



Dubai International
Financial Centre

DIFC
Annual
Report

2019



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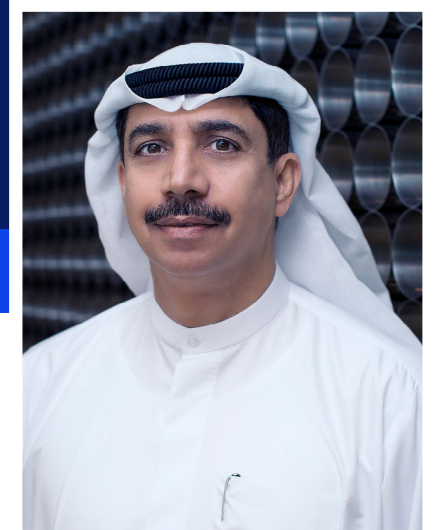


His Highness Sheikh Mohammed bin Rashid Al Maktoum
Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai



Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum
Deputy Ruler of Dubai and President of Dubai International Financial Centre

Chairman's Message



On behalf of the Dubai International Financial Centre Authority Board of Directors, I am pleased to share the annual report for 2019.

DIFC declared record growth in 2019 and continues to grow its direct contribution to Dubai's economy. This is in line with the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai to establish the emirate as a major global centre for the new economy. In his capacity as President of the DIFC, the leadership of His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai ensures full alignment between the DIFC and Dubai's priorities.

During the year, we commemorated our 15th year of operations. Over a relatively short period of time, DIFC has become the leading international financial hub in the Middle East, Africa and South Asia. We will continue to strengthen our position further by driving the future of finance in the region.

Continuous enhancements to our world class laws

and regulations have been key to supporting the Centre's growth. Other contributing factors are DIFC's commitment to developing both local and international talent, having infrastructure that supports the future needs of clients and promoting development of the financial services sector through leading client propositions.

The ongoing success of DIFC is also due to the commitment of our clients who contribute to the robust ecosystem. Like us, they nurture financial sector diversification, build global partnerships and invest in both FinTech and innovation.

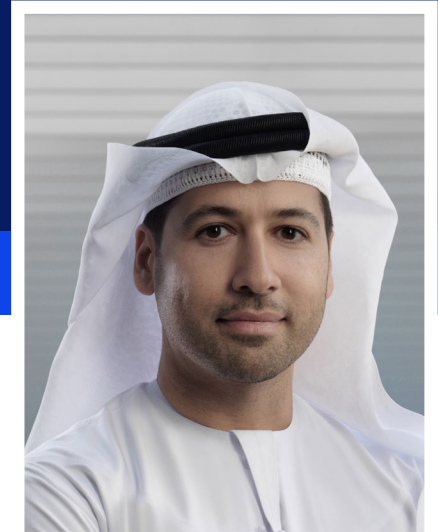
I would also like to thank the DIFC Higher Board, DIFC Authority Board of Directors and Management Teams of the DIFC Authority, Dubai Financial Services Authority and DIFC Courts for leading their entities to achieve our goals.

Essa Kazim

Governor of DIFC

Chairman of DIFC Authority Board of Directors

CEO's Message



2019 was another record-breaking year for DIFC, making major progress towards achieving our 2024 Growth Strategy. As the year drew to a close, double-digit growth was recorded across almost every metric, placing the Centre firmly on track to triple in size by 2024. More new companies were registered in 2019 than in any preceding year, which is testament to the DIFC's unshakeable strength as the region's centre of financial gravity and as an international destination for FDI.

Important progress was made towards the diversification of the Centre with 493 new companies licensed across multiple business disciplines, including the fast-growing FinTech sector. By the end of 2019, DIFC had created a marketplace worth over \$700 billion allowing the Centre to deepen the core and solidify its multifaceted and diverse ecosystem.

Despite several factors that created regional instability, DIFC achieved growth of 14 per cent in total company registrations from 437 in 2018 to 493 in 2019. Within this, double digit growth was recorded for financial firms and non-financial firms, collectively contributing to the Centre's diverse value chain.

In the FinTech Fast Lane

It is especially pleasing to see four-fold growth in the number of financial innovation firms joining DIFC in 2019, taking the number of FinTech firms to 129. New entrants to DIFC included Wethaq (Capital Markets) Ltd, Likvidi Securities Ltd (formerly known as TokenMarket Capital Limited), and Fenergo. This unprecedented growth in one of the world's fastest growing and most exciting sectors is testament to the DIFC's global reputation as a centre of FinTech excellence. The Financial Times fDi Intelligence report ranked Dubai seventh globally among the world's top FinTech Locations of the Future 2019/20. FinTech Hive also broke records, with 425 applications from start-ups in InsurTech, Islamic FinTech and other FinTech subsectors.

Arif Amiri

CEO of DIFC Authority

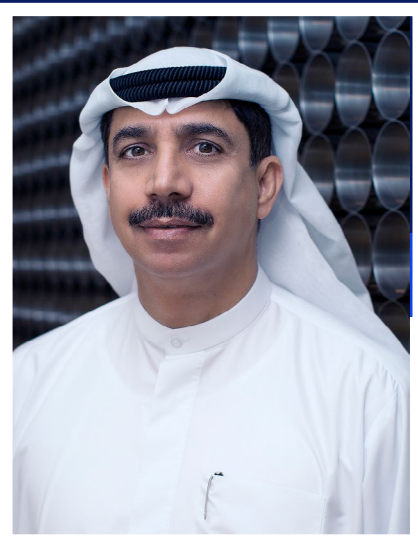
Regulatory Advances

DIFC's ability to continue attracting such high numbers of innovative businesses from across the financial services value chain globally, partially rests on its legal and regulatory framework. This was further enhanced of a series of laws by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. These included new employment, intellectual property and insolvency laws that provide companies with even more legal rights so that they can build their businesses with confidence across the region.

These advances support DIFC's 2024 Growth Strategy, with metrics that also include job creation. Professional development, which is critical in the pursuit of highly skilled and relevant professionals, was furthered in 2019 by the signing of strategic partnerships between the DIFC Academy and top global institutions including University of Paris II, The Chartered Insurance Institute and the Harvard Business School Publishing Corporation.

All these successes have been made possible by a focus on excellence and unity in building upon the DIFC's role as a truly world class financial centre. My thanks are due to our Chairman and Board of Directors for their support over the past year. Their guidance and insight have been pivotal in helping the Centre achieve its goals, and in turn helping all those who are part of our community achieve theirs. As 2020 unfolds it is clear that it will be a year of unprecedented challenges. The DIFC and its communities are well placed to chart a course through these unprecedented times, and I look forward to working with colleagues to that effect throughout the year.

DIFC Authority Board of Directors



H.E. Essa Kazim

Governor

Dubai International Financial Centre

His Excellency Essa Kazim is the Governor of Dubai International Financial Centre (DIFC), Chairman of Borse Dubai, Chairman of Dubai Financial Market (DFM), Deputy Chairman of the Supreme Legislation Committee in Dubai and a member of the Dubai Supreme Fiscal Committee.

His Excellency 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.

His Excellency Kazim holds an honorary Doctorate from Coe College, a Master's degree in Economics from the University of Iowa, a Master's Degree in Total Quality Management from the University

of Wollongong and a Bachelor degree in Math, Economy and Computer Science from Coe College.

His Excellency Kazim currently sits on a number of official advisory committees and boards; he is Member of the Higher Board of Directors of the Dubai International Financial Centre (DIFC), Chairman of DIFC Authority Board of Directors, Chairman of DIFC Investments Board of Directors, Board Member of Nasdaq Dubai, Board Member of Nasdaq Inc., Board Member of Noor Bank, Board Member of Etisalat, Board Member of Free Zones Council, and Member of the Board and Secretary General of Dubai Islamic Economy Development Center.

His Excellency Essa Kazim also serves as a board member for a number of educational institutions, both in the region and around the world.



Hussain Al Qemzi

Board Member
Dubai International Financial Centre

A seasoned banker renowned for his wise leadership and proven expertise in adopting, steering and managing strategic projects, business development and innovation initiatives, Hussain Al Qemzi has an impressive and broad experience of over 30 years in the banking and financial services sector. He has worked with leading financial institutions in the UAE and is the founder of Noor Investment Group and its flagship entities Noor Bank and Noor Takaful. AlQemzi led the Group and subsidiaries as Group CEO and Managing Director until 2017.

Al Qemzi has a firm belief in innovation as a pillar of growth, as a result of his achievements, he was named 'Islamic Banking CEO of the Year' at the prestigious CEO Middle East Awards 2015.

Prior to this, Al Qemzi was the Chief Executive of Sharjah Islamic Bank and a former board member of Dubai Financial Market (DFM), and Dubai International Financial Exchange (DIFX). He also served as Chief Operating Officer of Dubai International Financial Centre (DIFC), and is credited with laying the groundwork for the world-class financial hub.

Al Qemzi is currently a member of the Board of Directors of the DIFC Supreme Council and DIFC Authority.



Abdulla J M Kalban

Board Member
Dubai International Financial Centre

Mr. Kalban has served as Managing Director and Chief Executive Officer of the Company since its formation in 2014. He joined DUBAL as a graduate trainee in 1985 and progressed up through the ranks before becoming Chief Executive Officer of DUBAL in 2005, then President and Chief Executive Officer in 2008.

In addition, Mr. Kalban serves as Chairman of the Gulf Aluminium Council, Vice Chairman of the Federal Electricity & Water Authority and as Board member of the International Aluminium Institute, Dubai International Financial Centre Investments, Dubai International Financial Centre Authority and Hamdan Bin Mohammed Smart University. He is active on the Board of Supreme Council of Energy in the UAE.

Mr. Kalban holds a Bachelor's degree in Industrial Engineering from the University of New Haven, Connecticut, USA.



Rashid Saif Al-Jarwan

Board Member
Dubai International Financial Centre

Rashid Al-Jarwan is the Vice Chairman of the Board of Directors of Dana Gas. He also serves on the Board of several institutions as the Emirates General Petroleum Corporation (Emarat), Oman Insurance Company, DIFC Investments (DIFCI), Mashreq Bank, and Al Ghurair Holding Ltd.

His extensive oil and gas experience extends to over 40 years, having latterly held the position of General Manager in Dana Gas for 3 years and ADGAS for 8 years and held various executive and technical positions in the Adnoc Group of companies for 28 years in Abu Dhabi.

Mr. Al-Jarwan holds Bachelor's Degree in Petroleum & Natural Gas Engineering from Pennsylvania State University, USA.



Hesham Abdulla Al Qassim

Board Member
Dubai International Financial Centre

Mr. Hesham Abdulla Al Qassim is the Vice Chairman and Chief Executive Officer for Wasl Asset Management Group and is responsible for leading the organisation's transformation into a world-class asset management company. He is also the Vice Chairman and Managing Director of Emirates NBD Bank PJSC, the Chairman of Emirates Islamic, Emirates NBD Egypt, and Emirates NBD Capital KSA. Mr. Al Qassim's leadership role at wasl has seen him spearhead asset management, real estate, hospitality and project development. Under his stewardship, wasl has achieved remarkable success in the management and ownership of large-scale real estate projects undertaken for the government of Dubai. Mr. Al Qassim's current Chairmanship roles at Emirates NBD and Emirates Islamic reflect his prominent role in shaping the future direction of these prestigious institutions.

His senior level financial experience and innovations within the banking industry, led these banks to become leading financial institutions in the United Arab Emirates. Mr. Al Qassim is also the Chairman of the Emirates Institute for Banking and Financial Studies (EIBFS) and Dubai Sports Corporation and the Vice Chairman of Dubai Autism Centre. His other board memberships include Dubai International Financial Centre (DIFC) Authority, Emirates Telecommunications Corporation (Etisalat), DIFC Investments LLC., Federal Authority for Government Human Resources, National General Insurance Co., Amlak Finance, Pak Telecom Mobile Ltd, Pakistan Telecommunication Company Limited as well as the International Humanitarian City. His professional and vocational qualifications include a Bachelor's Degree in Banking and Finance and a Master's Degree in International Business Management and in Executive Leadership Development.



Salem Al Sharhan

Board Member
Dubai International Financial Centre

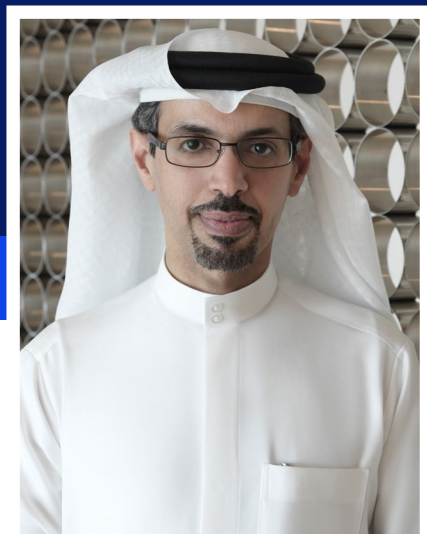
Mr. Salem Ali Al Sharhan worked in Emirates Telecommunication Corporation (ETISALAT) for 23 years until May 2011. During his time with Etisalat, Mr. Al Sharhan served as Group Chief Financial Officer for seven years, where he was responsible for all aspects of group financial strategy and served as a member of the corporate management team, evaluating both technology and potential acquisition targets.

As part of his role in Etisalat, Mr. Al Sharhan also represented the company on the boards of a number of international telecom companies. He served as a board member of Mobily in Saudi Arabia and as a member of Sudatel in Sudan for ten years. In addition, Mr. Al Sharhan was a board member of EMTS in Nigeria, a board member of Atlantique Telecom in West Africa and was Chairman of Zantel in Tanzania.

Mr. Al Sharhan also served as a trusted advisor to His Highness Sheikh Saud Bin Saqr Al Qasimi, Ruler of Ras Al Khaimah.

At present, Mr. Al Sharhan is a Chairman of RAK Insurance, Board member of the National Bank of Ras Al Khaimah, Member of Board of Trustees of the American University of Ras Al Khaimah as well as Member of Board of Governors of RAK Medical & Health Science University.

Mr. Al Sharhan holds a BSc in Accounting and Business Administration from United Arab Emirates University, UAE.



Hamad Buamim

Board Member
Dubai International Financial Centre

Holding his current position since 2006, Hamad Buamim is the President & CEO of Dubai Chamber of Commerce & Industry. He is also the Chairman of the Paris-based World Chambers Federation - International Chamber of Commerce (ICC).

In addition to his role on the Dubai International Financial Centre Authority Board, Buamim also serves as a Board Member of Dubai World and Chairman of National General Insurance PJSC.

Previously, Buamim served as Chairman of Emirates Financial Services, Emirates NBD Capital and Hawkamah, the Institute for Corporate Governance as well as a Board Member of the UAE Central Bank, Emirates NBD and Network International.

Educated in the USA, Buamim holds MBA with honor in Finance from the University of Missouri, Kansas City. He also obtained a Bachelor of Science with Magna Cum Laude in Electrical Engineering from the University of Southern California, Los Angeles.

Section 01

Success Through Diversity



Success Through Diversity

DIFC's growth continued apace in 2019 thanks in part to its robust, diverse and ever-richer value chain that delivers opportunity and scalability for all those within the ecosystem. Within FinTech, the Centre sets out to foster financial sector diversification by attracting entrepreneurs, innovators, global partnerships and investments in the most exciting new vertical markets. In this respect, DIFC is driving the future of finance – a role borne out in its market size, which surpassed \$700 billion in 2019.

The diversity that DIFC enjoys comes as much through its rich international workforce as it does through its varied and vibrant financial ecosystem. A total of 2,034 new jobs were created in the Centre in 2019 – a growth of 9 per cent on 2018 and taking the total number of employees within the DIFC to 25,638 people, representing 140 nationalities from all walks of life. The Centre's global reach is also seen in its geographic distribution. In 2019, 5.3 per cent of the companies licensed at DIFC were from the USA, 17.5 per cent from the UK, 10.5 per cent from the EU and 10.5 per cent from Asia. Only 50.9 per cent of DIFC registered firms in 2019 came from the Middle East.



DUBAI INTERNATIONAL FINANCIAL CENTRE AUTHORITY

The Dubai International Financial Centre Authority (DIFC Authority) is responsible for the guiding strategy, ongoing development and overall public administration of DIFC.



DUBAI FINANCIAL SERVICES AUTHORITY (DFSA)

DFSA is the independent regulator of financial and some Designated Non-Financial Businesses and Professionals (DNFBP) operating in or from DIFC. DFSA's mandate includes asset management, securities, international equities exchange, international commodities derivatives exchange, and more.



DIFC COURTS

The DIFC Courts administer a unique English-language common-law system – offering swift, independent justice to settle local and international commercial or civil disputes. The courts provide certainty through transparent, enforceable judgments from internationally recognised judges, who adhere to the highest global legal standards. As an ancillary service of the courts, the Wills Service Centre offers non-Muslims investing and living in Dubai and Ras Al Khaimah the option to pass on their assets or appoint guardians for their children, following the instructions in their Will.

Section 02

Catalysing National Growth



Catalysing National Growth

DIFC's sustained growth has made a consistently positive contribution to the UAE's reputation as a focal point for trade and as the region's undisputed centre of financial gravity. The Centre makes a direct contribution to Dubai's economy not only through FDI but through its consistent ability to reinforce Dubai's reputation as a pioneer of new ideas, technologies and innovation. The Centre's ambition for new infrastructure capacity is also a key driver of growth for the DIFC and the emirate. The hospitality infrastructure, which is a critical part of the DIFC's overall economic and cultural architecture, was boosted in 2019 by the opening of the Waldorf Astoria: a 275-room hotel boasting residences and retail opportunities that serve to support residents, workforce and visitors.

Dubai's economic diversity was further boosted in 2019 after the DIFC signed a landmark MoU with the Dubai Financial Market (DFM), the Dubai Islamic Economy Development Centre (DIEDC) and the Climate Bonds Initiative (CBI) to collaborate on growing the green sukuk sector. The Islamic finance sector at the DIFC grew significantly in 2019, with a 45 per cent year-on-year rise in managed Islamic assets. These figures make a significant contribution to 2024 DIFC Growth Strategy.

WORK, REST AND PLAY

The DIFC's ability to attract such a high number of entrepreneurs, companies and innovative start-ups rests as much on its dynamic culture as it does its regulatory environment and physical infrastructure. For many years, the Centre has been home to a vibrant arts scene, prime retail outlets and lifestyle destinations.

By the end of 2019, retail occupancy had grown by 13 per cent. This included new global brands, regional designers, flagship hospitality and F&B brands. The 275 room Waldorf Astoria hotel opened as did gourmet concepts including the Latin-American concept Amazonico, the New York fine dining experience Marea and the Asian Fusion restaurant Shanghai ME.

The cultural and lifestyle community within the Centre also continued to grow in 2019. DIFC welcomed Sconci Gallery, its seventh elite art gallery. Seasonal editions of DIFC Art Nights in March and November featured installations from interdisciplinary artists from the region and further afield.



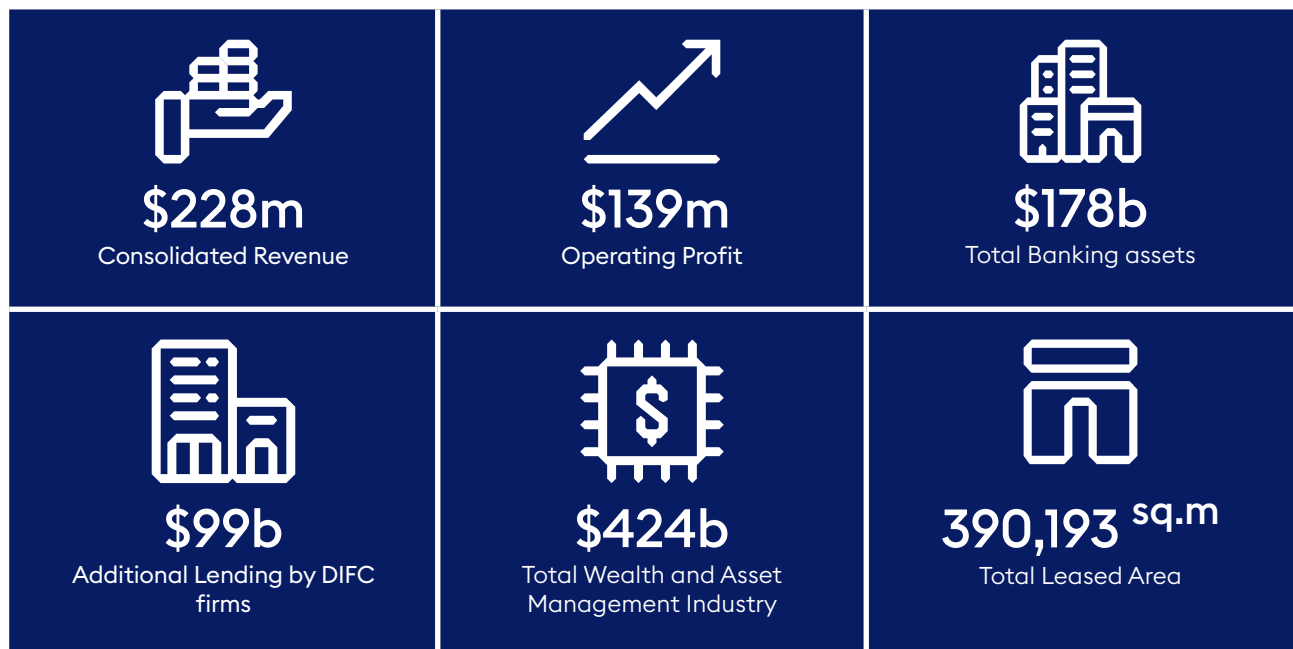
2019 Highlights

DIFC moved through a decisive period of structural and procedural change in 2019, with the introduction of a raft of measures designed to enhance the Centre's regulatory and legal structures. These included new laws relating to intellectual property, providing entrepreneurs with the full legal protection they need to innovate with complete confidence at DIFC. Other protection included new regulations for insolvency, employment, financial collateral, security and a new framework for prescribed companies. These developments are central to DIFC's position as a dynamic and enabling environment as well as achieving growth for those working in the Centre and the city's broader economic ambitions.

2019 saw incredibly strong financial performance, with a two per cent year-on-year growth in consolidated revenues in 2019, which reached \$228 million. Operating profits reached \$139 million, and profit remained stable at \$119 million. The DIFC's total banking assets in 2019 stood at \$178 billion, up by 13 per cent in 2018. An additional \$99 billion of lending was also arranged by DIFC firms, bringing DIFC's total Wealth and Asset Management industry up to \$424 billion. In insurance, Gross Written Premiums for the sector reached nearly \$2 billion in 2019 – an uptick of 17.4 per cent on 2018.

The number of companies registered at DIFC rose by 14 per cent to 2,437 from 2018 – with growth of 32 per cent since 2017. This growth places the Centre well on track to achieving its 2024 targets. DIFC is now home to 17 of the world's top 20 banks, 8 of the ten leading global law firms, 3 of the top 5 insurance companies and 6 of the top 10 asset managers.

As the DIFC family of registered businesses has expanded, so too has the Centre's physical footprint: 29,172 square metres of space were leased in 2019, taking the total leased area to 390,193 square metres. The Centre's real estate portfolio, which is valued at more than \$3 billion, is around 98 per cent leased.





Sustainability

ENVIRONMENTAL

The Centre's journey towards becoming paper-free saw significant progress in 2019, with the gross monthly consumption of print materials in the DIFC Authority falling from a high of 118,231 pages in February to 44,765 in December. To maintain awareness of colour coded recycling initiatives, notices were provided to tenants to highlight the importance of colour coding – an initiative launched in Q4 2018.

In partnership with DEWA, four electric car charging stations were installed in the DIFC's parking basements in 2019 to encourage and facilitate the use of electric vehicles. Over 22,000 new energy efficient LED bulbs were installed in DIFC car parks as part of a partnership with Etihad ESCO. Motion sensor lighting with LED bulbs was also placed in the truck tunnel.

Electricity consumption at the Centre stood at 65.5 million KWh in 2019 (rounded up) which remains significantly below a high of 71.4 million KWh in 2016. Water consumption fell for the third consecutive year in 2019, to 69.7 million IG. This was lower than 71.2 million in 2018 and 75.8 million in 2017.

A new cooking oil recycling facility was introduced for food and beverage outlets in June. Since the launch, over 50,000 litres of oil have been deposited, with Zuma recycling more than any other outlet with over 2,000 litres per month.

Both Gate Avenue and The Exchange adopted LEED Standards in 2019, with the latter achieving Gold Certification. This follows the successful roll out of the DIFC Energy Saving Project and the introduction of LEED Standard policies in 2018.

We continued to provide education to the community on the importance of environmental issues. Early in 2019, Jane Goodall, one of the world's leading conservationists spoke at the DIFC in an event called Reasons for Hope and her UAE educational project Roots & Shoots.

SOCIAL

DIFC's commitment to community, health and wellbeing included a stage of the Bloomberg Square Mile Relay global series for the 4th year. We also hosted Dubai's first City Half Marathon in October. Endorsed by the Dubai Sports Council, the International Association of Athletics Federations (IAAF) measured course began in front of The Gate Building and looped around the picturesque DIFC.

The Centre's well known love of the arts was enhanced in 2019 when Brand Dubai - the creative arm of the Government of Dubai Media Office (GDMO) - and DIFC joined forces to undertake a series of joint initiatives to promote art, innovation and entrepreneurship. Brand Dubai and DIFC also rolled out the second phase of a campaign to harness local talent focused on Emirati-owned businesses that will see ten unique Emirati retail concepts establish a presence at Gate Avenue, one of Dubai's prime locations.

With the support of DIFC and DFSA staff, the Centre's Iftar Saeem project was held during the month of Ramadan in 2019, providing Iftar meals to surrounding communities. In addition and in line with the UAE Year of Tolerance people working in DIFC generously donated to the Emirates Red Crescent Clothes for Humanity campaign.

For the second year in a row, the DIFC Academy hosted 15 free Power Breakfast sessions, which were led by director-level speakers whose topics included finance, legal and business management. During the year, the DIFC Academy also provided eight Executive education courses and 46 Professional development courses.

GOVERNANCE

DIFC Authority (DIFCA)

DIFCA is committed to good governance practices within its operations. This includes driving key initiatives in areas of good governance and sustainability.

The DIFCA Board met four times in 2019 where they reviewed and approved the Authority's strategy, financial statements and budgets. In addition, the Board approved an updated Delegation of Authority (DIFC's internal controls) and enterprise risks after they had been reviewed and vetted by the Audit Committee.

Board level committees met the following times in 2019:

Board Level Committees	No. of Meetings
Audit	5
Remuneration and Nomination	2
Legislation Committee	2

The Executive Committee met 7 times in 2019 where its key performance indicators were reviewed.

Some of the outputs of DIFCA's governance included the introduction of new laws complementing the Centre's commitment to international best practice. They included DIFC Employment Law No. 2 of 2019, which was enacted by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, and Ruler of Dubai, on 30 May 2019. The new Employment Law addresses key issues such as paternity leave, sick pay, and end-of-service settlements.

Other governance related outputs included the introduction of a new intellectual property law to enhance the regulatory framework in the DIFC and bring it in line with international best practice.

DUBAI FINANCIAL SERVICES AUTHORITY (DFSA)

In March 2019, the DFSA hosted a Financial Crime Conference as part of its ongoing effort to strengthen awareness among the financial services sector of the importance of fighting financial crime.

HAWKAMAH

In 2019, the corporate governance institute, Hawkamah, conducted four intakes of its certified Board Secretary program with the Dubai Financial Market, and two full intakes for its Director Development program. In total, Hawkamah trained 45 Board Secretaries of private sector companies in 2019 from the DIFC, and 25 of these were certified by Hawkamah/DFM. 41 directors participated in Hawkamah's Director Development program and 19 directors were accredited in 2019.

Hawkamah also worked with the Ministry of Cabinet Affairs and Future in 2019, certifying 88 Federal government board and committee secretaries. In addition, Hawkamah organised an international study tour to Singapore with 11 senior leaders of federal and Emirate-level government agencies to explore emerging good practices on public sector governance. The UAE delegation met with over 15 Singaporean institutions and was hosted by the UAE Ambassador to Singapore.

DUBAI SUSTAINABLE FINANCE WORKING GROUP

In 2019, DFM and DIFC launched the Dubai Sustainable Finance Working Group. In addition to the DFM and DIFC, the other 10 founding members of the Group were Nasdaq Dubai, Hawkamah Institute of Corporate Governance, DEWA, the Dubai Islamic Economy Development Centre, Aramex, DP World, HSBC, Emirates NBD, Dubai Islamic Bank and Société Générale.

The multi-stakeholder Group held its first meeting at DFM premises to discuss combining Dubai's finance sector's initiatives to create a sustainable financial hub in the region, particularly in the areas of Environment, Social and Governance (ESG) integration, cultivating sustainable companies and green financial instruments, and encouraging responsible investing.



Islamic Finance

The Centre saw a marked rise in the volume of Islamic assets being managed in 2019, recording a 45 per cent growth year-on-year. The sector grew at 1.5 times the rate of traditional finance and looking ahead, the Middle East, Africa and South Asia (MEASA) region is likely to be a strong driver for the industry. Notably, Dubai remains one of the world's largest centres for Sukuk listings by value, with DIFC-based Nasdaq Dubai at \$60 billion. As 2019 drew to a close, 40 firms offered sharia-compliant products and services at DIFC, including major Islamic institutions such as Malaysia's Maybank Islamic Berhad, which is now based at the Centre.

It is very exciting to report that four promising Islamic FinTech specialists, such as Malaysia headquartered HelloGold, the world's first Shariah-compliant gold mobile application and IslamiChain - an innovative start-up leveraging Blockchain Technology to enable philanthropy and compassionate giving - took part in the third round of the FinTech Hive accelerator programme in 2019. Others were Hakbah, an Islamic FinTech start-up specialised in cooperative savings and Wethaq, a platform focused on the structuring and distribution of securities in sukuk capital markets. Together, these and many more Islamic finance businesses at DIFC form part of what is now a market-leading environment for Islamic financial services, positioning the Centre as the driving force for the future of Islamic Finance in the region.



Total number of companies rises 14% to 2,437 from 2018 - with growth of 32% since 2017, the Centre is on track to achieve its 2024 target



DIFC is now home to a community of 25,600 people; over 2,000 new jobs created in 2019



Exceptional growth driven by a robust ecosystem fosters financial sector diversification, global partnerships and investment in FinTech and Innovation



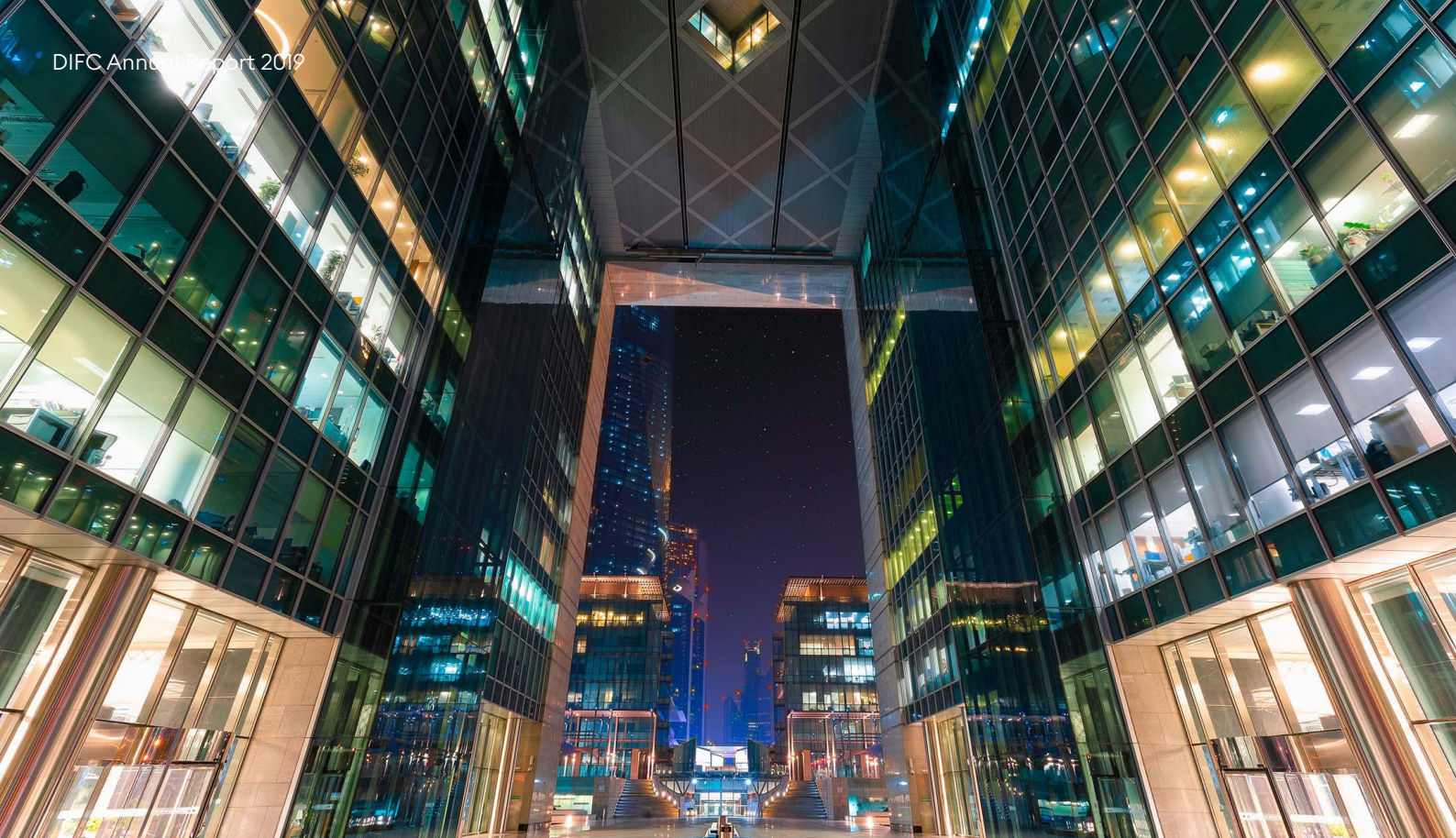
The four-fold increase takes the number of financial innovation firms to 129



New enactments including DIFC Employee Workplace Savings (DEWS) set to transform the way the Centre attracts and retains talent, in line with global best practice



Market size from DIFC activities surpasses \$700 billion (AED 2.5 trillion)



Driving the Future of FinTech

The DIFC's commitment to FinTech innovation was boosted in 2019 as the Centre increased access to funding by building its Venture Capital ecosystem, in addition to making direct investments in the sector itself. In 2019, the Centre appointed Middle East Venture Partners and Wamda Capital to manage \$10 million of its dedicated \$100 million FinTech Fund. DIFC has invested a total of \$23 million over the past year on developing the FinTech sector and has signed 11 agreements with similar hubs and global investors to develop the technology.

The acclaimed and award-winning DIFC FinTech Hive received a record number of 425 applications in 2019, with start-ups from RegTech, Islamic FinTech, InsurTech and other FinTech sub-sectors. The inaugural cycle saw a year-on-year increase of 42 per cent – which is triple the number of applications received in 2017. Of the 425 applications, 31 start-ups were selected to join in 2019 supported by 21 participating partners, including Abu Dhabi Islamic Bank (ADIB), Emirates Islamic, Emirates NBD, Finabl, HSBC, National Bank of Fujairah, Noor Bank, Riyad Bank, Standard Chartered and Via, as well as associate financial institution partners Arab Bank and First Abu Dhabi Bank (FAB).

Section 03

Driving the Future of Finance



Driving the Future of Finance

DIFC's exceptional performance in 2019 is all the more remarkable given the context of slow regional and international economic growth, the ongoing trade dispute between China and the United States and a steady fall in the price of a barrel of crude, which began the year at \$60 and finished at \$45. The ensuing coronavirus pandemic has served to exacerbate these market challenges, presenting the world's economy with unprecedented obstacles to growth.

Whilst the world's economic fortunes lie currently in the hands of national, global and multi-lateral economic and healthcare decision-makers, the prospects for post-coronavirus economic activity remain good. The DIFC's recent work in driving the development of financial services across MEASA indicates that the region will continue to be a source for the supply and demand of deeper and broader financial services in the years to come.

In 2019, the DIFC commissioned a [report](#) developed by the Economist Intelligence Unit (EIU), entitled *The Next Frontier: The Future of Finance in the Middle East, Africa and South Asia*, which spells out the scale of opportunity driven by a large, increasingly mobile, digitally connected youth demographic that remains relatively unbanked. The MEASA region is pivotal to growth and development in the world's financial services markets, which we have seen to be embracing new financial technologies, services and products at pace.

In addition, the DIFC's role in driving FinTech growth within the MEASA region has served to provide a platform for entrepreneurial success and for the evolution of the sector itself. In 2019, Dubai was recognised as the only financial centre in the MEASA region to appear within the top 10 FinTech Locations of the Future 2019/20 for Economic Potential index by fDi Intelligence - the Financial Times.

Despite the ensuing uncertainties, the DIFC's position in the global network of world financial centres, and its reputation as the region's Centre of gravity for innovation in finance and financial markets, leave it in robust shape as we progress through a difficult 2020 and beyond. The Centre is committed to supporting innovation, trade and investment throughout the MEASA region and, by providing a stable well-regulated platform for businesses to thrive, we will continue to increase significantly the contribution we make to Dubai's dynamic economy by driving the future of finance.

