

BUSINESS DIVISIONS

Micro, Small and Medium Enterprises (mSMEs)

The Micro, Small and Medium Enterprise (mSME) division has delivered a record level of approved loans in 2022. The division also increased its overall capital deployment through partnering with 10 commercial banks in 2022. Furthermore, mSME increasingly leveraged digital platforms to bolster customer acquisition and earned a prestigious award for its work in microfinancing. Beyond financing, the division continued to provide customers with valuable non-financial training and business support services.

Product offerings

In alignment with the Bank's five-year strategy, mSME works with customers to meet their financing needs across all stages of growth. This includes greenfield and brownfield project finance, long-term CAPEX finance, trade finance, and credit guarantees. EDB also provides finance solutions to help companies operate more efficiently or take steps that support broader national objectives. These specialized solutions include advanced technology adoption finance, digitalization finance, and renewable power and energy efficiency finance.

Approvals

In 2022, mSME approved a record AED 1.8 billion, which was a 387 percent increase over the amount approved in 2021.

The total included AED 1.2 billion of direct financing and AED 611 million of indirect financing through EDB's credit guarantee scheme with partner commercial banks for small and mid-cap companies. AED 100 million was disbursed through EDB's microlending platform for micro businesses.

Micro-business loan approvals extended not only to companies operating in EDB's priority sectors, but also to Emirati-led businesses operating in any industry.

The economic impact of these approved loans is projected to exceed AED 1.8 billion in GDP and create more than 6,500 jobs.

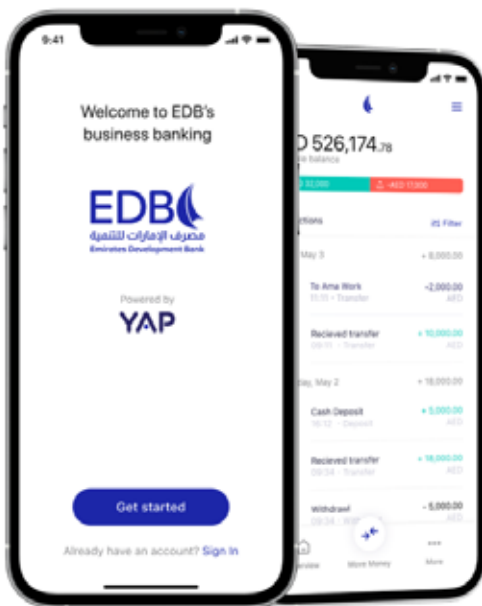
Micro finance award

mSME's work in the micro-business segment has not only established EDB as a leading bank serving micro businesses, but also earned it the title "Best Micro Finance Bank Middle East 2022" by the Global Banking & Finance Awards.



New Customers

Last year was pivotal for new customer acquisition for the division. In addition to 104 new-to-bank lending customers, nearly 2,100 new-to-bank companies opened accounts with EDB through the EDB Business Banking app, a digital banking app that makes account opening and management simple and easy.



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Non-financial solutions

Reflecting its mandate to help the UAE industrial sector thrive, the mSME division provides a range of non-financial solutions ranging from financial literacy training to mentoring and business operations guidance.

Business Lab

Launched in 2020, the Business Lab provides free business resources and content to help entrepreneurs throughout their business development journey. In addition to training and mentoring, the platform provides a wide range of short video courses covering topics such as strategy, innovation, sales, marketing, accounting, and so on. During 2022, the Business Lab continued to build momentum, providing services to 78 companies and entrepreneurs.

Financial literacy

Through collaboration with the UAE Ministry of Finance's Mohammed Bin Rashid Innovation Fund, mSME provides entrepreneurs and companies at a pre-financing, pre-banking stage with financial literacy training and advisory to help get them become credit worthy and banking ready. During 2022, the division supported more than 100 startups through this program.

EDB Business Banking App

The EDB Business Banking App represents the division's increasingly digital-first approach to customer empowerment and service. Launched in 2021, the app is powered by UAE fintech Yap. Through the Business Banking App, customers can complete their applications in seconds, receive a bank IBAN number in minutes, and begin transacting on their account in as little as 48 hours.

The EDB Business Banking app also features a lending service that allows SMEs to apply for loans of up to AED5 million directly through it and receive approval or feedback within five days.

The past year was a year of consolidation and growth as the new strategy was implemented. In 2023 and beyond, the focus will be on sustained, rapid growth and expansion of service offerings.

Some of the salient features of the app are:

- Free and open to all businesses
- Available across all Emirates
- IBAN reserved within minutes
- Account activated as fast as 48 hours
- 24/7 secure & on-the-go digital banking
- No minimum balance
- Complete an application in seconds
- Apply for loans of up to AED5 million directly through app and receive approval or feedback within five days.
- Fully integrated with the Abu Dhabi Department of Economic Development (ADDED) 'Investor Journey' platform

Upcoming features:

End to End Business Banking: One stop shop for all customer requirements

Looking ahead

The past year was a year of consolidation and growth as the new strategy was implemented. In 2023 and beyond, the focus will be on sustained, rapid growth and expansion of service offerings. Notably, this will include increased digitalization, expanded partnerships, and a growing headcount to support sustained growth in the customer base, product portfolio and lending volumes.

Digitalization

Reflecting the division's focus on digitalization, 2023 will see the launch of a range of online and app-provided self-service channels that will eliminate the need for EDB customers to visit a bank branch for transactions such as fund drawdowns, account statements, liability letter requests, and outstanding balance statements. This digital access will include not only direct finance, but also indirect finance. For example, Credit Guarantee Program customers will be able to access and manage their accounts online.

Fintech integration

Making it easier for mSME customers to access financing and adopt fintech solutions is a top priority for the division. In 2023, an integrated fintech platform accessible from the Bank's website and app will launch, providing customers with a seamless, automated and sometimes instant experience when accessing a range of fintech services.

Building the team

Meeting the needs of customers and implementing the products and solutions necessary to support the five-year strategy requires a larger team. During the year, mSME will increase its staff by nearly 50 percent across both customer-facing and backend operational and IT roles.

Expanding partnerships

Delivering on EDB's ambitions, mSME will continue to expand its partnerships with both commercial banks and fintech companies. Working with a growing list of commercial banks, the division will be able to provide customers with increased access to SME funding, while collaboration with emerging fintechs will help these companies access alternative lending programs unavailable at traditional banks.