

Global Alliance for Banking on Values

Annual Report 2014

**GLOBAL
ALLIANCE
FOR BANKING
ON VALUES**



Message from the Chair

As we mark the five-year anniversary of the Global Alliance for Banking on Values, much in the world has changed, but our collective mission has not: to influence the banking system so that it is more transparent, supports economic, social and environmental sustainability, and comprises a diverse range of banking institutions serving the real economy.

When we launched the GABV in 2009, we could not predict the state of the world today, but knew that we could collectively play a significant role in ensuring that banking is a healthy and productive system of society. The banking and economic crises that made headlines at that time provided a backdrop to emphasize what many of us had worked towards for years: proving that the economy is about more than a financial balance sheet and developing a positive, viable alternative to the current banking system. We knew that only by changing finance would we be able to finance change.

Today our world is even more complicated than when we began our journey. Democracy is under fire, new forms of terrorism are emerging, climate change urgency is increasing, migration patterns are shifting, and economic uncertainty abounds. More and more people are becoming aware of the interdependence of the real economy, social cohesion and our natural eco-system, something values-based bankers have long understood and which is at the heart of our business model. Knowing that people want to support positive change in society, we have an opportunity to demonstrate a healthy transformation of our sector, contribute to societal solutions, and become a reference point for others along the way.

Building awareness and understanding of the business model that underlies our organizations will be a significant focus of our work in the next few years to show that yes, another way of banking is not only possible, it is profitable. Together we have already done much to advance this idea as demonstrated by the work we are bringing to realization in 2015:

- The launch of the **Sustainability | Finance | Real Economies (SFRE) Investment Fund**, which is a tangible signal of our commitment. This innovative and unique financial product globally addresses long-term capital needs for growing values-based banks.
- Measuring our impact is a transparent underpinning of our business model as defined by the **Principles of Sustainable Banking**. We have developed a Scorecard which reports the basic requirements, quantitative factors and qualitative elements that together demonstrate the delivery of the values-based banking model. In 2015 we will publish the results of members' Scorecards.

- We will also see the launch of the **GABV Leadership Academy**, a formal 18-month programme where participants from member banks, as well as other organizations, will explore leadership, innovation, and trends in values-based banking. With a goal to develop the next generation of values-based banking leaders, the programme will build on the Values Ambassadors network, which comes to a formal close in 2015.
- An international social media campaign in the fall will build on the success of our inaugural October 2014 campaign, when our network of 30,000 co-workers came together online to participate in **I Am #BankingOnValues**. More than 8.8 million impressions resulted from more than 7,500 social media posts, as well as media attention and localized events that allowed member banks to engage with their stakeholders.

The Global Alliance must continue to grow to further our impact, so we now move from the 'start-up' mode of our first five years into our next phase of growth. With that, we are pleased to bring on our first Executive Director, Dr Marcos Eguiguren, to accelerate the growth of our global network and the scale of our impact. We will also continue to reach into our membership to bring your ideas and resources to the table to help us achieve our goals.

Our future will involve defining the frontrunner position we wish to take in the next few years and crafting the strategy to enable us to reach it. Asking ourselves the question "How can we be more transformative and influence others to be so?" is our key focus.

On behalf of the Board of Directors, we look forward to exploring this question with you.

—Peter Blom
Chair, Board of Directors
Global Alliance for Banking on Values



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Overview

Founded in 2009, the Global Alliance for Banking on Values (GABV) is an independent network of banks and banking cooperatives with a shared mission to use finance to deliver sustainable economic, social and environmental development. The Global Alliance comprises 25 financial institutions operating across 30 countries in Asia, Africa, Australia, Latin America, North America and Europe; serving 20 million customers; holding up to USD 100 billion of combined assets under management; and powered by a network of 30,000 co-workers.

With a Secretariat headquartered at Triodos Bank in The Netherlands, this network of banks, credit unions, microfinance and community banks shares a charter to use finance to find global solutions to international problems—and to promote a positive, viable alternative to the current financial system.

At its heart, the GABV is a Chief Executive Officer network providing a unique space for leaders committed to values-based banking to collaborate and inspire. It also provides learning and development opportunities for senior executives, experts and talented banking professionals at member banks.

The GABV takes a leading role in the debate about how to build a sustainable financial future by managing joint projects among members, experts and partners to help deliver this future and by advocating for change.

Governance

The Global Alliance for Banking on Values was established as a Dutch not-for-profit foundation in 2009. Under its Articles of Incorporation, the Global Alliance is governed by a Board of Directors. Operational responsibilities are delegated to a Secretariat through the Chair of the Board.

The Board has a regional structure with the Chair selected on a global basis. In 2014 it was decided to add an additional Board member to represent all members. Current members include:

- Peter Blom, CEO, Triodos Bank (The Netherlands), Chair
- Thomas Jorberg, CEO, GLS Bank (Germany), European Region
- Kurt Koenigsfest, CEO, BancoSol (Bolivia), Latin American Region
- Tamara Vrooman, CEO, Vancity (Canada), North American Region
- Rume Ali, Director, BRAC Bank (Bangladesh), Rest of World
- Ken LaRoe, CEO, First Green Bank (USA), At Large



From left to right: Peter Blom, Thomas Jorberg, Kurt Koenigsfest, Tamara Vrooman, Rume Ali and Ken LaRoe

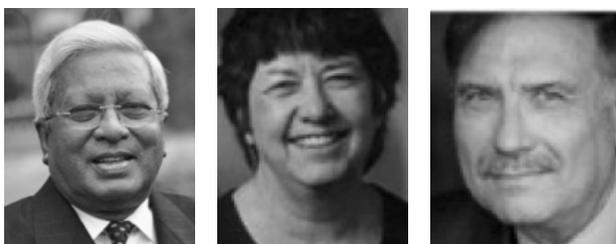
Member Stories



Affinity Credit Union invests in youth financial literacy in Canada

Financial literacy is an essential life skill. Affinity's program helps youth in the City of Saskatoon, which has the youngest population of any urban area in Canada, build self esteem and confidence at a critical time of life, when they can enter the workforce, assert their financial independence, and contribute to their community—helping youth improve their financial and life situations while enhancing their education at the same time.

The Board was also pleased to bestow the title of Founder on three pioneers who were part of the original 2009 Board and who have completed their service as Directors: Sir Fazle Abed (Bangladesh), Mary Houghton (USA), and Luis Felipe Derteano (Peru).



From left to right:
Sir Fazle Hasan Abed,
Mary Houghton
and Luis Felipe Derteano

The Board held eight meetings in 2014, with the majority of these meetings by conference calls and three in-person; these meetings focused on issues strategic in nature.

At the annual meeting of the Global Alliance all members are informed of the activities of the prior year with feedback requested. Their input is provided on governance and financial issues, including the selection of Board members and the determination of membership fees. Members also provide input on the activities that they believe are most important for progressing the goals of the Global Alliance. Looking ahead, governance is evolving in 2015 through two major changes.

By-laws are being written to provide more structure to the selection of Board members as well as other decision-making processes. These By-laws will supplement the Articles of Incorporation and provide transparency on the processes of the Global Alliance. The By-laws will be discussed at the March 2015 Annual Meeting and finalized after incorporating input from members.



In addition, in June 2015, the Global Alliance will have its first Executive Director to grow the organization's membership and impact and oversee the work of the Secretariat. Dr Marcos Eguiguren will take on this responsibility and has been asked by the Board to develop a strategic plan for the Global Alliance to provide a roadmap for its activities through to 2020.

The Berlin Declaration

Created at our annual meeting in 2013, The Berlin Declaration outlines the fundamental paradigm shift we believe is necessary in banking:

- **Transparency:** All banks must provide full transparency on their business models and use of clients' funds using common standards to be set by independent experts.
- **Sustainability:** All banks must use indicators to report social and ecological impact, which should also be used within the regulatory framework.
- **Diversity:** Governments and regulators must include a diversity of banks as an important role in the process of reframing regulation for the financial sector.

Member Stories



XacBank invests in energy efficiency in Mongolia in the world's coldest capital

Ulaanbaatar is the coldest capital city in the world. Most families rely on inefficient stoves, burning 4.5 tonnes of coal per year at high costs to households and to Ulaanbaatar's pollution. Women like Nansalmaa endured the winter by spending much of her salary on fuel, diverting funds from food, clothing, and support for her children. By installing energy efficiency measures—a stove, ger-blanket insulation, and a vestibule—clients reduced fuel consumption by up to 50% and ensured they had more money for life's essentials.

Principles of Sustainable Finance and Sustainable Banking

Since its foundation, the Global Alliance has been clear that for the majority of banking institutions the driver of business decisions is primarily or exclusively profitability of the services provided, even if by-products of those decisions deliver sustainable economic, environmental or social development.

For GABV members, business decisions start with the identification of a human need to be met and then determine how to meet that need on a sustainable basis. It is this difference in primary motivation that defines the uniqueness of the values-based banking model.



1. Triple bottom line approach at the heart of the business model
2. Grounded in communities, serving the real economy and enabling new business models to meet the needs of both
3. Long-term relationships with clients and a direct understanding of their economic activities and the risks involved
4. Long-term, self-sustaining, and resilient to outside disruptions
5. Transparent and inclusive governance
6. All of these principles embedded in the culture of the bank

Detailed descriptions of the principles can be found at:
www.gabv.org/about-us/our-principles

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Membership

GABV membership is based on the following set of criteria:

- **Regulated Financial Institution** – the proposed member is a financial institution regulated by an authority established under the government of its primary geography and it makes loans and accepts deposits.
- **Core Business Values** – the proposed member has a business model primarily driven by the Principles of Sustainable Banking with a double bottom line commitment but preferably a triple bottom line commitment of People, Planet, and Prosperity.
- **Independent Stable Governance** – the governance for the proposed member is stable ensuring ongoing ability to be committed to a business model consistent with the Principles of Sustainable Banking.
- **Leadership Commitment** – the proposed member's senior management and governing boards have strong commitments to maintaining or expanding business activities consistent with the Principles of Sustainable Banking. The CEO (or equivalent) is committed to active participation in GABV activities.
- **Financial Model Sustainability** – the proposed member operates a financial model (earnings, capital, risk management, etc.) sustainable over the long term and resilient for responding to business challenges and opportunities.
- **Expanding Impact Commitment** – the proposed member has a commitment to growing the impact of its activities over time directly or indirectly.

Our members

- Affinity Credit Union, Canada
- Alternative Bank Schweiz, Switzerland
- Assiniboine Credit Union, Canada
- Banca Etica, Italy
- Banco Fie, Bolivia
- BancoSol, Bolivia
- bankmecu, Australia
- Beneficial State Bank, USA
- BRAC Bank, Bangladesh
- Centenary Bank, Uganda
- Clean Energy Development Bank, Nepal
- Crédit Coopératif, France
- Cultura Bank, Norway
- Ecology Building Society, UK
- First Green Bank, USA
- GLS Bank, Germany
- Merkur Cooperative Bank, Denmark
- Mibanco, Peru
- New Resource Bank, USA
- SAC Apoyo Integral, El Salvador
- Sunrise Banks, USA
- Triodos Bank, The Netherlands
- Vancity, Canada
- Vision Banco, Paraguay
- XacBank, Mongolia

Regional Chapters

Increasingly, Global Alliance members work together in regional affiliations to strengthen their connections, advance shared agendas, and support the growth of the GABV in the region. These roundtables also provide knowledge and perspective on substantive issues to the larger CEO group. Leadership of each chapter is provided by the Board member responsible for the region.

European Chapter

Established in 2013, the European Chapter comprises a group of nine European member bank CEOs and two partner banks (formerly organized in the INAISE banking group) which meets annually to discuss banking issues specific to the Eurozone. Participants update each other on the development of their own banks and markets as well as on the work of the GABV, cooperate on European initiatives and explore possible new members in the region. Board Director Thomas Jorberg, CEO of GLS Bank (Germany) leads the chapter.

In November 2014 the group met in Padua, Italy, hosted by GABV member Banca Etica. Participants gained insight into the work of the bank and especially Etica SGR, the bank's asset management company. The agenda also saw discussion on how to measure the impact of values-based banking, cooperation on addressing regulation issues and exploration of direct investment possibilities, as well as insights from those who participated in the Social Impact Investment Taskforce which was launched following the June 2013 G8 Social Impact Investment Forum in London.

North American Chapter

With seven members from Canada and the United States, the North American Chapter of the GABV, led by GABV Board Director Tamara Vrooman, CEO of Vancity (Canada), was formally established in 2013. The chapter's members emerge from two countries with different histories, cultures, economies and banking industry landscapes. At its first meeting, the agenda focused on broad dialogue related to general challenges faced by CEOs, regulatory issues and finding new values-based members.

At its annual meeting in Washington in October 2014, the group focused on leadership challenges such as aligning their organizations to the values-based banking business model, risk and governance issues, and how to create the optimal regulatory environment for their work. The group explored how best to ensure their missions are protected along with economic interests, as well as possibilities of working jointly on core issues common to all members.

Latin American Chapter

GABV member banks in the Latin American region (South and Central America) will form their own chapter in 2015 under the leadership of Kurt Koenigsfest, CEO of BancoSol (Bolivia).

Member Stories



Banco Fie invests in supporting women's organic farming in Bolivia

Felipa is one of a group of women partners in rural Santa Cruz. Dedicated to the production of organic foods, the group initially grew citrus fruits, corn, carrots and cassava, before diversifying their crop to include coffee. A 3,000 Bs (\$400 USD) Banco Fie loan enabled Felipa to purchase supplies and expand the coffee and cassava plantations. Once she had received training and financial support, the group could expand their crop and boost their yield.

Financial Capital

Following on its research released in 2012, the Global Alliance has been actively working on securing new sources of long-term capital to support the growth of values-based banks. That research identified both the need for capital to support growth of values-based banking institutions and the attractive financial and non-financial returns they provide. This effort has been focused on the initiation of **Sustainability | Finance | Real Economies (SFRE or Sapphire)**.

The Global Alliance has provided the project funding to support the development of SFRE which is structured as a Luxembourg open-ended investment fund with the potential for multiple compartments or subfunds. In addition to providing project funding, Global Alliance members have committed to invest nearly \$20 million in SFRE.

SFRE has been structured and investors have been secured through the efforts of Enclude Capital Advisory UK Limited, (www.encludesolutions.com) an advisory firm that connects clients with financial resources that drive real and sustainable growth in emerging economies with a focus on the inclusive economy.

The initial closing of SFRE took place on 12 February 2015 with total capital raised over \$40 million. SFRE has a long-term ambition of raising up to \$1 billion within 10 years.

SFRE has an independent Board of Directors elected by its investors, including Jim Prouty, CEO. The Global Alliance, as owner of the Mission Share, has the right to propose one member for the Board of Directors. Changes to the investment policy, the CEO, the Investment Manager and certain other strategic decisions require the positive vote of the Mission Share representative for approval. This structure ensures that SFRE maintains its focus on supporting the growth of values-based banking.

SFRE will invest its funds in values-based banks throughout the world. The investment process for SFRE is managed by MicroVest Capital Management, LLC (www.microvestfund.com), an asset management firm with a focus on investing capital in under-banked markets and providing access to financial services for rising middle class communities around the world. SFRE investments will be approved by an Investment Committee.

SFRE is the first global open-ended investment fund focusing on providing long-term capital to values-based banking institutions. By being open-ended it will not face pressure to encourage the sale of its investments to provide returns to investors. Rather its focus on providing both an ongoing cash return through dividends and capital appreciation will support the long-term mission of the banking institutions in which it invests.

Although independent, SFRE will enhance the eco-system of values-based banking that the Global Alliance is developing across its various activities. Supporting the growth of these banking institutions as well as providing an incentive to become more values-based focused will be a result of this effort.

Member Stories



Crédit Coopératif invests in overcoming social exclusion through enterprise in France

Groupe SOS has developed a complete care offering to help people escape from social exclusion and consists of 44 social enterprises active across France, la Réunion, Guyane and Mayotte. Their enterprises and non-profit associations employ 10,000 people and manage up to 300 facilities: hospitals, nurseries, retirement homes, educational facilities for minors, social housing and integration facilities for disabled people. In 2011, the actions of the different bodies of Groupe SOS impacted more than one million beneficiaries.

Impact Metrics

The Global Alliance has been working for several years on developing ways to measure and report to stakeholders the results of its activities. As with its efforts in Financial Capital, this effort was driven in part by the results of its research published in 2012 that identified a need for providing standardized information. Furthermore as follow up to its Berlin Declaration, the Global Alliance seeks to take a leading role in developing a transparent approach to reporting for values-based banking.

To develop a common stakeholder reporting approach the Global Alliance has created a network of metrics experts from its members. All members participate in this network which seeks to develop reporting tools and standards. The Global Alliance Scorecard is the result of this effort. This Scorecard was beta tested in 2013 and moved to version 1.0 for 2014 reporting.

The Scorecard was developed using the practitioner knowledge of its members who are already active in reporting to their stakeholders the impact of their efforts to operate under the Principles of Sustainable Banking. These Principles focus on the delivery to individuals, enterprises and communities a triple bottom line of economic resiliency, environmental regeneration and social empowerment (Prosperity, Planet and People).

The Scorecard consists of three elements that on a combined basis provide insight to the relative focus on delivering a values-based banking business model. The key elements of the Scorecard are:



In 2015 the Global Alliance intends to begin publishing the results of members’ Scorecards on its website. Some members have already begun doing so individually as part of their annual reporting processes. In addition, the Scorecard will be used by SFRE to assess investments. The long-term goal is for the Scorecard to become an industry standard for assessing the alignment of any banking institution with a values-based strategy.

Member Stories



bankmecu invests in secure housing for women escaping domestic violence in Australia

Women’s Property Initiatives (WPI) provides long-term safe and secure housing for women and their children, many of whom are escaping domestic violence, with 65 properties housing 173 women and children. WPI develops, owns and manages all their properties and are constantly seeking new opportunities to grow their housing stock. WPI has also led the way in demonstrating the social return on investment of their housing portfolio by commissioning a rigorous analysis of the social and economic benefits that have flowed to their tenants.

Human Capital

Knowing that people are at the core of values-based banking, the GABV's Human Capital work is focused in developing our human potential.

The **Human Resources Expert Group** was launched in the fall of 2011. Senior human resources managers from member banks meet regularly for peer coaching and to discuss how human resources can be advanced from a values-based perspective. The group also oversees the GABV Leadership Academy. Participants connect monthly in conference calls, and meet once a year in person; in 2014 the group met in Lima, Peru, hosted by member bank Mibanco.

The **Values Ambassadors Programme** was designed for co-workers in member banks to take on roles engaging stakeholders to advance the values-based banking movement. More than 40 people have served in this role. In 2014 they delivered more than 30 co-worker engagement activities, reaching over 600 stakeholders. This included connecting co-workers with Values Ambassadors from other banks to help bring alternative values-based banking models to life, and online forums where people across the network shared innovative solutions to specific functional challenges. Values Ambassadors played a key role in the 24 hours of Values-Based banking event in October 2014 by hosting co-worker events and driving significant social media activity. Based on a growing desire from both the Values Ambassadors and CEO network for a more formal leadership programme, the Human Resources Expert Group, in partnership with the Values Ambassadors, began exploring the idea. The result was the GABV Leadership Academy which will launch in 2015. It was decided to bring the Values Ambassador Programme to a close at the 2015 Annual Meeting in order for the GABV Academy to get underway. Values Ambassadors will continue in alumni roles focused on co-worker engagement.

The **GABV Leadership Academy** will see the next generation of leaders from member banks (and from other like-minded organizations) learn together: sharing their knowledge and learning about leadership, innovation techniques and trends in values-based banking in an 18-month programme organized in four modules, three of which will be hosted by member banks. The fourth module will be held at the Massachusetts Institute of Technology in Cambridge, USA and at the United Nations.

Targeted at professionals with three to five years experience at executive, mid-management and project management levels, the programme introduces participants to the concept of values-based banking; the variety of profitable, sustainable and resilient business models already in use; the operational approaches in different regions and markets; the product, service and programme innovations being deployed or designed; and provides participants with a unique opportunity to network, share experiences and gain insights from experts and senior executives in the values-based banking sector.

The first prototype will be launched in March 2015 with 19 highly qualified participants, representing GABV member banks from five continents. This is the first bilingual programme for the GABV, offered in English and Spanish.

A Fellowship Programme exchange took place between Triodos Bank (Belgium) and Crédit Coopératif (France) in November 2014. Marie-Amélie de Saint Maurice, Legal Advisor, spent three weeks with French colleagues exploring the full range of head office, branch and community experience. Marie-Amélie said: "I came back with a lot of energy, motivation and new ideas... and with a stronger belief: Triodos Bank, Crédit Coopératif and all other GABV member banks are heading in the right direction."

Advocacy & Engagement

On October 23, 2014, member banks collaborated online to add local voices from over 20 countries to the GABV's growing, global movement through the I Am #BankingOnValues campaign.

This social media campaign was the first international awareness effort by the GABV, combining online and offline engagement activities to prompt thought about the relationship among banking, the economy, environment and society and stimulate conversation about values-based banking.

The intention was to trigger peoples' sense of personal agency—their ability to influence change through the choices they make—in creating a banking system that is more transparent, accountable and inclusive. Motivated citizens are capable of making great change and our goal was to create a people-focused campaign to raise awareness about the positive impacts of sustainable banking; a campaign to engage the hearts and minds of those who want a better banking system that is in service of people and their communities.

The campaign, designed with input and participation of people from across the member network, harnessed the ability of social media networks to connect GABV members around the world and was powered at its core by one of our best and most accessible assets: the 30,000 co-workers in our member network who are passionate about values-based banking.

Our intent was to raise awareness of values-based banking by humanizing it and creating interest in this growing movement powered by personal choice, through the voices of the people who have built it—their passion, their vision and why they're involved—as a way to engage a broader audience.

Successes included more than 7,500 social media posts and 8.8 million impressions using the #BankingOnValues hashtag. The campaign had a high level of member participation with more than 90 per cent of GABV members joining the conversation. I Am #BankingOnValues also garnered media attention in at least six countries and saw the launch of a new YouTube video with more than 3,600 views.

Several members also held local events to complement the global campaign, furthering their own connections with their clients, members, shareholders and the wider public.

This pilot campaign received very positive feedback and will run again on October 22, 2015.

Member Stories



Centenary Bank invests in a tea factory owned by its growers in Western Uganda

Mpanga Growers Tea Factory is one of four factories formerly owned by Uganda Tea Growers Corporation, originally established by an Act of Parliament in 1966 to protect the interests of smallholder tea growers against competitors, with the ultimate aim of making them owners. In 1995 the company privatized and is now fully owned by the smallholders. A leading grower in Uganda, producing high quality tea for local and export markets, the factory is the main source of income for 800 families in Kabarole and Kyenjojo Districts; the livelihoods of over 4,700 people are dependent on the company.



Headlines & Highlights

- Assiniboine Credit Union (Canada) receives 2014 Anne Lindsey Protecting Our Earth Award
- bankmecu (Australia) Managing Director wins CEO award for demonstrating leadership in environmental, social and economic outcomes for the bank, its customers and the community
- Beneficial State Bank (USA) announced as B Corp Best for the World overall impact winner, 2014
- BRAC Bank (Bangladesh) wins 'Sustainable Marketing Excellence Award' from CMO Asia for efficient marketing and distribution
- Centenary Bank (Uganda) invests in Kasubi youths ILO financial literacy programme for business empowerment
- Clean Energy Development Bank (Nepal) empowers deprived at Saankhu with clean and renewable energy for essential lighting needs
- Ecology Building Society (UK) launches dedicated mortgage for community shops helping to tackle the lack of services and isolation in rural areas
- First Green Bank (USA) 2014 Sustainable Florida Best Practices & Green Building and Leadership recipient
- GLS Bank foundation (Germany) gathered 400 dedicated people to discuss the future of money at the 'first national money summit'
- New Resource Bank (USA) honoured as 'Best for the World,' creating the most overall positive social and environmental impact by B Lab
- Sunrise Banks (USA) becomes Minnesota's first Benefit Corporation, a legal structure that redefines success in business by ensuring business is a force for good
- Triodos Investment Management (The Netherlands) innovates in evergreen impact investing with Triodos Organic Growth Fund
- XacBank (Mongolia) receives Best Bank award (Asia and the Pacific Region) from Global Finance magazine for leading services in the financial market with a focus on Planet, People and Profit.
- Vancity (Canada) becomes the first mainstream financial institution in Canada to launch an alternative to predatory payday loans; reducing costs for borrowers and helping people break the cycle of debt

GABV Secretariat

The Secretariat of the Global Alliance for Banking on Values comprises two full-time staff positions, supplemented on a part-time basis by two consultants and two in-kind secondments from member banks. Interns also join the team on a rotating basis. In mid-2015, the Secretariat will be joined by its first Executive Director.

The Global Alliance said farewell—and many thanks—to James Niven, who served as Programme Manager for the first five years of the GABV. James returned to his full time role as Head of Public Affairs at Triodos Bank in late 2014. His role was filled on an interim basis by Carolina Benavides (Lima, Peru) and Linda Ryan joined the Secretariat on a full-time basis in January 2015 as Programme and Communications Manager.

Staff:



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Network Coordinator
Zeist, The Netherlands



James Niven
Programme Manager
Zeist, The Netherlands

Programme Advisors:



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David Korslund
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Janina Zajic
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Intern:



Radek Halamka
Metrics Intern
Zeist, The Netherlands

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Financial Overview

Since its inception in 2009 the Global Alliance has operated on a prudent financial basis although with limited reserves. It has funded its activities primarily through membership contributions with additional financial support from its larger members. Specific projects have been funded through additional contributions as well as through external foundation support.

The primary source of operational funding is from membership fees that are based on the asset size of a member. These fees are approved each year at the annual meeting based upon the operational plan provided to the members. The majority of costs incurred are for staffing the GABV Secretariat.

A summary of the operating financials of direct income and costs for the last four years is as follows:

	2014	2013	2012	2011
Membership Fees / Contributions	€ 374,366	€ 344,609	€ 252,500	€ 182,500
Other Income	€ 0	€ 10,351	€ 9,206	€ 0
Total Income	€ 374,366	€ 354,960	€ 261,706	€ 182,500
Staff Expenses	€ 318,777	€ 299,604	€ 195,666	€ 143,680
Other Expenses	€ 55,621	€ 55,679	€ 68,041	€ 36,753
Total Expenses	€ 374,398	€ 355,283	€ 263,707	€ 180,433
Net Surplus / (Deficit)	(€ 32)	(€ 323)	(€ 2,001)	€ 2,067
Cumulative Surplus / (Deficit)	€ 863	€ 895	€ 1,218	€ 3,219

Within the Membership Fees and Contributions are extra contributions from Board member banks. These have ranged from a low of € 16,000 in 2014 to as much as € 112,500 in 2011 prior to a restructuring and increase in membership fees, primarily focused on larger members.

In addition to direct financial results, costs are incurred by member banks to support the work of the Global Alliance. The primary external costs relate to the hosting of the annual member meeting. These costs are covered by the host bank and are typically in the range of € 125,000. Furthermore some members (Vancity and GLS Bank) have seconded staff in 2013 and 2014 to support the Secretariat for which no direct costs are incurred by GABV.

Additional project costs have been incurred by the Global Alliance for research published in 2012 and project costs for the SFRE Fund. The research project had total costs in excess of € 200,000. The Rockefeller Foundation provided funding of \$200,000 USD with the remainder of these costs covered by contributions from Board member banks.

The SFRE project was budgeted with € 735,000, startup costs that are to be reimbursed from SFRE. Total costs incurred by the Global Alliance were held to € 696,500. These costs were covered by outright donations by five members to the Global Alliance totalling € 110,000, with the remainder to be repaid to the 11 members that provided funding. The donations will be available to support general activities when received from SFRE.



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[#bankingonvalues](https://twitter.com/bankingonvalues)

The Global Alliance for Banking on Values is an independent network of banks and banking cooperatives with a shared mission to use finance to deliver sustainable economic, social and environmental development.

Disclaimer

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