

NEW YORK--( [BUSINESS WIRE](#) )--Fitch Ratings does not expect to take any immediate rating action on Grupo ACP Inversiones y Desarrollo (ACP, rated 'B'/Outlook Negative) following the company's announcement of an impending asset sale. On Feb. 10, ACP announced that it has agreed to sell its controlling stake in MiBanco Banco de la Microempresa (Mibanco) to a subsidiary of Banco de Credito del Peru (BCP, rated 'BBB+'/Outlook Stable).

In addition to the recently announced sale, ACP also previously agreed to sell a stake of Banco Sol in Bolivia. Both of these operations need to obtain regulatory approval in Peru and Bolivia and are expected to reach completion later this year.

The expected proceeds (USD 199 million) and current cash holdings will be used to fully pay ACP's USD85 million 2011 senior bond issuance and all of its remaining debt of approximately USD65 million. Thus the repayment risk for ACP's creditors has declined, and once the transaction is closed the group's liabilities will be eliminated. However, as is the case with other financial holding companies, the divestment of ACP's core productive investment will severely reduce its cash flow generation capacity once the transaction is completed.

In Fitch's view, even though the repayment risk of ACP's current debt has been reduced by the cash to be received, ACP's ratings ('B'/Outlook Negative) still reflect limited ability to generate a well-balanced and sustainable cash flow to service its current obligations and to cover its current level of operating expenses. Once the transaction is completed, the company's liabilities will be eliminated, but its ability to generate enough cash flow to fulfill its cash needs over the medium term will be lower. Fitch will re-assess ACP's ratings at that time and will also consider the final composition of ACP's investment portfolio in terms of diversification, ownership and structure.

For BCP this transaction will further strengthen its already dominant position in the Peruvian market, giving it the highest market share and the strongest franchise in a fiercely competitive segment. Once the regulatory approvals are secured and the transaction closed, Mibanco/Edyficar will have a 19.5% market share. The relatively modest multiple paid for the acquisition and small size of the transaction should have a negligible impact on BCP's financial standing while providing an interesting upside in the microfinance sector over the medium term.

Additional information is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

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