

# Noor Trade, MBRF to support Emiratis' SMEs

Under arrangement Noor Bank will extend up to Dhs5m financing to UAE nationals

BY OUR BUSINESS BUREAU

**DUBAI:** Noor Trade, a division of Noor Bank, providing Shari'a-compliant products and services to small and medium enterprises (SMEs), has signed an agreement with the Mohamed Bin Rashid Fund (MBRF), an initiative of Dubai SME, the agency of the Department of Economic Development (DED) in Dubai mandated to develop the small and medium enterprise (SME) sector, to support small and medium sized businesses owned by UAE nationals.

Abdul Baset Al Janahi, CEO of Dubai SME, said Noor Bank will be a valuable addition to the partnership network MBRF is creating to ensure that SMEs in the UAE have the necessary financial tools available for growth and expansion.

"SMEs are critical contributors in our national economy and Dubai sees them as strategic enablers of its 2021 Plan. MBRF is focusing on inspiring entrepreneurs to launch their projects confidently to sustain the entrepreneurial traditions of their country and lead its economic and social development," said Al Janahi.

Commenting on the agreement, Hussain Al Qemzi, CEO of Noor Bank, said, "This agreement deepens our ties with MBRF, an important Dubai SME initiative which has been developed as a resource for support, information and outreach for the growing small and medium enterprise sector. This initiative



Officials signing the agreement.

will make a positive difference to the national economy by promoting innovation and leadership across all segments of the SME sector."

Al Qemzi added, "Many young UAE nationals with creative ideas and strong entrepreneurial ability have already established successful ventures and are looking to create

their own niche that requires a necessary financial push. Noor Bank is proud to partner with MBRF to provide that platform. This agreement underlines our strong commitment to supporting the development of Dubai and the broader UAE economy."

As part of the arrangement, Noor

Bank will extend financing towards UAE nationals for existing ventures that have been operating for more than one year, by offering finance of up to 80% of the project cost, up to a maximum of Dhs5 million. The fund is restricted to SMEs that have 100 percent Emirati ownership and have obtained trade licenses from

the Emirate of Dubai. An applicant's business must be Shari'a compliant and should be able to demonstrate financial and commercial feasibility.

Since its inception in 2013, Noor Trade has been one of the fastest growing businesses within Noor Bank. With an impressive clientele and a diversified portfolio, Noor

Trade has three dedicated branches in Dubai to cater to its SME customers. Noor Trade facilities are also available at other Noor Bank branches in Dubai, Sharjah, Abu Dhabi and Al Ain.

The Mohammed Bin Rashid Fund for SME (The Fund) is aimed at maximizing financing solutions for innovative businesses and developing Emirati entrepreneurs. The Fund's assets today exceed 600 million dirhams and offer Emirati nationals between 21 and 65 years of age one of two types of loans:

• The Seed Capital Loan, offered directly by The Fund to startups requiring funding of more than 50 thousand dirhams but not exceeding 500 thousand dirhams. • The Credit Scheme Loan, offered through banking partners and guaranteed by The Fund, to both startups and existing businesses requiring a funding of more than 500 thousand dirhams but not exceeding Dhs5 million.

The Fund's operating model ensures its sustainability through re-investing the loan settlement to finance new projects. The Fund allows for a maximum of two-year grace period through which no accumulating interests would be relayed to the seed loan. The period granted to settle the loan should not exceed seven years, including the two-year grace period. The Fund will monitor the funded projects through reviewing its business reports and field visits and offering advice to entrepreneurs as and when needed.