion in assets under management by 2008. Before that, he was Group Chief Financial Officer for The Executive Office of His Highness Sheikh Mohammed bin Rashid Al Maktoum. Between 1992 and 2000, Mr Al Ansari was Chief Financial Officer at Dubai Aluminium Company (DUBAL), where he played a significant role in the successful transformation of the company into what is today one of the largest and most profitable aluminium companies in the world. Between 1987 and 1992 he worked at Ernst & Young.

MEET OUR SENIOR
MANAGEMENT TEAM



Jeffrey H. Singer
Chief Executive Officer



Nabil M. Ramadhan
Chief Operating Officer



Chirag Shah
Head of Strategy &
Corporate Planning



Roberta Calarese
Chief Legal Officer,
Secretary to DIFC Authority
Board of Directors, Data
Protection Commissioner,
Registrar of Securities



Rajesh Pareek
Chief Financial Officer,
Chief Executive Director, DIFC LCIA



Egyptian Pyramids: Gulf investors, who have long-term optimism regarding the Egyptian economy, are investing billions in the country's economy, buying banks and putting money into sectors such as real estate, tourism and industry.



BUSINESS SECTORS

BANKING

A large number of banks have established a presence in DIFC and use a hub and spoke model to access the region from this single platform. These establishments use DIFC to tap into the region's growing wealth, cross-border trade and investment activity, mergers and acquisitions activity, and ongoing restructuring by state-owned enterprises, corporations and private entities.

In particular, trade is booming in the region. Growth in trade to and from MENA by 2026 is expected to rise 131 percent, compared with a global average of 86 percent.

Construction also is showing strength, with major demand for housing, hospitals, schools, power plants and other infrastructure a key driver, particularly in countries such as Saudi Arabia, Egypt, Qatar, the UAE and India. In the MENA region alone, there are US\$4trillion in projects planned or underway. Meanwhile capital is being pumped into sectors such as technology, infrastructure, education and other areas of significant interest to banks, such as renewable energy.

From DIFC, investment banks are able to service the region's growing financing needs and the increased sophistication of businesses operating in the region, as the corporate sector has expanded and matured. DIFC's legislative and regulatory regime has created a highly conducive and secure environment for the growth of banks offering a wealth of services, including:

- ◆ Commercial banking
- ◆ Investment banking
- ◆ Trade and export finance
- ◆ Project and infrastructure funding
- ◆ Treasury services
- ◆ Correspondent banking
- ◆ Islamic finance

Did You Know?

Today, 19 of the world's top 25 banks have an active presence at DIFC.



ISLAMIC FINANCE

With the recent announcement by HH Sheikh Mohammed bin Rashid Al Maktoum, Islamic business is at the centre of Dubai's growth plans. As Islamic finance sees tremendous growth, driven by a record-breaking 2012 for sukuk issuances and a strong need for infrastructure finance that led to a five-fold growth in infrastructure-related sukuk issued from the GCC. The global Islamic finance industry is estimated at US\$1 trillion and is expected to grow 20 percent annually over 2011-2015, doubling in size during the period.

Islamic finance growth is currently led by countries in the GCC and Asia, which represent half of the global industry. Further, the Islamic fund management industry led by MENA, is worth around US\$ 55 billion with potential to be US\$ 480 billion. DIFC is in the midst of this growth and provides an ideal platform for the industry. DFSA has an independent Islamic Finance Regulatory Regime, which is a special endorsement on the license to conduct Islamic finance activity.

The Islamic finance regime coupled with the DIFC laws, which provide opportunities for developing SPV structures, led to the establishment of the first Islamic REIT in the region in DIFC. Nasdaq Dubai is currently one of the largest sukuk markets in the world and soon is slated to become the largest, thereby underpinning the strength of DIFC as an Islamic finance platform. DIFC is also closely engaged with federal authorities to develop Islamic finance from Dubai as the federal government sees tremendous potential for the sector from DIFC.

CAPITAL MARKETS

Recognising the critical role that well-developed capital markets play in promoting economic development, and contributing to a broad and deep financial services industry, DIFC supports the establishment of specialised international electronic trading platforms such as NASDAQ Dubai and the Dubai Mercantile Exchange. These platforms, which were pioneering initiatives in the region when they launched, today trade products ranging from equities, debt and derivatives to commodities (gold and energy).

The DFSA has contributed to the strength and appeal of these platforms by helping create a sound framework of rules and regulations for the structuring and listing of products and companies. This framework was designed to promote the highest standards of transparency, disclosure and governance. DIFC also supported the establishment of both short- and long-term trading benchmarks for the region through its partnerships with world-class index providers such as FTSE and Dow Jones. These benchmarks help to enhance price transparency and facilitate greater foreign investor participation within the region.

NASDAQ Dubai

DIFC is home to NASDAQ Dubai, the region’s international stock exchange, which lists equities, equity derivatives and sukuk (Islamic) and conventional bonds. Through the exchange, regional issuers can access regional and international investors, and international issuers can access capital from the region.

During 2012, NASDAQ Dubai listed sukuks issued by two major Dubai entities – the international and commercial real estate company Emaar Properties and Jebel Ali Free Zone. The FTSE NASDAQ Dubai UAE 20



index – which tracks the share prices of 20 large UAE companies, including those traded on NASDAQ Dubai – rose 23 percent over the year as market conditions improved. Hamed Ali, a former COO of DIFC Authority, was appointed Acting CEO of the exchange in August 2012, after Jeffrey Singer, who had been NASDAQ Dubai’s CEO since 2008, was appointed CEO of DIFC Authority.

Dubai Mercantile Exchange (DME)

DME is the premier international energy futures and commodities exchange in the Middle East. It aims to provide oil producers, traders and consumers engaged in the East of Suez markets with transparent pricing of crude oil. Launched in 2007, DME has rapidly grown into a globally relevant exchange. Its flagship Oman Crude Oil Futures Contract (DME Oman) is now firmly established as the most credible crude oil benchmark relevant to the rapidly growing East of Suez market. DME is a fully electronic exchange, with regulatory permissions allowing access from 23 jurisdictions, including the major financial centres of Asia, Europe and the United States.

A major shareholder restructuring in February 2012, which saw CME Group increase its stake to 50 percent and OIF increase to 29 percent, helped to ensure 2012 was the DME’s best year to date. This success was continued with the announcement that Reliance Industries, owners of the world’s largest refinery, had chosen the DME to be the first international exchange they would join as members.

DME announced its expansion into Asia with the opening of its Singapore office at the end of the year. 2012 was the first year that DME traded more than 1bn barrels of oil in a 12 month period and the DME Oman contract’s reputation as the largest physically delivered oil futures contract in the world was once again secured. The Exchange finished the year with year-on-year growth of 25.7 percent in December 2012.

INSURANCE AND REINSURANCE

DIFC promotes the development of a thriving regional insurance market through its proven infrastructure, legislation and regulation that has attracted global and regional insurers, reinsurers and brokers. In many cases, international players tie up with regional firms to establish a new entity that is registered in the Centre and that caters to the region's demand for insurance and reinsurance services. A number of factors are driving insurance penetration growth rates that far outpace those of many industrialised countries:

- ◆ More than US\$4 trillion in infrastructure projects planned or under development across the region, most of which require insurance.
- ◆ Growing awareness among individuals and businesses of the beneficial role that insurance plays in risk management.
- ◆ Total premiums generated by 13 MENA insurance markets grew 17.1 percent year-on-year to US\$31.4 billion in 2012.

Takaful – Islamic Insurance

The growing takaful Islamic insurance industry is a special focus sector for DIFC, which is fast becoming a hub for takaful and retakaful. This focus is complemented by Dubai's recent commitment to become a global hub for Islamic financial and broader Shariah-compliant economic activity. As well, the Centre provides a platform for joint ventures aimed at establishing takaful holding companies and Islamic insurance intermediation and management services for the region. Takaful and retakaful is expected to continue to be a strong contributor to overall insurance growth in the Middle East.

Captives

Companies in the region are increasingly recognising the benefits of captives, thereby driving a big push into this sector. For firms looking to finance and manage corporate risk through captives, DIFC's regulatory framework and favourable tax environment offer an attractive platform for the establishment of captive insurance companies. Furthermore, the flexibility of the Dubai Financial Services Authority (DFSA) in providing the regulation of Protected Cell Companies – the regime under which captives are established – reflects DIFC's reputation as one of the most forward-looking financial centres.



SPECIAL PURPOSE COMPANIES

Special Purpose Companies (SPCs) have been used in a range of innovative structured finance transactions – both conventional and Islamic, for both private sector and government-related institutions. The SPC has the potential to become a frequent feature of emerging market structured finance transactions, particularly in the Middle East, Asia and Africa, and represents an alternative to established Special Purpose Vehicles (SPV) domiciles. SPCs registered in 2012:

- ◆ JFZA Sukuk (2019) Limited
- ◆ Tamweel Residential RMBS (DIFC) IV Limited
- ◆ Savory Limited and Savory II Limited
- ◆ Mint Capital SPC Limited
- ◆ Pasture 1 Limited and Pasture 2 Limited



“As a global company with deep roots in the Middle East, we chose DIFC because we believe in staying close to our clients and being active participants in the region's dynamic and enterprising future. DIFC provides Booz & Company with a prime location, impressive infrastructure, an exciting environment, and the opportunity to be part of a thriving community”.

Joe Saddi
Chairman of the Board

Booz & Company

WEALTH MANAGEMENT

The region benefits from a vast pool of wealth and a growing appetite for specialist investment products. Over the past decade, assets under management in the MENA region have tripled, while the number of asset managers has quadrupled, according to Markab Advisory. As well, the MENA region has experienced the highest growth in asset pools globally, reaching US\$1.9 trillion, according to Roland Berger Strategy Consultants.

There is also an increasing demand from high-net-worth individuals for tailor-made solutions that meet their specific wealth management requirements. The Centre’s legislative and regulatory regime has created a highly supportive and secure environment for the full range of asset management entities, including the funds industry.

In compliance with IOSCO principles, the DFSA Funds Regime allows for the domiciling, management and distribution of funds from DIFC. The vast opportunities for investing, managing and administering this enormous wealth has encouraged many of the world’s largest asset managers, hedge funds, private banks and private equity firms to set up within DIFC and take advantage of the ability to:

- ◆ Manufacture and distribute customised mandates and specialist investment products.
- ◆ Manage the world’s largest concentration of Islamic wealth.
- ◆ Offer advanced asset management products to institutional investors, including the region’s large sovereign wealth funds.
- ◆ Access investment opportunities across the region and gain exposure to rapidly growing markets.
- ◆ Tap into the region’s vast pool of wealth for fund raising and seed capital.

Did You Know?

DIFC has attracted 11 of the world’s top 20 money managers.



PROFESSIONAL SERVICES

The region has witnessed a growing demand for professional service firms that play a vital role in the development of sophisticated financial services and products. Increased cross-jurisdictional trade and transactions, as well as the ongoing restructuring by state-owned enterprises, corporations and private entities, generate considerable advisory work. Through its world-class technology and communication infrastructure and its pool of multilingual highly skilled professionals, DIFC has attracted high-calibre firms operating in:

- ◆ Law
- ◆ Accounting and audit
- ◆ Consulting
- ◆ Compliance
- ◆ Recruitment
- ◆ Risk management
- ◆ Data and research

By locating in DIFC, these firms are able to centralise and consolidate the resources used to service the region, thereby gaining a competitive cost of operation. In addition to the growing regional opportunity, professional service firms may benefit from the large captive business and financial clientele already located within the Centre. The expertise available in DIFC through the presence of the world’s major international professional service firms is an important pillar of DIFC’s success as a world-class international financial centre.

Did You Know?

Six of the world’s top 10 legal firms have operations in DIFC.

MANAGEMENT OFFICES

DIFC's attractive legal framework and tax offering has drawn a range of management offices for:

- ◆ Holding companies
- ◆ Proprietary investment offices
- ◆ Single-family offices
- ◆ Marketing operations

Operating a management office in DIFC provides access to a variety of professional services from one location, including wealth and asset managers, private bankers, legal firms, accounting firms, recruitment firms, consultants, corporate governance experts, international tax advisers, captive insurers and experts on Islamic finance.

Single-Family Offices

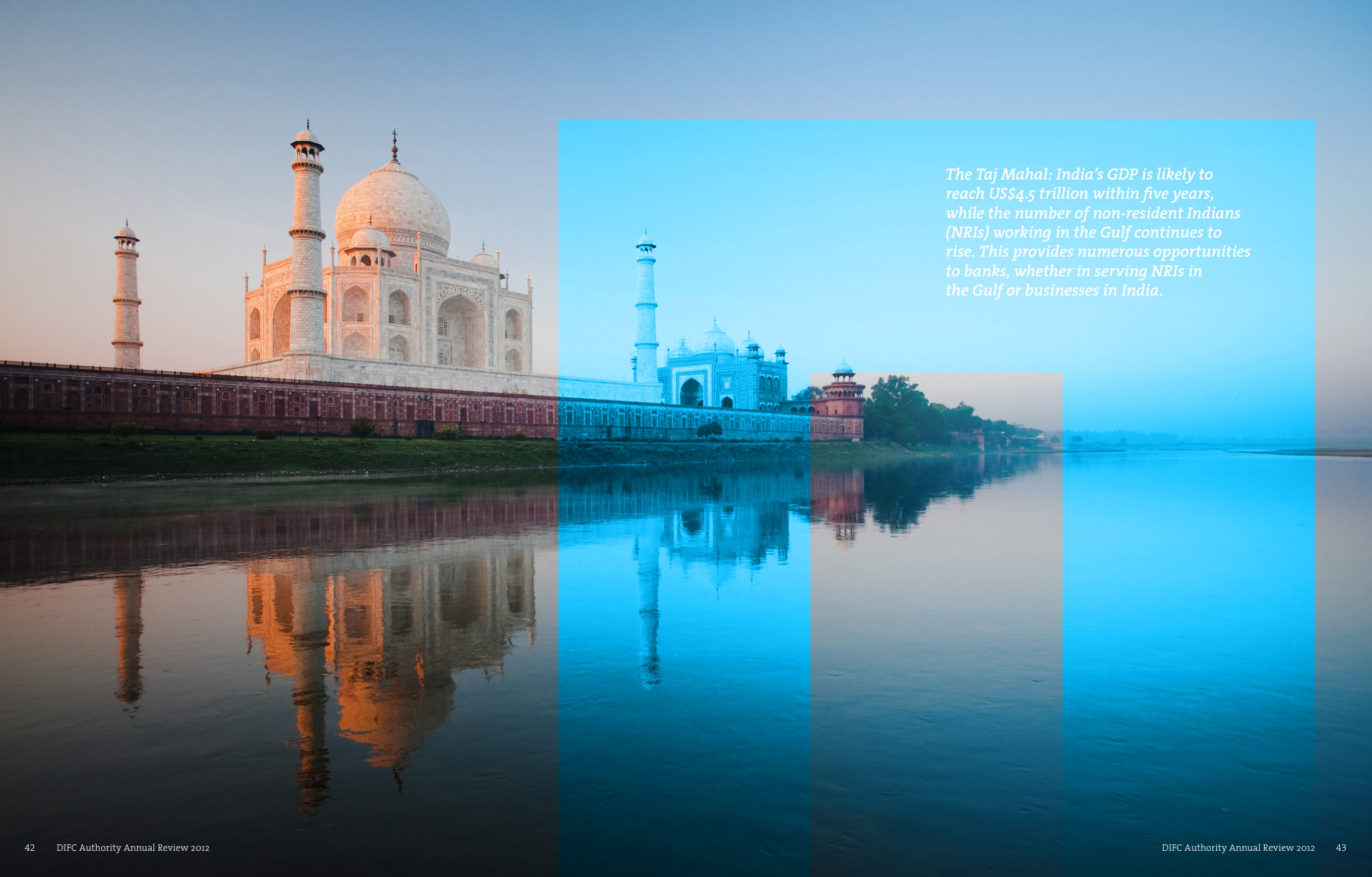
Operating in DIFC, single-family offices benefit from a confidential yet transparent regulatory framework that excludes them from many of the regulatory constraints placed on conventional asset managers operating in the Centre. DIFC was the first jurisdiction in the world to define a family office in legal terms. These regulations, combined with estate and succession planning advisers, corporate governance experts and other available professional services, make DIFC an ideal jurisdiction for family offices.



"DIFC's state-of-the-art infrastructure, its positioning as a global financial hub and its competitive business support services have gone a long way in contributing to AIG's successful growth in the region. AIG is proud to have been one of the first companies to become a part of this key financial hub, which combines dedication to regional excellence with global best practice."

Michael Whitwell
President MEA

AIG



The Taj Mahal: India's GDP is likely to reach US\$4.5 trillion within five years, while the number of non-resident Indians (NRIs) working in the Gulf continues to rise. This provides numerous opportunities to banks, whether in serving NRIs in the Gulf or businesses in India.

BUSINESS HIGHLIGHTS & REVIEW

WIDENING THE COMPETITIVE ADVANTAGE

DIFC continued to enhance its position as the leading international financial centre in the region, with solid growth across all key metrics – including the number of regulated and non-regulated companies, cross-border linkages, geographic diversity of firms, total workers, gross leasable area and retail expansion.

At the end of 2012, 912 companies, including 345 regulated firms, operated from DIFC. This was a 7 percent increase in the number of registered firms year on year. This trend is likely to continue in 2013, since the September 2012 Global Financial Centres Index identified Dubai as one of the top five cities in which financial services firms are thinking to open an office.

The number of people employed by firms operating in DIFC grew even faster, at a strong 16 percent pace and reached over 14,000. Occupancy rates remained high, reflecting the continued demand for DIFC office, retail and residential space. Even with the economic uncertainty resulting from the ongoing crisis in the Eurozone and political volatility around the Middle East, DIFC’s reputation as the international financial hub for the region continued to grow.

345 REGULATED FIRMS

As of end-2012, the 912 active registered companies in DIFC included 345 regulated companies, 450 non-regulated companies and 117 retailers.

Did You Know?

The number of employees working in DIFC is 14,105, up 16 percent from 2011.

Did You Know?

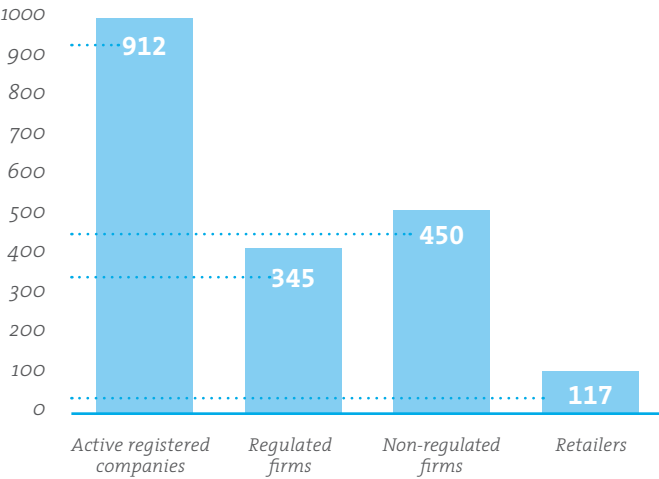
260,000 sq. ft of space was leased by new companies joining DIFC in 2012. Existing companies increased their total leased space by almost 35,000 sq. ft during the year.

Did You Know?

Regulated firms generated 54 percent of all employment in the Centre in 2012 and occupied 56 percent of all leased office space.

During the year, more than 170 new commercial licenses were issued, up 27 percent on the number of new licenses issued in 2011. This included 38 regulated firms, six other firms that obtained their DFSA license in 2012 but had registered previously, 111 non-regulated firms¹ and 22 retailers. Regulated firms represented 38 percent of all companies operating in DIFC. More specifically, regulated firms included 293 Authorised Firms (AFs), 50 Ancillary Service Providers (ASPs) and two Authorised Market Institutions (AMIs)².

There was a marked rise in the number of ‘authorised firms’. As well, a number of authorised firms already operating in the Centre – including Bank Sarasin-Alpen (Middle East) Limited, UBS AG and VTB Capital PLC – chose to upgrade their licenses to a higher category in 2012, thereby expanding their scope of operations in the Centre. These numbers reflect the significant increase in business activity and transactions from within the Centre.



All figures represent end-2012 data.

¹ The universe of companies in DIFC comprises two kinds of firms: 1. Regulated firms – Firms that conduct financial services or are engaged in the provision of professional and advisory services and are regulated by the DFSA. 2. Non-regulated firms – Firms carrying out other business activities.

² In order to conduct financial services through the Centre, firms need to be licensed and supervised by the DFSA. Authorisation is given in the form of a regulated licence that is issued specifying the type of financial services that can be conducted in or from the Centre. There are three categories of regulated licences: 1) Authorised Firms (AFs) – banks and financial institutions licensed to carry out a number of permitted financial services activities in the Centre. 2) Ancillary Service Providers (ASPs) – firms engaged in the provision of legal and/or accounting services. 3) Authorised Market Institutions (AMIs) – entities that provide the financial service of operating an exchange and/or a clearinghouse in DIFC.

A SAMPLING OF DIFC'S GROWING COMMUNITY

During the year, five major international banks expanded their operations in the Centre:

- ◆ Bank Sarasin-Alpen (ME)
- ◆ Barclays Bank
- ◆ The Bank of Tokyo-Mitsubishi UFJ
- ◆ UBS AG
- ◆ VTB Capital

Did You Know?

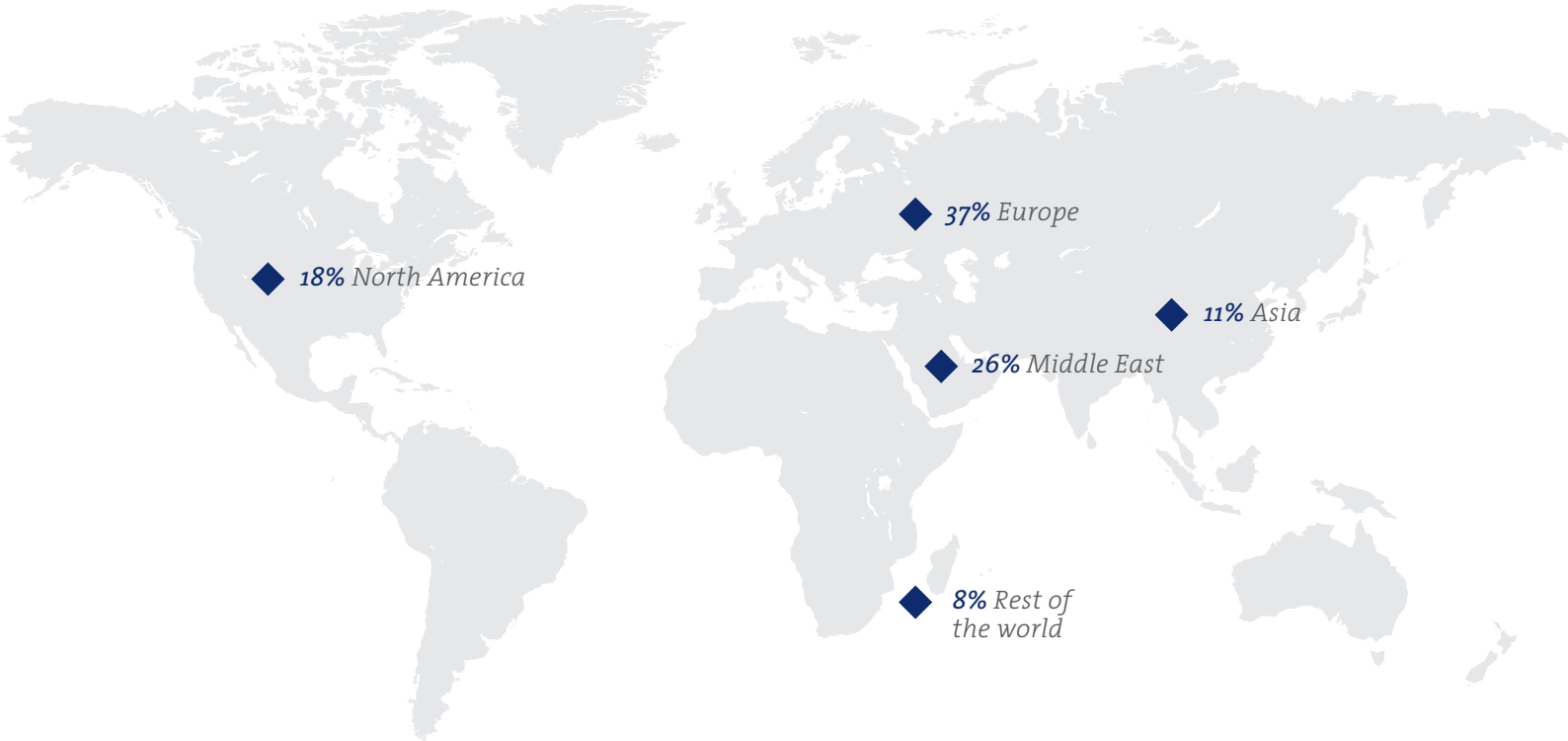
DIFC Authority reported a client satisfaction level of 87 percent, according to an independent survey released in 2012.

Some of the new regulated companies in DIFC during 2012 included:

- ◆ Abu Dhabi Capital Management
- ◆ Bank of China Middle East
- ◆ Dechert
- ◆ Guy Carpenter (Middle East)
- ◆ Neuberger Berman
- ◆ Royal & Sun Alliance Insurance
- ◆ Standard Life

EXPANDING THE DIVERSITY OF FIRMS

Reflecting DIFC's significant role as a global financial centre and gateway between East and West – and its ability to support companies looking to address the shifting centre of gravity in global finance, economic activity and capital market growth – the Centre continued to host a diverse geographical mix of regulated firms. Approximately 37 percent of regulated firms come from Europe, 26 percent come from the Middle East, 18 percent from North America, 11 percent from Asia and 8 percent from the rest of the world.



"As the most internationalised and diversified bank in China, Bank of China is proud to be a member of the growing community in DIFC which creates excellent infrastructure and a business-friendly environment. We truly believe that a New Silk Road will witness the prosperity and development between China and MENA under our effort."

Cai Chunyan
Senior Executive Officer

Bank of China Middle East

ENHANCING THE LEGAL FRAMEWORK

DIFC continued to build on its internationally recognized regulatory framework and legal system in order to support the growth of financial services and commercial activities carried on by firms operating from the Centre.

During 2012, several DIFC laws were enacted and came into force during the course of the year. These laws included:

- ♦ Markets Law (DIFC Law 1 of 2012) – administered by DFSA
- ♦ The Regulatory Law Amendment Law (DIFC Law 2 of 2012) – administered by DFSA
- ♦ Employment Law Amendment Law (DIFC Law 3 of 2012) – administered by DIFC Authority
- ♦ Real Property Law Amendment Law (DIFC Law 4 of 2012) – administered by DIFC Authority
- ♦ Data Protection Law Amendment Law (DIFC Law 5 of 2012) – administered by DIFC Authority
- ♦ Non-Profit Incorporated Organisation Law (DIFC Law 6 of 2012) – administered by DIFC Authority
- ♦ The DIFC Laws Amendment Law (DIFC Law 7 of 2012) – administered by DFSA

The Non-Profit Incorporated Organisations Law introduces a new regime for non-profit organisations that supports the growth and development of the financial services sector in DIFC.

The amendments to the Employment Law, Real Property Law and Data Protection Law seek to provide greater legal certainty by addressing a number of deficiencies and practicalities that have been identified since the establishment of DIFC in 2004. The Board of Directors of DIFC Authority also made regulations under the Non-Profit Incorporated Organisations Law and the Data Protection Law.

DIFC LCIA Arbitration Centre

The Arbitration Centre is dedicated to the effective resolution of business disputes through arbitration and mediation. The Arbitration Centre has a unique standing among professionals in the international arbitration and mediation community due to three key factors. Firstly, arbitrations conducted in DIFC are governed by DIFC's Arbitration Law, a state-of-the-art law based on the UNCITRAL Model Law on International Commercial Arbitration. Secondly, the proceedings are supervised by the DIFC Courts, whose judicial panel includes eminent judges from around the world. Thirdly, the Arbitration Centre, closely supported by the LCIA, offers all the services offered by the LCIA casework secretariat in London. The DIFC-LCIA Arbitration Centre's arbitration and mediation rules are a close adaptation of the LCIA Rules. They are universally applicable and compatible with both civil and common-law systems, offering the business community, lawyers and arbitrators a comprehensive and modern set of rules and procedures. The Arbitration Centre has access to the LCIA's unique database of qualified legal and non-legal arbitrators, enabling it to appoint tribunals of the highest calibre.

The new Markets Law further aligns the DIFC regulatory framework with other international markets, particularly in Europe, and more broadly gives investors a greater degree of protection. The law enacted changes to prospectus disclosure, to the definition of what activities constitute an offer, market misconduct provisions, corporate governance and oversight of auditors.

The Regulatory Law Amendment Law makes relevant amendments regarding Recognised Persons and makes consequential changes to the Collective Investment Law 2010 and the Law Regulating Islamic Financial Business 2004, in light of the new Markets Law. The DIFC Laws Amendment Law amends the Regulatory Law 2004 in order to expand the jurisdiction of the Regulatory Appeals Committee to hear appeals of decisions of the DFSA. It also amends the definition of Privileged Communication to ensure that the UAE complies with the OECD principles on the exchange of information between countries for tax purposes.



GROWING THE BUILT ENVIRONMENT

An important component of DIFC’s success as an international financial centre is the excellent quality of the buildings and public spaces. All the buildings in DIFC – whether owned by DIFC, managed by DIFC on behalf of third-party owners, or third-party owned and managed – reflect a common beauty and elegance that has come to define the architectural style in the Centre. High build quality, and the latest information and communications technologies also can be found across the district.

During 2012, new companies opening in DIFC leased approximately 260,000 sq. ft of space, while organic growth among companies already present in the Centre occupied nearly 35,000 sq. ft of additional space. As a result, the occupancy rate across the 1.37 million sq. ft. of leasable commercial space in the DIFC owned Gate District (the Gate building, Precinct Buildings and Gate Village) was 94 percent, while the occupancy rate for the 229,000 sq. ft of DIFC-owned retail space was 98 percent.

There also was a high 90 percent occupancy rate for the 535,000 sq. ft of third-party owned office space that is managed by DIFC under the Property Lease Management Agreement. This space includes Currency House, Currency Tower and part of Liberty House.

During 2012, one new office tower, the Daman Offices, opened, adding 877,553 sq. ft of commercial space to the Centre. It joined the other third-party owned and managed properties in the district, which include Index Tower, Park Towers, Emirates Financial Towers and part of Liberty House.

On an operational level, a new entity - DIFC Properties - was established with responsibility for managing DIFC’s real estate portfolio and delivering the district’s real estate master plan. The new CEO of DIFC Properties, Brett Schafer, was later appointed in the first quarter of 2013.




Completed Real Estate Projects in DIFC (including those delivered in 2012)

DIFC - Built Plots	Total GFA (sq. ft)	
The Gate and Precinct Buildings	1,653,313	
Gate Village	1,050,782	

Developer-Built Plots	Total GFA (sq. ft) (office, residential, retail and hotel)	Office
Ritz Carlton & Limestone House	1,814,993	0
Al Fattan Tower	834,330	798,454
Park Towers	1,208,680	267,118
Emirates Financial Towers	761,565	652,661
Liberty House	623,985	346,062
Index Tower	2,179,519	863,742
Sky Garden Towers	888,584	0
Daman Offices*	877,553	877,553
Total	11,893,304	6,509,685

*Delivered in 2012

An aerial night photograph of Riyadh, Saudi Arabia. The Kingdom Tower, a tall, slender skyscraper with a distinctive arch at the top, stands prominently in the center-left. The city is densely packed with buildings, and the streets are illuminated with lights, creating a vibrant urban scene. The sky is a deep blue, and the overall atmosphere is one of a bustling metropolis.

Kingdom Tower: Saudi Arabia is the MENA region's largest economy and one of its most dynamic. GDP continues to show strong growth, particularly in the non-oil sector as the country pursues economic diversification and further boosts its investment environment, which is the region's most attractive and 22 of 185 worldwide.

GLOBALLY CONNECTED CENTRE

RISING THROUGH THE RANKS

Throughout the year, Dubai was recognised by a variety of independent and well-respected institutions as the preeminent international financial centre for the region. As in past years, these results were driven in significant part by the quality of the physical, regulatory and lifestyle infrastructure within DIFC, the breadth and depth of services offered, and the Centre's extensive linkages with other financial hubs. Equally important is Dubai's already well-established reputation as a business, logistics, trade and tourism hub.

The Global Financial Centres Index (GFCI) 12, which was published in September 2012, ranked Dubai as the top centre in the region. Ranked 22nd overall, Dubai was up seven places from the prior GFCI, released in March 2012. The GFCI twice yearly tracks the competitiveness of more than 77 international financial centres. Dubai was one of the top five centres where companies are thinking of opening offices, following Singapore, Hong Kong, London and Shanghai.

In the annual The Banker (FT Business) ranking, Dubai rose two places in 2012, to 6th place out of 53 international financial centres, up from 8th place. The Banker (FT Business) ranked Dubai ahead of centres such as Zurich, Tokyo, Geneva, Luxembourg, Dublin and Chicago, and named it the 3rd best location in the world for inward FDI in financial services.

ENGAGING THE GLOBAL FINANCIAL COMMUNITY

Dubai was recognised in the 12th Global Financial Centres Index for the high level of connectivity to other international financial hubs. This is the result of many factors, including Dubai and DIFC's large, and growing network of relationships with companies, regulators and other organisations from around the world operating in the field of financial services.

This ongoing practice of engagement results in business development opportunities for all parties. As well, by sharing best practices, knowledge and expertise among regulators, government authorities and other entities, DIFC helps improve the operation of the global financial services industry.

In 2012, DIFC Authority continued to focus its global business development efforts in the key geographies of China, Japan, India and the United States. These road shows and participations in international events served to raise awareness of DIFC and its benefits to companies operating across all business and financial sectors. As well, they helped build linkages with other leading financial centres. Some of the international institutions that DIFC Authority continued to work with during the year included the International Monetary Fund (IMF), The World Bank and the Institute of International Finance (IIF).



"We appreciate all the support we have received from DIFC since Dechert LLP first opened its doors in Dubai. The Centre's diligence, professionalism, solid infrastructure and responsiveness have proved invaluable, not only to ourselves in Dubai, but to the services we provide our clients throughout the Middle East and around the world."

CHRIS SIOUFI
CO-MANAGING PARTNER

Dechert LLP

SHARING THE DIFC STORY

Generally road shows comprised meetings with potential clients and partner organisations, and government and regulatory bodies. They provided valuable opportunities for media coverage, which was enhanced by invitation-only media roundtables that amplified DIFC's media exposure in the visited markets. Four road shows were held during the year:

- ♦ **China:** Hong Kong, Beijing and Shanghai
- ♦ **India:** Mumbai
- ♦ **Japan:** Tokyo
- ♦ **United States:** San Francisco, Los Angeles, Boston and New York

DIFC Authority participated in the following international events:

- ♦ **Istanbul:** European Dialogue Conference.
- ♦ **Jeddah:** Jeddah Economic Forum, held by the Jeddah Chamber of Commerce & Industry.
- ♦ **London:** City Week, which provides a high-level annual forum for the discussion of current issues facing the international financial services community.
- ♦ **Los Angeles:** 2012 Global Conference by the Milken Institute.
- ♦ **Monaco:**
 - Les Rendez-Vous De Septembre, the international gathering of insurers, reinsurers, brokers and reinsurance consultants.
 - Fund Forum, the world's largest fund management event.
- ♦ **Mumbai:** Financial Times-YES BANK International Banking Summit.
- ♦ **Muscat:** IIF MENA CEO Meetings, which bring together CEOs from the region's major financial institutions.
- ♦ **Tokyo:** Annual IIF Membership Meetings, which bring together many of the world's leading bankers, investors, insurers and policymakers.



BUILDING CAPACITY, SHARING KNOWLEDGE

By providing opportunities and platforms for professionals in the financial services sector and its supporting industries to meet in Dubai, DIFC Authority helps deepen the expertise and further enrich the business environment within the Centre and across the wider UAE. During 2012, DIFC Authority participated in, and supported, a number of events for knowledge sharing, debate and networking.

KNOWLEDGE-BUILDING EVENTS IN DUBAI

- ♦ DIFC Authority was the Strategic Partner at **Hedge Funds World Middle East**, the region's leading hedge fund event.
- ♦ DIFC Authority, the Islamic Corporation for Insurance of Investments and Export Credits, and the Multilateral Investment Guarantee Agency jointly organised an event titled '**Global Turbulence – MENA Transformations**'. This event explored how today's uncertain world affects prospects for regional growth.
- ♦ DIFC Authority participated in the **Dubai Economic Outlook**, which was organised by the Department of Economic Development.
- ♦ DIFC Authority participated in the **MENA Private Equity Association launch** held in DIFC. The association is a platform for facilitating more investment by private equity and venture capital funds in the region.



"In 2012, Swiss Re Corporate Solutions opened an office in DIFC, the Swiss Re Group's first-ever presence in the MENA region. We evaluated DIFC as the best option for our presence in the region, and we can already state that our expectations have been exceeded. The concentration of large insurance buyers, their financial and legal advisors, brokers and international re/insurers has clearly established DIFC as an insurance hub between Europe and the Far East."

Raik Wittowski
Senior Executive Officer

Swiss Re Corporate Solutions Ltd

- ♦ DIFC Authority and Luxembourg for Finance jointly organised **'Luxembourg and Dubai – a partnership for financial services'**, which explored issues such as the prospect of regulation stifling business development and the future of asset management.
- ♦ DIFC Authority supported **the 15th Middle East Project Finance 2012**, an event that brought together leading figures from the project finance community.
- ♦ DIFC Authority participated in the **7th World Takaful Conference**, the largest annual gathering of world takaful leaders in the region.
- ♦ DIFC Authority and the International Monetary Fund (IMF) jointly organised the **'IMF Outlook for MENA, Afghanistan and Pakistan (MENAP)'**.
- ♦ DIFC Authority and Invesco jointly organised the launch of the **'Invesco Middle East Asset Management Study'** for 2012. This report is the third in a series of annual reports providing insight into the Middle East asset management industry.

DIFC FORUM 2012

Building on a series of annual conferences first held in 2006, DIFC hosted the DIFC Forum 2012, which gathered 400 senior practitioners from top regional and international financial organisations, law and consulting firms, and companies to discuss the global economy's shifting centre of gravity and the role DIFC is playing in helping companies benefit from this shift.

During two keynote addresses, four panel sessions and informal networking opportunities, participants explored the opportunities and risks associated with this phenomenon.



There were panels on the MENA region, Sub-Saharan Africa, South Asia and the Far East, with a focus on infrastructure, investment, trade, business linkages, and natural resources. The event was held in association with Deutsche Bank. Emirates Airlines was the Official Airline, while Bloomberg, CPI Financial and CNBC were media partners.

DIFC KNOWLEDGE SERIES EVENTS

DIFC Authority continued its Knowledge Series events in 2012. This series contributes to the development of the financial community in the Centre by increasing awareness and understanding of infrastructure and regulatory changes that may affect their business activities. Targeted towards professionals working in the Centre, the Knowledge Series events also attract attendance from the wider UAE business community. Sessions included:

- ♦ **'Special Purpose Companies'**: This event explored the many benefits of using a Special Purpose Company in DIFC, as well as the procedures and legal considerations involved in their establishment and ongoing operation.
- ♦ **'Making Contracts Count'**: This event introduced each of DIFC's commercial dispute resolution options and discussed why and how each could be accessed. It reviewed how the decisions of each dispute resolution option could be enforced outside of DIFC, the UAE, the region and beyond, and what contracts must include in order to guarantee disputes would be heard in these judicial forums.
- ♦ **'Introduction to New Markets Law'**: This event introduced the new Markets Law 2012.



"DIFC provides a strong platform for RSA's risk appetite, and we believe the opening of the new branch, supported by our strong reputation within the region, is a fantastic opportunity to develop long-lasting relationships throughout the area. As a leading global insurer, our presence at DIFC signifies our commitment to growing our business and providing essential services to the MENA region."

Roland Zaatar
Senior Executive Officer
Global Specialty Lines, Middle East

Royal & Sun Alliance Insurance Plc

HOSTING SENIOR INTERNATIONAL DELEGATIONS

The rising global profile of DIFC means that it welcomes senior-level visits from government and private sector delegations and the heads of major international economic and financial organisations. For DIFC, the goal generally is to encourage organisations to establish operations in the Centre, as well as to share best practices.

Some of the most high-profile visits included:

- ◆ The Lord Mayor of the City of London
- ◆ Delegation from Jersey Finance
- ◆ Delegation from Brazil Investment and Business - BRAiN
- ◆ Delegation from the Hong Kong Monetary Authority (HKMA)
- ◆ Group of Saudi SMEs
- ◆ Delegation from Luxembourg for Finance
- ◆ US Congressional delegation
- ◆ Delegation of Indian lawyers
- ◆ Delegation from the Australia Gulf Council
- ◆ The Honourable Barry O'Farrell, Premier of New South Wales, Australia
- ◆ The president of the Expo Shanghai Group, Ding Hao
- ◆ Delegation from the UAE Prime Minister's Office and the Emirates Competitiveness Council

The Centre also received a number of visits from universities around the world looking to explore mutually beneficial educational opportunities. Some of those academic delegations were from:

- ◆ Duke University
- ◆ Dow Middle East - Global Emerging Leaders
- ◆ Dubai Police Academy
- ◆ George Washington University
- ◆ The Wharton School of the University of Pennsylvania



CEO CONNECT

In 2012, DIFC Authority reintroduced 'CEO Connect', an informal opportunity for CEOs and other senior executives operating in the district to meet with high-level DIFC Authority officials. Held at various fine-dining establishments across the Centre, the regular event is both a networking opportunity among top executives in the Centre, and an occasion for DIFC Authority to speak with these executives in order to gain insights into the issues and matters affecting licensed firms and to share DIFC updates and information. During the year, two CEO Connect events were held, each attracting approximately 90 CEO-level executives.

COLLABORATING ACROSS THE GLOBE

DIFC continued to develop its relationships with counterparties and organisations, both in Dubai and around the world. In 2012, DIFC Authority signed a number of new Memoranda of Understanding, including:

- ◆ **TheCityUK.** The two sides agreed to share financial, legal and regulatory expertise, and to collaborate in areas of mutual interest, including closer links in education, training and qualifications. The agreement is expected to provide a significant boost to capacity building in DIFC. TheCityUK is the independent body responsible for promoting financial and professional services in the UK and overseas.
- ◆ **The Australia Gulf Council.** The agreement aims to promote and facilitate trade, investment and other opportunities between Dubai and Australia.
- ◆ **New South Wales Trade and Investment.** The agreement supports the promotion of investment opportunities between New South Wales and the GCC region among potential investors from both regions.



"We at Standard Life are committed to building our regional business from DIFC. With its world-class infrastructure and regulatory environment, the Centre is a perfect base for delivering our leading savings and investment solutions to customers and distribution partners. We strongly believe in the region's potential and see DIFC as a supportive enabler within this high-growth market."

Chris Divito
CEO – Middle East

Standard Life



Cape Town, South Africa: There are tremendous opportunities in infrastructure finance and other forms of infrastructure investment in Africa, where the African Development Bank estimates annual infrastructure investment needs of US\$93 billion/ year.

CULTIVATING OUR COMMUNITY

DIFC is actively engaged in the community it serves, both within the district and further afield. As a leading financial hub, DIFC recognises the powerful and important role that companies can play as responsible members of their communities. DIFC approaches its corporate social responsibility with the understanding that it can serve as a role model to companies within and outside the Centre. As a result, DIFC engages and nurtures the broader community across the fields of environment, health, community development and the arts.



HEALTH

Cervical Cancer Awareness Session. Held in conjunction with Prime Medical Centre, the session provided expert information related to detecting early signs of cervical cancer in order to protect women against the disease.

Mobile Breast Cancer Screening. DIFC Authority supported a Barclays initiative to promote breast cancer awareness among those working and visiting DIFC. A mobile breast cancer-screening unit was parked at the front of the Gate building. Staffed by a doctor, the unit offered free mammogram tests and gave instructions on how to conduct regular self-exams.

Blood Donation Campaign. On World Blood Donor Day, DIFC Authority organised a blood donation drive. During the day, 170 registrations were made from the DIFC community and 144 units of blood were successfully collected.

Ramadan Iftar Meals

DIFC Authority partnered with the non-profit organisation Rewaq Ousha to provide free Iftar meals to the contract service and technical employees of facilities management companies IDAMA and Oger who were fasting during the holy month of Ramadan. A total of 120 Iftar meal boxes were distributed every Monday and Thursday during the month.

ENVIRONMENT

Earth Hour. During Earth Hour on March 26 between 8:30-9:30pm, DIFC Authority turned off all outdoor lighting in the Gate Village and Precinct Buildings, as well as in DIFC Authority's offices on the 14th floor of the Gate building.

32nd Afforestation Week. DIFC Authority participated in the 32nd Afforestation Week, an event led by Dubai Police and the Zayed International Foundation for the Environment. The annual campaign promotes collaborative environmental programmes and supports the broader goal of planting 1 million trees across Dubai. Nabil M. Ramadhan, Acting CEO of DIFC Properties, planted several trees across the district, together with officials from Dubai Police and the Zayed International Foundation.

Energy Management Programme. DIFC Authority implemented a seven-month upgrade project to replace conventional lighting in common areas with 3,000 LED bulbs and to combine that with the installation of motion sensors. Completed in April 2012, the project is expected to save 700,000kWh of electricity a year.

COMMUNITY OUTREACH

Corporate Social Responsibility (CSR) Workshop. Designed to encourage companies operating within DIFC to enhance or initiate corporate social responsibility efforts, the workshop provided information and numerous case studies on successful CSR campaigns that had been implemented by companies operating in the Centre.



"We are excited to launch our regional local presence in Dubai. At Neuberger Berman we are committed to working closely with our clients to respond to their investment requirements. As one of the leading financial hubs in the Middle East, DIFC is a great location for us to be able to do this effectively."

Dik van Lomwel
Head of EMEA & Latin America

Neuberger Berman

AN ECLECTIC RETAIL MIX

DIFC provides a distinctive retail offering not found elsewhere in Dubai, or even in the Middle East. Retailers benefit from over 14,000 employees working in the district, as well as the many high-end hotels and residences located within and near the Centre. Customers benefit from a complete range of offerings, from cafes and quick marts, to casual dining and organic sandwich shops, to fine-dining establishments.

During 2012, 22 new retail outlets joined the Centre, resulting in a total of 117 retail outlets operating in the district. The retail occupancy level within DIFC-owned properties surpassed 98 percent by the end of the year. This retail mix is spread amongst three areas, each with a distinct environment and mix of retail offerings:

MARBLE WALK

This area primarily features food outlets that are inexpensive and quick service. This includes convenience stores and service-oriented retailers, some of which are more high end. Examples of Marble Walk retailers include Potbelly Sandwich Shop, Pizza Factory, Sushi Shop, The Cobbler and Momentum.

THE BALCONY

Offering a contemporary environment and al-fresco dining in cooler months, restaurants on the Balcony generally provide a casual dining



experience, along with several fine-dining and lounge concepts. Several service-oriented retailers also have shops here. Examples of restaurants and cafes operating on the Balcony include More Cafe, Bateel, Royal China, Starbucks and 1762 by Appetite.

THE GATE VILLAGE

This area is the heart of the Centre's fine-dining restaurants, which are located amid low-rise office buildings that also are home to art houses and galleries. There are a few service-oriented retailers that attract footfall. Examples of dining and art establishments in the Gate Village include Zuma, Gaucho, La Petite Maison, Roberto's Ristorante, Wheeler's of St. James's, Christie's, Art Sawa, Brownbook, Rira Gallery and the offices of Art Dubai.



"When Janus Capital Group decided to set up its first office in the Middle East, the DIFC was an obvious choice. The ease of access the DIFC enables to the region's investors, as well as Dubai's connectivity to the rest of the world, combines very effectively with the strong regulatory support from the DFSA."

Meshal Jaber Al Faras
Head of Middle East

Janus Capital
International Limited

SUPPORTING A STRONG ARTS SCENE

DIFC supports a strong place for art in the community, not only because there are multiple commercially associated links between art and finance, but also because DIFC believes that art can stimulate new ideas and new perspectives in business. Not only does DIFC serve as home to one of Dubai's most well-known gallery communities, but it also has placed works of art in public spaces across the financial district to complement the Centre's beautiful architecture.



Did You Know?

DIFC is identified as one of Dubai's key art districts, alongside Al Quoz and the Al Fahidi district (Bastakiya).



A Busy Exhibition Calendar

By the end of 2012, there were 17 galleries and art houses operating from DIFC. Some of the many shows held during the year included:

Artspace: 'An Exhibition of Works' by Yousef Ahmad

Art Sawa: 'Senses & Sensibilities' by Hend Al Falafly

Ayyam Gallery: 'Dirty Laundry' by Tammam Azzam

Cuadro Fine Art Gallery: 'Method to the Madness' and 'On Paper'

Opera Gallery: Johanne Corno and Sylvain Tremblay Exhibition

The Empty Quarter: 'Third Rock from the Sun, a Journey into Space'

The Farjam Collection: 'Mohammadiat', an exhibition of calligraphic works by Amir Ahmad Falsafi

XVA Gallery: 'Rebirth' by Sami Al Karim

RIRA Gallery: Works by Melika Shafahi and Hooman Derakhshandeh

DIFC ART NIGHTS

DIFC continued during 2012 to hold the extremely popular and successful DIFC Art Nights, in coordination with galleries located at the Centre. These regular events, held in the gallery and outdoor pedestrian spaces of the Gate Village, provided a lively and well-attended evening of music, live art performances and exhibitions. Its success results from a combination of unique architecture, powerful exhibitions, a differentiated atmosphere and a crowd that includes everyone from art collectors and bankers to young creatives and families.

Art Dubai

DIFC Authority's most significant effort to nurture the art scene in Dubai and across the region comes through its support and ownership of Art Dubai, the leading international art fair in the Middle East and South Asia, and a cornerstone of the region's fast-growing contemporary art community. An important gathering place for artists, galleries and art critics from across the region and the globe, Art Dubai annually draws widespread critical praise from the world's press and is part of the reason why Dubai has successfully established itself as one of the region's leading centres for contemporary art.

DIFC Authority's involvement in the fair began in February 2007, when it entered into a strategic partnership with the Gulf Art Fair to develop a major annual exhibition for international contemporary art. In 2012, Art Dubai continued to grow, welcoming 22,500 visitors, up 10 percent from 2011, including 75 international museum groups, and hosted 75 galleries from 32 countries. In 2012, the fair featured its biggest-ever programme, which saw an expanded Global Art Forum, the launch of an artists' and curator's residency, and establishment of a year-round education programme.





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