

Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

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Credo Second Tranche

Credo was established in 2005 by World Vision International and since 2014 is part of Access Holding, an international banking network operating in emerging economies. Credo is the market leader for agricultural and rural lending in Georgia and in particular for SME-financing in rural areas, traditionally very underserved by banks. DGGF provided a USD 5 million loan to Credo in 2015 to finance its SME portfolio under a risk sharing mechanism, allowing Credo to serve higher risk sectors such as agriculture and tourism. With a second loan to Credo, DGGF builds on the efforts made last year to assist the institution to develop a new SME product for long-term loans to small SMEs in local currency, which are currently not offered by any other financial institution in the country. Credo is currently taking steps to legally transform into a bank, which would allow it to reach to a larger number of SMEs with a range of financial services.

Sector(s)

Agriculture, tourism, production, trade, services

Amount Invested

USD 5 million / EUR 4.8 million, to be disbursed and repaid in the local currency, Georgian lari.

Manager of FI

Credo is a non-bank financial institution with its head office in Tbilisi, and 62 branch offices in other regions of Georgia.

Impact

With the DGGF loan, Credo is expected to finance approximately 250 SMEs, most of which are located in financially underserved rural areas and in the agricultural sector. The additionality of DGGF's financing comes from its local currency denomination, its longer tenor and its risk sharing mechanism. With DGGF's support, Credo is pioneering long-term local currency financing in Georgia in the rural SME segment.

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