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PRISMA ANNOUNCES \$2 MILLION ROUND OF DEBT FINANCING

BOSTON, MA, March 15, 2005 – Prisma Microfinance, Inc., a leading microenterprise financial services firm, today announced a new \$2 million debt offering. Having raised several previous rounds of equity and convertible debt, Prisma will now raise debt from institutional investors over the next several months to fund its portfolio growth.

Prisma's two subsidiaries are performing well both financially and operationally. Prisma Nicaragua achieved positive returns on assets and equity during 2004, and is positioned for rapid future growth. Prisma Honduras opened in February 2004 and reached break-even in less than one year of operations, generating positive returns on equity and assets in the last quarter of the year. Young, talented local management teams at both subsidiaries have successfully managed delinquency, write-offs and provisioning to meet Prisma's goal of achieving international banking standards.

Having raised several previous rounds of equity and convertible debt, Prisma is eager to leverage its balance sheet through this new round of financing to support successful operations at its two subsidiaries. Recognized for their ability to provide superior service at low cost, managers at Prisma's subsidiaries are enthusiastic to use the new financing to continue to develop innovative, market-leading products and services for its clientele.

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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