



## **Unitus Arranges Joint Microfinance Investment in Indonesia**

*Collaboration between Unitus, The Dignity Fund and MicroCredit Enterprises allows MBK Ventura to access \$1.2 million and impact 60,000 micro-entrepreneurs*

Redmond, WA—May 2, 2007— Unitus, Inc., a nonprofit organization delivering innovative solutions to global poverty, announced that it has arranged a \$1.2 million loan for MBK Ventura, a Unitus microfinance partner in Indonesia, structured in Indonesian rupiah. Two leading microfinance funds, The Dignity Fund, L.P. and MicroCredit Enterprises, each contributed \$600,000, further strengthening the funding arrangement. This announcement comes only three months after Unitus partnered with MBK to provide MBK with capital and strategic consulting to support its long-term growth. With this investment, MBK will require no additional external capital in 2007 and can focus on adding clients and providing crucial financial services to the working poor in Indonesia. MBK's goal is to provide microcredit loans to more than 60,000 clients by the end of this year.

Bringing together Unitus, The Dignity Fund and MicroCredit Enterprises, the transaction represents an important collaboration in the microfinance industry. The combined efforts of the three organizations created a flexible, local-currency-based, three-year loan at an affordable interest rate, an arrangement not usually available to most microfinance organizations. As part of the transaction, Unitus is managing the foreign currency risk on behalf of MicroCredit Enterprises.

For the more than 21 million Indonesian households subsisting on less than 70 cents a day, microloans and other financial services are essential, and often life-changing, tools that enable hardworking individuals to lift themselves out of poverty. MBK Ventura, founded in 2003, provides small but critical loans to the working poor in Indonesia. With an average loan size equivalent to \$42, MBK is one of the few organizations in Indonesia lending to the very poor. As of March 2007, MBK served more than 31,000 micro-entrepreneurs and their families. MBK will use the funds from the loan in its efforts to reach more than 240,000 clients with financial services by 2009—a compound annual growth rate exceeding 100 percent.

“It was a great privilege to work with The Dignity Fund and MicroCredit Enterprises to arrange and structure this facility,” said Kylie Charlton, Vice President of Capital Markets at Unitus. “As a result of our collaboration, we’ll provide MBK with funding in local currency for three years, which will have a tremendous positive impact on the lives of thousands of the working poor in Indonesia.”

Said Maya Chorenge, Managing Director of The Dignity Fund: “We’re proud to be able to participate in this loan to MBK, an organization which will continue to stand out in the microfinance industry as a result of its ability to grow rapidly and operate efficiently while maintaining a strong commitment to serving the poorest of the poor.”

“We hope this transaction serves as a great example to the microfinance industry,” said MicroCredit Enterprises Senior Vice President of Portfolio Management Kyle Salyer. “Our collaboration with Unitus and The Dignity Fund shows the value of combining resources in order to bring more opportunity to the poor.”

Dr. Shafiq Dhanani, President and Founder of MBK, concluded: “One of the exciting things about our partnership with Unitus is their ability to connect us with important new sources of capital. With this investment we’ll be able to bring financial services to tens of thousands more people who yearn to improve their lives, if only given the chance. We’re now going to provide that opportunity.”

#### About Unitus:

Unitus, Inc. is a worldwide leader at scaling proven solutions to global poverty. Unitus accelerates access to life-changing financial services for those living at the bottom of the economic pyramid – the three billion people who are living on less than \$2 a day. We partner with the world’s most promising microfinance institutions and provide them with breakthrough business strategies, technology and access to capital that empower them to serve thousands more hardworking micro-entrepreneurs around the world. Unitus partners are adding new loan recipients eight times faster than the industry average. Our portfolio reaches more than 1.6 million families in Argentina, India, Indonesia, Kenya, Mexico and the Philippines. Our goal is to reach more than 15 million of the world’s working poor by 2015.

Unitus has been featured in the New York Times, the Wall Street Journal and NPR, and received Fast Company Magazine’s Social Capitalist award in 2005 and 2006. Unitus is a 501(c)3 nonprofit, with offices in Redmond, Washington, and Bangalore, India. For more information, please visit [www.unitus.com](http://www.unitus.com)

#### About MBK Ventura:

Founded in 2003 as Ganesha, MBK Ventura provides microcredit loans averaging about \$42 to more than 33,000 micro-entrepreneurs through 15 branches in Indonesia. MBK focuses on the more than 21 million Indonesian households living on less than 70 cents a day, a segment of the population largely without access to formal capital. For more information about MBK Ventura, please visit: [www.mbk-ventura.com](http://www.mbk-ventura.com)

#### About The Dignity Fund:

The Dignity Fund was formed to bring needed capital to the microfinance industry to fuel the social empowerment of the poor. The Dignity Fund aims to increase the number of poor households with access to credit, savings and other financial services by providing debt financing to promising microfinance institutions. The Dignity Fund believes that additional funding will enable microfinance institutions that are seeking capital for growth to reach more poor clients, allowing more entrepreneurs to lift themselves out of poverty with dignity. For more information about The Dignity Fund, please visit: [www.dignityfund.com](http://www.dignityfund.com)

#### About MicroCredit Enterprises:

Based in Davis, California, MicroCredit Enterprises is an innovative, not-for-profit, anti-poverty venture which leverages private capital to make tiny business loans to impoverished people, mostly women, in developing countries. MicroCredit Enterprises uses the collateral assets and personal guarantees of individuals and institutions to

borrow debt capital in the United States that is channeled through overseas, locally-run, non-governmental microfinance organizations. The impoverished loan recipients generally have no credit history, no collateral and no formal education, but with microloans, they create and build home-based businesses. MicroCredit Enterprises' economic development objective is to reverse the cycle of poverty in economically distressed countries using the tools of the marketplace to provide self-help opportunities to millions of impoverished women and their families. On the Net:  
<http://www.mcenterprises.org>

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