

S&P has assigned 'B-' long-term rating to PerMicro with Stable Outlook

Standard & Poor's said it has assigned its 'B-' long-term counterparty credit rating to Italian micro lender PerMicro S.p.A. The outlook is stable.

“Our assessment of PerMicro's stand-alone credit profile reflects the company's exposure to a high-risk concentrated niche market, characterized by the unsecured nature of loan exposures and relatively low quality of borrowers,” the rating agency said in a report.

“It also reflects PerMicro's weak earnings track record; the company has been loss-making since its foundation. These weaknesses are partly mitigated by PerMicro's ongoing partnership with BNL, which holds 23% of PerMicro's shares. The bank provides operational and funding support, covering PerMicro's funding needs. BNL also provides the company with office space, legal support, and a distribution network,” S&P said in a press release.

Established in 2007, PerMicro is the first and only Italian microcredit company. It has a clear mission of creating employment and promoting social inclusion through the provision of microcredits and related services. PerMicro essentially provides only two types of installment credit products: loans of up to €25,000 to individual entrepreneurs and micro enterprises for micro-business development purposes, and unsecured loans for families of up to €10,000 to cover urgent financial needs.

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