



Raiz



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CRAC Raiz ("Raiz")

Raiz was founded in 1999 by the Peruvian NGO Solaris Peru, which is still the institution's main shareholder. The institution offers loans and since 2016 also a savings product. Raiz has good outreach with the majority of its clients being based in marginalized suburban areas. The institution serves over 70,000 clients through its network of 46 branches in the Northern, Central and Southern regions. Its loan portfolio is USD 242 million of which the majority consists of loans to small and medium businesses.

Sector

Raiz's small enterprise portfolio mostly focused on graduating microfinance clients. The institution now wants to further increase its SME activities, expanding the offer to new clients and increasing the loan size. It has recently created a new department to manage the SME product.

Total Investment

DGGF will provide a local currency sub-debt to Raiz with the equivalent of USD 3 million and local currency senior loan equivalent to USD 7 million.

Impact

DGGF's funding will support Raiz to grow its small and medium enterprise portfolio. While the microfinance market is well developed in Peru, small and medium enterprises often struggle to access financing. Raiz focuses on enterprises which are generally too small for banks but too large for microfinance institutions. Part of DGGF's funding will come in the form of subordinated debt, strengthening Raiz's capital position, which is important for further expansion of its loan portfolio. In addition, DGGF plans to provide technical assistance, to support the institution with the development of its SME lending methodology.

Website <https://raiz.com.pe/>