

PROJECT SUMMARY

PRESTAMYPE: MSE FINANCING, INCLUSION, AND INNOVATION (PE-L1271)

Background. There are 3.7 million microenterprises and small businesses (MSEs) in Peru, and they provide 89% of the country's private sector employment.¹ One determinant of these businesses' mortality and stagnation is their ability to access credit. The main barriers they come up against in the financial system are their limited formality and lack of credit histories. What is more, when they are able to access financing, they face high interest rates, loans that are too small to meet their needs, and lengthy disbursement periods.² Traditional entities include a number of physical stages that draw out processing times and increase operating costs. Furthermore, many MSEs are unable to access financing because they are too big to turn to microlenders and too small for banks, thus forming what is known as the "missing middle" segment. In Peru alone, the credit gap for MSEs is around US\$10.2 billion.

In this context of limited access, [PRESTAMYPE](#) was founded as a Peruvian fintech company with the aim of providing financing to MSEs under better terms and conditions than offered by the traditional financial system, thereby expanding opportunities. Its vision is to be the first electronic bank for MSEs in Peru and Latin America. By late 2021, the company had placed over 1,025 mortgage-backed loans with more than 760 entrepreneurs, for US\$24 million, all through its peer-to-peer (P2P) lending model.

The objective of this project is to improve access to credit for microenterprises and small businesses (MSEs) in Peru. The purpose is to strengthen PRESTAMYPE's capacity to increase lending to underserved businesses in this sector, expand its geographical service coverage, and improve the terms and conditions of its loans, by evolving its funding model.

Opportunity for IDB Lab. Peru has one of the largest bank spreads in the world and a highly concentrated financial sector,³ meaning that there is ample opportunity to increase competition and innovation. In this context, financial technology companies compete directly with the traditional financial system by offering competitive conditions and focusing on underserved segments, thus promoting inclusion. Notably, the financial inclusion gap also exists in other countries in the region and directly impacts their economic development. For IDB Lab, this fintech model could represent an opportunity to support a vehicle for providing indirect financing to the millions of MSEs that drive economic growth and job creation in the region.

This project was analyzed and designed by the IDB Lab team based on the financial inclusion focus area. With it, IDB Lab seeks to promote scaleup of the solution and learn lessons from a financing model that will have a positive impact on financial inclusion and economic recovery, in alignment with the Vision 2025 (document [GN-3025-5](#)).

¹ Source: Ministry of Production.

² Source: Ministry of Production.

³ Source: World Bank.