

Microlumbia Announces Debt Investment in microfinance institution SPBD Tonga

- Commercial Loan from MBA-based Microfinance Fund Will Support Portfolio and Client Growth at Tongan MFI-

New York, March 29, 2012 Microlumbia, the independent microfinance fund run by Columbia Business School students, today announced the completion of a \$20,000 debt investment in South Pacific Business Development Microfinance Limited (“SPBD Tonga”), part of the SPBD network of microfinance organizations working in Fiji, Samoa and Tonga dedicated to empowering women in poor rural villages with the opportunity to start, grow and maintain sustainable, income generating micro-enterprises. The proceeds from Microlumbia’s investment will be used specifically to support client and portfolio growth in Tonga.

Microlumbia’s extensive due diligence included financial and organizational reviews, as well as an on-site visit to Tonga to review SPBD’s operations and to meet the micro-lender’s staff members and board. The loan carries an initial 12-month term but can be extended with approval by Microlumbia’s investment committee.

SPBD serves as a regional microfinance platform in the South Pacific, currently lending to poor clients in Samoa, Tonga, and Fiji, and plans to launch greenfield microfinance operations in other South Pacific Island countries such as the Solomon Islands. SPBD also envisions that the network could later expand to other countries in the Pacific and Southeast Asia region and eventually to Central America and the Caribbean.

SPBD serves women living in both rural and peri-urban areas who are vulnerable to the consequences of poverty. These include single mothers, the unemployed, minorities, the poor in health, the disabled, the unbanked, minorities and potential victims of domestic violence. 99% of SPBD’s loans go to women, 80% go to clients living in rural areas, 40% go to single mothers and 100% go to the unemployed. SPBD currently offers a number of services to clients, including (i) small unsecured loans of approximately US\$400 for micro-businesses, housing improvement and children's education, (ii) simple and small balance savings services to build-up funds for future needs, (iii) in-house loan insurance, which covers clients' outstanding loans with SPBD in case of death and (iv) life Insurance designed to decrease the financial burden on the family of the deceased. In addition, SPBD provides financial and business training and on-going guidance for clients.

About Microlumbia

Microlumbia is a unique organization dedicated to the development of the global microfinance industry. Incorporated as a tax-exempt organization and staffed by Columbia Business School students, Microlumbia provides growing microfinance institutions (MFIs) with pro-bono consulting services and short term debt investments while stimulating interest in the field among a new generation of future business leaders. For further information, visit www.microlumbia.org or contact info@microlumbia.org.

About SPBD

South Pacific Business Development (SPBD) improves the quality of life of families living in poverty by providing unsecured credit, training, and ongoing motivation and guidance to help them start, grow and maintain micro-businesses, build assets, as well as, finance home improvements and childhood education. Its vision is to create a network of micro-enterprise development organizations in the South-

Pacific and neighboring regions to empower women through financial access and economic development to help lift themselves and their families permanently out of poverty and improve self-esteem. For more information, visit www.spbdmicrofinance.com