

## Nicaraguan MFI, BANEX to be liquidated

**ARLINGTON, Virginia**, 6 August 2010. It is expected that in the next few days, the Nicaraguan banking authorities will announce the liquidation of Banco del Exito, known as Banex, until recently the largest Nicaraguan MFI.

Earlier this year Banex, underwent financial restructuring after suffering from severe portfolio deterioration. However, these efforts have not sufficiently stabilized the organization. Several weeks ago, the MFI repaid all of its depositors.

In November 2009, MicroRate announced a country-wide, ratings withdrawal in Nicaragua following serious concerns over the short-term stability of the microfinance sector, fueled by the “*No Pago?*” (“Don’t Pay!”) movement along with growing political and economic turmoil.

“This intervention by the government is unprecedented. It is too early to tell what level of impact this will have on the microfinance industry in Nicaragua and throughout Latin America,” says MicroRate’s CEO, Sebastian von Stauffenberg.

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More information related to Banex is available through the following news sources:

La Prensa:

<http://www.laprensa.com.ni/2010/08/06/economia/33777>

Central America Data:

[http://en.centralamericadata.com/en/article/home/Microfinance\\_Banks\\_Offer\\_to\\_Help\\_Nicaraguas\\_Banex](http://en.centralamericadata.com/en/article/home/Microfinance_Banks_Offer_to_Help_Nicaraguas_Banex)

*MicroRate Incorporated is the leading microfinance-rating agency dedicated to evaluating performance and risk in microfinance institutions (MFIs), as well as evaluating microfinance funds, also known as microfinance investment vehicles (MIVs). As the oldest and most well-respected organization of its kind, MicroRate’s primary goal is to promote growth in the microfinance industry by facilitating the efficient flow of money from capital markets to MFIs through independent evaluation and increased transparency. Since its inception in 1997, MicroRate has conducted over 500 MFI ratings and has become the largest MIV evaluator in the industry.*

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