

# Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

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## Credo

Credo is the market leader in individual rural lending in Georgia and continues to expand its branch network in areas where it typically is the first entrant. This gives the company an excellent position to launch SME-financing in rural areas, something that is until now very restricted as major banks have a very limited presence outside the cities. The DGGF loan to Credo would finance an SME portfolio in the riskier economic sectors such as agriculture and tourism through an innovative risk-sharing model.

### Sector(s)

Agriculture, tourism, production, trade, services

### Amount Invested

USD 5 million / ca. EUR 4.5 million

### Manager of the IF

Credo is a Georgian limited liability company with its head office in Tbilisi, and about 54 branch offices in other regions of Georgia. Credo is a microfinance organization owned by a consortium of social impact investors involving Access Microfinance Holding AG, responsibility Investments AG, and Triodos Investment Management BV. Credo aims to provide sustainable financial services to the entrepreneurial poor and Georgian micro and small businesses.

## Impact

Through its financing to Credo, DGGF is expected to reach to more than 300 underserved SMEs in Georgia. This is a significant number of SMEs given the amount invested, thanks to Credo's focus on the lower end of the SME segment. It is estimated that approximately 25 to 30% of the SMEs financed will be women owned. By specifically targeting sectors which are difficult to reach and are currently underserved DGGF's investment will be additional. Lastly, given the innovative nature of this transaction, the demonstration effect is potentially significant. If successful, this risk sharing mechanism could become a model for other investors to support financial institutions in reaching out to a new client segment.

**Website:** <http://credo.ge/en>