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PRISMA ANNOUNCES STRONG CAMEL PERFORMANCE

BOSTON, MA., September 1, 2004 – Prisma Microfinance, Inc., a leading microenterprise financial services firm, today announced that its Nicaraguan subsidiary has received a highly favorable CAMEL rating, indicating the success of the organization’s turnaround over the last two years.

The CAMEL is the Federal Reserve Bank’s rating system for assessing a bank’s overall financial condition. It is a proxy for understanding the safety and soundness of a financial institution. “CAMEL” refers to the five components of the bank’s condition that are assessed: capital adequacy, asset quality, management, earnings, and liquidity. (A sixth component, sensitivity to market risk, is now also included in the CAMEL.) Financial institutions are ranked on a scale of one (excellent) to five (failing).

In previous assessments, the Nicaraguan subsidiary’s performance had been less than favorable. The marked improvement in its rating in this most recent assessment reflected the strength of its recent performance. Prisma CFO Dr. Kendall Mau stated, “In my ten years of experience with microfinance and credit union turnarounds, I have rarely seen an organization improve so rapidly. In the past eighteen months, the young management team is now running a top-quality micro-lender. Based on this success, they are in a position to move forward in a very competitive marketplace.”

About Prisma Microfinance, Inc.

Prisma MicroFinance, Inc. is a leading microenterprise financial services firm with US headquarters in Boston and operations in Nicaragua and Honduras. Prisma’s mission is to become a leading provider worldwide of commercial microfinance services, linking unbanked entrepreneurs in developing countries with the developed world’s financial resources. The Company has a loan portfolio of \$1 million and is currently offering financial services to over 1,000 individual entrepreneurs and small businesses. Prisma’s portfolio represents private investor capital on which Prisma offers both compelling social returns and competitive financial returns. For more information visit the Prisma website at www.prismamicrofinance.com.

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