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Commento di Andrea Limone, Amministratore Delegato di PerMicro

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PerMicro è la prima istituzione di microfinanza in Europa a sottoporsi all'assegnazione del rating di Standard & Poor's.

A seguito della pubblicazione del rating da parte di S&P, l'Amministratore Delegato, Andrea Limone, spiega la motivazione per cui PerMicro si è sottoposta alla valutazione, "La nostra missione è servire gli esclusi, dando un'opportunità a chi se la merita" commenta l'AD e aggiunge "Il nostro dovere è farlo con empatia e professionalità crescente. Per questo abbiamo deciso di intraprendere il percorso di rating, per non lasciare nulla al caso. Proprio come chiediamo ai nostri microimprenditori in erba".

PerMicro

PerMicro, prima società italiana specializzata nell'erogazione di microcredito ed operante su tutto il territorio nazionale attraverso 14 filiali, offre i suoi servizi ai cittadini italiani e stranieri che vogliono avviare o sviluppare un'attività imprenditoriale, oltre che alle famiglie con particolari bisogni finanziari legati a casa, salute, formazione.

PerMicro è la prima società per numero di microcrediti concessi e per ammontare erogato. Ha concesso fino ad oggi 12.362 microcrediti, per un totale erogato di 82.032.885 euro, di cui 2.002 microcrediti all'impresa e 10.360 microcrediti alla famiglia.

Maggiori informazioni sono disponibili sul sito www.permicro.it.

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Research Update:

Italian Microfinance Institution PerMicro S.p.A Assigned 'B-' Rating; Outlook Stable

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Overview

- We are assigning our 'B-' counterparty credit rating to Italian microcredit company PerMicro S.p.A.
- We view PerMicro as a niche lender exposed to a high-risk concentrated market, characterized by the unsecured nature of loan exposures and the relatively low quality of borrowers.
- We note that the company's creditworthiness is currently dependent on its ongoing partnership with BNL Gruppo BNP Paribas (BNL). PerMicro's leverage appears to be unsustainable in the long term and significantly above that of its peers. However, we believe that BNL will continue to provide PerMicro with ongoing funding and operational support.
- The stable outlook on PerMicro reflects our view that the company will maintain its focus on providing credit to individuals and micro enterprises excluded from the traditional banking sector over the next 12 months, and continue to receive ongoing funding and operational support from BNL.

Rating Action

On April 11, 2016, Standard & Poor's Ratings Services assigned its 'B-' long-term counterparty credit rating to Italian micro lender PerMicro S.p.A. The outlook is stable.

Rationale

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. 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.

Our overall rating assessment is based on PerMicro's stand-alone creditworthiness. The company has a diverse ownership structure of 10 institutional shareholders and a number of private individuals, but holds no subsidiaries. Therefore, we have not assigned a group credit profile to PerMicro. Most of the institutional shareholders are government agencies,

private charity and banking foundations, or social development-focused venture funds. None of the shareholders own the controlling share in PerMicro.

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 instalment 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. PerMicro operates in 11 Italian regions and has no foreign operations. Its customer base consists of low income borrowers, mostly migrants, who have no access to traditional banking services. PerMicro's revenue base is very limited; in 2015, its revenues stood at about €5 million, substantially lower than other rated consumer finance companies.

There is no direct competition between PerMicro and Italian banks as they target two distinct groups of customers. We understand that, with time, PerMicro's best borrowers tend to become bankable and leave the company, which is the ultimate social goal of PerMicro. As a result, PerMicro's customer base is limited to low income borrowers.

PerMicro is actively cooperating with governmental and not-for-profit development institutions. It has been able to secure cheap and stable funding from the European Investment Fund and the Council of Europe Development Bank. PerMicro also benefits from the European Commission's (EC) new Programme for Employment and Social Innovation guarantee on business loans of €20 million, whereby 80% of the losses of up to €2.24 million will be reimbursed by the EC.

Our rating assessment also reflects PerMicro's highly leveraged financial risk profile. In our base-case scenario, we expect the company's average total debt to Standard & Poor's-adjusted EBITDA to stand at an extremely high 54x (estimated average over 2015-2017, and based on a 20% weight for 2015 and 40% weights for 2016 and 2017 forecasts). When analyzing PerMicro's financial metrics, we adjust EBITDA to account for impairment costs as they are likely to be a recurring expense.

We assess PerMicro's capital structure as negative due to the company's debt maturity profile, which had a weighted-average maturity of debt of one-and-a-half years in 2015. PerMicro is highly reliant on short-term revolving credit lines from BNL, which accounted for 71% of PerMicro's debt. We understand that the credit line is reviewed and renewed every year, however, there is no contractual obligation for the bank to continue doing so, and any disruption--even technical--in the renewal process, could create material liquidity risks for PerMicro. At the same time, we believe BNL has incentives to continue providing funding support to PerMicro, therefore, we do not expect the company to default in the next 12 months. As a result, we have kept the long-term credit rating at 'B-' despite the negative anchor adjustment related to capital structure. All other modifiers have a neutral impact on PerMicro's anchor.

Liquidity

We assess PerMicro's liquidity as less than adequate, reflecting the company's limited buffer against any unexpected adverse developments, as indicated by the tight liquidity sources-to-uses ratio of 1x. Due to the relatively long-term nature of the loans for a consumer finance lender, PerMicro is unable to generate enough cash to cover all of its upcoming debt maturity needs by simply not rolling over maturing funds into new loans.

However, PerMicro has well-established and solid relationships with banks and various public bodies that provide the company with relatively cheap financing.

We anticipate the following liquidity sources over the next 12 months:

- Long-term BNL credit line of €6 million maturing in six years, with a one-year grace period.
- One-year BNL credit line of €16 million, which is renewed on an annual basis. We believe that BNL has incentive and capacity to continue to renew this line.
- Eighteen months' committed loan of €1 million from BNL.
- Contractually committed funds of €2.85 million from European Investment Fund (14.6% shareholder of PerMicro).

We anticipate the following principal liquidity uses over the same period:

- Provision of micro credits to families and enterprises.
- Maturity of €22.5 million of short-term bank loans, including €22 million of BNL's short-term credit line, which is renewed on an annual basis.
- Partial maturity of €900,000 of long-term loans (provided by SEFEA, an alternative financing company, and Banca Prossima, a socially-focused subsidiary of Intesa Sanpaolo).

Outlook

The stable outlook on PerMicro reflects our view that the company will maintain its focus on providing credit to individuals excluded from the traditional banking sector in the next 12 months. We expect PerMicro to continue receiving ongoing funding and operational support from BNL. The stable outlook also factors in our expectation that PerMicro will be profitable in 2016 and gradually reduce its currently very high leverage.

Downside scenario

We could lower the ratings on PerMicro if we believe that BNL's ongoing funding and liquidity support has become less predictable or is unlikely to be commensurate with what we currently factor into our liquidity assessment. The emergence of unexpected regulatory risks could also lead us to take a negative rating action.

Upside scenario

Given PerMicro's very high leverage and significant funding concentrations, an upgrade appears unlikely at this stage.

Ratings Score Snapshot

Corporate Credit Rating: B-/Stable

Business risk: Vulnerable

- Country risk: Moderately high
- Industry risk: Moderately high
- Competitive position: Vulnerable

Financial risk: Highly leveraged

- Cash flow/Leverage: Highly leveraged

Anchor: b-

Modifiers

- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Negative (no impact)
- Liquidity: Less than adequate (no impact)
- Financial policy: Neutral (no impact)
- Management and governance: Fair (no impact)
- Comparable rating analysis: Neutral (no impact)

Related Criteria And Research

Related Criteria

- Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Key Credit Factors For Financial Services Finance Companies, Dec. 9, 2014
- Corporate Methodology, Nov. 19, 2013
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Group Rating Methodology, Nov. 19, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC Ratings, Oct. 1, 2012
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings List

New Rating; CreditWatch/Outlook Action

PerMicro S.p.A

Counterparty Credit Rating

B-/Stable/--

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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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