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What is Global Alliance for Banking on Values?

The Global Alliance for Banking on Values (GABV), founded in 2009, is a network of banking leaders from around the world committed to advancing positive change in the banking sector. Our collective goal is to change the banking system so that it is more transparent, and supports economic, social and environmental sustainability. The GABV is composed of a diverse range of banking institutions serving the real economy. We connect banks, banking cooperatives and credit unions, microfinance institutions and community development banks and support their work on systemic change of financial systems. Read more about our history.

Our members focus on a shared mission - to use finance to deliver sustainable economic, social and environmental development, and to help individuals fulfill their potential and build stronger communities. We deliver our work by upholding the Principles of Values-based Banking:

1. **Triple Bottom Line Approach**
2. **Real Economy**
3. **Client Centred**
4. **Long Term Resiliency**
5. **Transparency**
6. **Culture**

As the GABV grows and develops, additional affirmations and signals of who we are and what we stand for have been established and agreed by all members. These include the Berlin Declaration (2013) to communicate the GABV’s focus on driving a fundamental banking paradigm shift to the banking industry, policy makers and regulators, and the Kathmandu Pledge (2017) to add greater specificity to the commitments of our individual members and the reasons why we commit to bank this way. Read the Berlin Declaration and the Kathmandu Pledge here.

The GABV takes a leading role in the debate about how to build a values-based financial future and fosters joint projects between its members to help deliver it. It is both a talking and, crucially, a doing organization. We deliver our ambitious goals through many actions, each accompanied by clear and specific goals. Learn more about what we do here.

Within a few short years, the Global Alliance for Banking on Values has strengthened the collective and individual voice of banks that are committed to accelerated social, cultural, environmental and economic transformation. This brand of banks and banking institutions achieve renewal in their communities and the real economy, while achieving profitable growth for their stakeholders and members. In this way, individuals, companies and communities across the world have become more aware that they have a wider choice of banking services available to them. And, that if they choose a GABV member they know that their money will be invested in ways that aspire to improve the quality of life and well-being of people all over the world.

At the end of 2017, there were 47 independent, successful and growing GABV members from Asia, the Middle East, Africa, Australia, Latin America, North America and Europe, with combined assets of USD 127 billion, including third party funds under management as of year-end 2016. Members include microfinance banks in emerging markets, credit unions, community banks and sustainable banks financing social, environmental and cultural enterprise. Together they touch the lives of people in 31 countries.
We are delighted to share with you the 2017 annual report summarizing what the GABV achieved in a year full of challenges and unsettling world events. This report focuses on the positive side of our work and should serve as an inspiration to improve the way we work, to achieve more, and to make the world a better place for all, while remaining true to our values-based approach.

In 2017, we have seen a remarkable growth in the number of GABV members. But the question is how to maintain a close-knit community and stay connected as we grow and evolve into a leading global movement of values-based banking.

We must continue to meet regularly at regional and annual events and to discuss and develop new ideas about how to achieve what we promised ourselves, our clients and our co-workers – how to change finance to finance change. The quality of our members must remain high in terms of upholding the values-based principles as we continue on our path to create a positive impact in the world. Personally, my biggest hope is to maintain the intensity of relationships that has been our important signature since the founding of the GABV, and that in the coming three years we will build on and continue to celebrate our successes.

Several years ago, at the GABV annual meeting in Bangladesh, Sir Dr. Hasan Abed, cofounder of the GABV, challenged us to make an impact on one billion lives. Remarkably, given the many challenges worldwide, and helped by new members joining our alliance, we are on a good course to achieve this challenge by 2020. A road ahead is not easy, but we have achieved excellent results and now take a step closer to that goal.

As we gather together for our 2018 annual meeting in Arequipa, Peru, our theme “Values-based banking revisited: Facing the Future Together” points to the way forward. On behalf of the Board of Directors of the Global Alliance for Banking on Values, I thank you for your commitment to this shared journey.

A message from Peter Blom, Chair

...my biggest hope is to maintain the intensity of relationships that has been our important signature since the founding of the GABV.
A message from Dr Marcos Eguiguren
GABV Executive Director

In 2017 there was an important rise in the number of members and supporting partners. We now have 47 GABV banks and seven Supporting Partners in this movement of systemic change makers.

But, perhaps the most important growth has been in visibility of the GABV. We have attracted the attention of influencers, other financial institutions, regulators, media and public opinion in general. Speaking requests, articles in the press and invitations to speak at events worldwide has grown by 50% compared to last year.

We have worked in many different areas, but we would like to highlight the initiation of the Knowledge Management program that will be continued and improved during 2018 and has already shown positive results for some members in 2017. In 2018 we will continue to work on areas where we can better align our efforts to achieve our collective purpose. Particularly in areas where we can create value for individual members such to help reinforce our member’s market position.

A great annual meeting in Kathmandu, hosted by NMB Nepal, another successful international #BankingOnValues day, designed to reach out to GABV co-workers and the graduation of the second cohort of the GABV Leadership Academy, are amongst the many achievements of this year.

The consolidation of the different Regional Chapters and their ambition to coordinate actions and increase exchanges is quite remarkable. In 2017, we also inaugurated the Asia-Pacific Chapter with an inception meeting hosted by the Aga Khan Agency for Microfinance in Dubai. GABV member banks in Africa and the Middle East were also invited to the meeting and so, for the first time, all member banks could participate in a Chapter meeting.

We will keep on growing in 2018, adding more diversity to our membership and making a special effort to add members in Africa and the Middle East. Identifying those banks around the world who are also banking on values or who are very close to us is a must for the GABV. We need to expand the voice and the strength of our movement if we really want to achieve our purpose and to contribute to a positive change in the world of finance.

We will focus on revisiting our values and exchanging best practices and ideas about what it means to be a values-based bank at our annual meeting in Arequipa, Peru, in March 2018. We need to prepare for our 10th Anniversary in 2019, in which we really want to open up to the world and to clearly show our ambition to contribute to a change in the world of finance. There is no better way to do this than to collectively reflect on what we represent together.

We are the Movement of Systemic Change Makers
Successes of 2017

- Eight New Members

- A successful Annual Meeting 2017 in Nepal

- The Kathmandu Pledge

- The start of the African Business Development Plan

- Forming of Asia-Pacific regional chapter

- Annual research was updated with an increase in values-based banks covered to 37 from 28

- Leadership academy graduation of the second generation of future values-based leaders

- We developed several strategies:
  - Supporting partner strategy
  - Knowledge management strategy

- Coorganizing of public events, and partnering and supporting other external events

- Media attention (75+ interviews, special magazine editions featuring GABV)

- Social media increase:
  - Twitter: 20% followers, 21% higher engagement
  - Facebook: 29% follower increase, 50% higher engagement

- Updated research: Real Economy – Real Returns: The Business Case for Values-based Banking

- New pathways: Building blocks for a sustainable finance future for Europe

- Where Money Moves Matters: ABV Stories of Systemic Change
The Global Alliance for Banking on Values was established as a Dutch not-for-profit foundation in 2009. Under its Articles of Incorporation, the 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. 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
- **Ugo Biggeri**, CEO, Banca Etica (Italy), At Large
- **Tamara Vrooman**, CEO, Vancity (Canada), North America
- **Shameran Abed**, Director of BRAC Microfinance Programme (Bangladesh), Asia-Pacific Region

In 2017, the GABV welcomed two new members. Shameran Abed, from the Asia-Pacific Region became a Board member, and Ugo Biggeri replaced Ken Laroe as a Board member at large. Ken Laroe held his position until March 2017.
During 2017 the GABV was honored to welcome eight new members. These included four new North American members: Verity Credit Union (USA), Caisse d’économie solidaire Desjardins (Canada), Missoula Federal Credit Union (USA) and Kindred Credit Union (Canada); two new members in the Asia and the Pacific region: First Microfinance Bank of Tajikistan (Tajikistan) and Bank Muamalat (Malaysia); one new European member: Opportunity Bank Serbia; and one Latin American member: BANFONDESA (Dominican Republic).

Growth in membership over the last two years has had significant impact for the Asia and Pacific region, which has gathered critical mass to form a Regional Chapter under the leadership of Shameran Abed (BRAC) regional Board Representative. The Chapter held an informal meeting within the framework of the GABV annual event in Kathmandu in March 2017 and had its first formal gathering in August 2017 under the patronage of the Aga Khan Agency for Microfinance in Dubai. This meeting marked a tremendous year of progress in moving the GABV regional representation agenda forward.

The past year was also very promising in terms of exchange amongst our members, as we witnessed an important increment in formal and informal bilateral and study visits. This is not only a strong signifier of how vibrant the values-based banking community is, but it also shows our members’ commitment to cooperation. It is a recognition of the value of the GABV and the practices and knowledge of its members. It is also important to point out the willingness of our member institutions to share their experience with organizations interested in building a different financial system. Throughout the year our member banks have received dozens of visits from prospective members and other institutions interested to learn about the features of a values-based organization.

2017 also marked the year in which our members adopted the Kathmandu Pledge, a joint document intended to:
→ Strengthen the cohesion and homogenize the ambitions of members around the shared goals of our strategy 2020
→ Demonstrate their steadfast commitment towards the implementation of the GABV mission and vision at both local and international level;
→ Renew their engagement to the Principles of Values-based Banking.
We hope the Kathmandu Pledge will become a cornerstone in the development of the GABV 2020 ambition.

The Kathmandu Pledge will respond to a series of issues we thought relevant at this stage of the GABV development. Most importantly it explains WHAT we commit to and WHY we commit to it, looking at the challenges of the world today. It re-establishes the core and the heart of the GABV – the Principles of Values-Based Banking. It gives an overview of HOW we do things and the kind of banking we practice.

The Kathmandu Pledge was drafted by a group of six CEOs during three days of arduous work at the annual event and was presented to all CEOs at the annual meeting on 9 March 2017. You can find more about the Kathmandu Pledge [here](https://example.com).

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**Membership Criteria**

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 Values-based Banking with a double bottom line commitment but preferably a triple bottom line commitment to 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 Values-based 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 Values-based 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; and
- **Expanding Impact Commitment** – the proposed member has a commitment to growing the impact of its activities over time directly or indirectly.

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**Membership**

Business models and activities of GABV members are guided by the GABV Principles of Values-based Banking, which describe the fundamental pillars of values-based banking. The GABV Principles play an important role in the development of GABV membership, as they are used to assess the suitability of prospective banks to join the GABV in the initial stages. They are also of utmost importance to member banks, since they seek to guide their day-to-day activities while steering their commitments to values-based banking in a common direction. There are six pillars of values-based banking:

1. **Triple Bottom Line Approach**
2. **Real Economy**
3. **Client Centred**
4. **Long Term Resiliency**
5. **Transparency**
6. **Culture**
Triple bottom line approach at the heart of the business model.

Values-based banks integrate this approach by focusing simultaneously on people, planet and prosperity. Products and services are designed and developed to meet the needs of people and safeguard the environment. Generating reasonable profit is recognized as an essential requirement of values-based banking but is not a stand-alone objective. Importantly, values-based banks embrace an intentional approach to triple-bottom-line business – they don’t just avoid doing harm, they actively use finance to do good.

Grounded in communities, serving the real economy and enabling new business models to meet the needs of both.

Values-based banks serve the communities in which they work. They meet the financial needs of these geographic and sector-based communities by financing enterprises and individuals in productive and sustainable economies.

Long-term relationships with clients and a direct understanding of their economic activities and the risks involved.

Values-based banks establish strong relationships with their clients and are directly involved in understanding and analyzing their economic activities and assisting them to become more values-based themselves. Proper risk analysis is used at product origination so that indirect risk management tools are neither adopted as a substitute for fundamental analysis nor traded for their own sake.
Long-term, self-sustaining, and resilient to outside disruptions.

Values-based banks adopt a long-term perspective to make sure they can maintain their operations and be resilient in the face of external disruptions. At the same time, they recognize that no bank, or its clients, is entirely immune to such disruptions.

Transparent and inclusive governance.

Values-based banks maintain a high degree of transparency and inclusiveness in governance and reporting. In this context, inclusiveness means an active relationship with a bank’s extended stakeholder community, and not only its shareholders or management.

All of these principles embedded in the culture of the bank.

Values-based banks seek to embed these principles in the culture of their institutions so that they are routinely used in decision-making at all levels. Recognizing that the process of embedding these values requires deliberate effort, these banks develop human resources policies that reflect their values-based approach (including innovative incentive and evaluation systems for staff) and develop stakeholder-oriented practices to encourage values-based business models. These banks also have specific reporting frameworks to demonstrate their financial and non-financial impact.
While considering these principles, GABV members gather together to bring them to life, by presenting a coherent alternative to mainstream banking, advocating as a global movement for a fairer financial system, exchanging experiences and knowledge to improve products and processes, and developing banking ecosystems that serve the real economy.

Our membership comprises of a wide range of regulatory environments, diverse regions, economic activities and client segments, but has one thing in common: a commitment to change the financial paradigm and build a better economy.

Our Members (In alphabetical order)

Affinity Credit Union (Canada)  
Alternative Bank Switzerland (Switzerland)  
Amalgamated Bank (USA)  
Assiniboine Credit Union (Canada)  
Banca Etica (Italy)  
Banco Ademi (Dominican Republic)  
Banco FIE (Bolivia)  
Banco Solidario (Ecuador)  
BancoSol (Bolivia)  
Bank Australia (Australia)  
Muamalat Bank (Malaysia)  
Bank of Palestine (Palestine)  
BANFONDESA (Dominican Republic)  
Beneficial State Bank (USA)  
BRAC Bank (Bangladesh)  
Caisse d’économie solidaire Desjardins  
Caja Arequipa (Peru)  
Centenary Bank (Uganda)  
City First Bank of DC (USA)  
Cooperativa Abaco (Peru)  
Crédit Coopératif (France)  
Cultura Bank (Norway)  
Ecology Building Society (United Kingdom)  
Ekobanken (Sweden)  
First GREEN Bank (USA)  
Freie Gemeinschaftsbank Genossenschaft (Switzerland)  
Kindred Credit Union (Canada)  
GLS Bank (Germany)  
LAPO Microfinance Bank (Nigeria)  
Magnet Bank (Hungary)  
Merkur Resource Bank (Denmark)  
Missoula FCU (USA)  
New Resource Bank (USA)  
NMB Bank Limited (Nepal)  
Opportunity Bank (Serbia)  
SAC Apoyo Integral, S.A. (El Salvador)  
Southern Bancorp (USA)  
Sunrise Banks (USA)  
Teachers Mutual Bank (Australia)  
The First Microfinance Bank Tajikistan (Tajikistan)  
The First Microfinance Bank Afghanistan  
Triodos Bank (The Netherlands)  
Vancity (Canada)  
Verity CU (USA)  
Vision Banco (Paraguay)  
Vermont State Employees Credit Union (USA)  
XacBank (Mongolia)
What is Our Work?

Growth of the network (Business development)

During the last year the GABV has focused, not only on growing the member base, but also on achieving a more geographically balanced composition of its membership.
Members in Latin America, Asia-Pacific and Africa and the Middle East, now represent 42% of the membership compared to only 20% at the beginning of the life of the GABV. We will keep working to improve this balance.

However, looking at the number of clients served by the GABV banks, it is obvious that because of their business models and the different challenges in their societies, banks in Europe and North America serve a relatively smaller number of clients than their colleagues in other areas of the world.

Growing GABV membership is quite a challenge. This is due to the highly rigorous approach used to check the compliance of potential members against our basic requirements. Extensive due diligence of the candidate is undertaken based on the six principles of Values-based banking.

The GABV is a unique movement and it is difficult to compare it to any other network or movement around the world. Our purpose is to decisively contribute to a paradigm shift in the world of banking and finance by showing the world how we do banking and by becoming a clear role model in the noisy world of finance.

We only accept frontrunners: banks, credit unions, etc., that are ahead of their peers in the genuine way they operate as a values-based bank. The GABV is not just about what we can do together but what we represent together. And that’s the reason why we must keep on growing but we must grow carefully and sometimes not as fast as we’d like to.
Building the brand (Profile development)

In 2017, the GABV made some significant progress in profile development. We reached the public through social media and eZine, and co-workers through different activities that formed part of the Banking on Values Campaign. We reached government and policy makers by publishing different white papers, as well as by organizing and attending different events promoting values-based banking on a global level. We made contact with journalists and were featured in many articles. Several magazines published special issues (Moneta, Mondo Empresarial) covering values-based banking and the work of GABV.

#BankingOnValues Campaign

In previous years, the campaign featured a combination of local member/partners events and/or web casts (at the discretion of members/partners) and coordinated social media activity supported by tools provided by the GABV. In 2017, we took a significant step to build the #BankingOnValues movement by focusing on two separate (but connected) streams. The first stream focused on reaching out to the staff of our member banks. The campaign was designed to reach as many of our 48,000 co-workers as possible using different communication channels. The second stream focused on outreach to the public through strategic social media activities, with the aim to engage a broader audience base. Both streams of the campaign saw great results. We made more than five million impressions on different social media channels. We were able to reach more than 10,000 co-workers globally through different activities implemented by our members. We made contact with 75 different journalists who were introduced to the GABV and values-based banking.
You can explore more about the campaign and the results by downloading the full campaign report here.

Media profile

In 2017, the GABV fielded more than 75 interviews/information requests, which represents a 50% increase from 2016, and resulted in press coverage in books, print and online articles, radio and video blogs. All coverage is available at www.gabv.org/news and profiled regularly in the GABV eZine and on our social media channels Twitter, Facebook, LinkedIn and YouTube. This represents a small selection of activities to increase visibility by the GABV and does not extensively cover all the efforts made by our members in their local communities and regions.

We also distributed four press releases announcing new members, one reactive press release expressing our position on climate change and the Paris Agreement, and two press releases as part of the #BankingOnValues campaign.

The GABV achieved great results on social media as well. We achieved an increase in the number of followers and total engagement. Twitter saw a 20% follower increase and 21% higher engagement, while Facebook had a 29% follower increase and 50% higher engagement. We also experienced a significant increase of 33% in our eZine subscribers.

Events

The GABV engaged in a range of event collaborations including speaking opportunities, panel participation, co-branding, member offers, and media and social media amplification. In addition to participating, we also organized a number of events aimed at raising the visibility of values-based banking amongst government, journalists and the general public.
To mention a few events, we participated and organized:

→ Public event during the annual meeting in Kathmandu
→ Public event in Santo Domingo during Latin American Chapter
→ Public event in Barcelona “International Conference on Banking on Values”
→ Global Forum New Economy and Social Innovation
→ Positive Impact Summit
→ Global SME Finance Forum
→ Global Ethical Finance Forum
→ European Commission Public hearing on sustainable finance

And many more…

On 3 October 2017, Marcos Eguiguren got the chance to give a TedX talk in Barcelona about values-based banking. In the video he talks about his vision of values-based banking and the importance of it. Watch the video below to learn more:

Content creation

We have put more focus into content creation in order to be recognized as thought leaders, and here are just a few stories we published in 2017:

→ Where Money Moves Matters
→ New pathways building blocks for a Sustainable Finance Future for Europe by GABV, Finance Watch and Mission2020
→ Updated research: Real Economy – Real Returns: The Business Case for Values-based Banking
Strategic Partnerships

Supporting Partners are non-banking companies, networks or institutions that provide support for the work done by the GABV in different ways. A Supporting Partner must, at least, share some values and focus with the GABV and be relevant for its ecosystem, at either a global or regional level. Some organizations that may consider becoming Supporting Partners include, but are not limited to:

→ Development Banks
→ Multilateral institutions and academic institutions
→ Other networks

Although this can vary on a case-by-case basis, SPs might:

→ Participate in the GABV Communities of Practice (CofPs) - by invitation only
→ Participate in some parts of the annual meetings and, when it makes sense, also in Chapter meetings - by invitation only.
→ Publish their supporting partner or cross affiliation status with the GABV on their websites
→ Utilize outcomes and papers published by the GABV to support their activities.
→ Engage with the GABV in possible common activities or projects

Supporting Partners often come from a variety of backgrounds and contribute to the work of the GABV in different ways. The structure of our Supporting Partner Program responds to these variables, offering a variety of organizations the opportunity to join the GABV and to contribute from the own sphere of influence to build the banking on values movement. See Table 1 for a reference on the structure of our Supporting Partner Program.

Table 1: Supporting Partner Program Structure

<table>
<thead>
<tr>
<th>Type of commitment</th>
<th>Financial status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Development Support</td>
<td>Contributing</td>
</tr>
<tr>
<td>Membership Development Support</td>
<td>Non-contributing</td>
</tr>
</tbody>
</table>

The GABV has designed and implemented a Supporting Partnership strategy that responds to the needs and strategic objectives of the organization and its members, with the purpose of further improving the added value for SPs and members alike. In 2017, the Supporting Partner strategy took a reactive approach in terms of acquisition, and a more proactive approach to the on-boarding processes. This allowed time to initially test new procedures, while focusing on reinvigorating already existing partnerships. This phase will finish at the beginning of 2018 with the creation of an initial SPs pipeline.

GABV Supporting Partners 2017

→ Aga Khan Microfinance Agency
→ Asociación de Universidades Confianzas en la Compañía de Jesús en Amèrica Latina (AUSJAL)
→ B Lab (Europe)
→ CEMS
→ FMO
→ Oikocredit
→ SME Finance Forum

You can find out more about our Supporting Partners here.
Annual meeting (Nepal)

During the spring of 2017, an ever-growing group of CEOs from values-based banks and cooperatives gathered to reflect on the well-trodden path and explore the challenges ahead. The setting: Nepal, home of the Himalayas.

They built upon a significant commitment made during the previous meeting in Amsterdam: to shift from a network to a movement. The challenge now was to bring that movement to life.

The theme of the event was Shifting the Financial Paradigm: Courage to Act Together. The CEOs described the challenge shared by GABV members and partners to transform the financial system with concrete and oriented actions, while also having an element of self-reliance, especially for members and their work within the communities they serve. The discussion revolved around what should be done to face the challenges from outside our banks, and a special focus on reinforcing our core role as bankers devoted to changing the financial system in a positive way.

The GABV annual meeting was kick-started by a public event. The event was generously opened by NMB Bank, represented by its CEO Upendra Poudyal. Mr. Poudyal shared with the public how the banks of the GABV have shown remarkable resilience in the face of financial adversity. He also highlighted how banks that follow values-based principles do not face problems during economic downturns. “It helps them expand their balance sheets even during adverse situations,” he added. He also expressed his gratitude to GABV members for meeting in Kathmandu to discuss the role that GABV banks can play in developing a more resilient and fairer financial future. The meeting was attended by Nepal’s Prime Minister Pushpa Kamal Dahal, who delivered a powerful message in which he commended the banks of the Global Alliance for Banking on Values for their work. He also called for action on building a banking environment that puts people before profit to generate employment and help communities to become self-reliant.

“Sustainable banking helps the economy to add value and generate employment opportunities, which are essential for the overall development of the country” Prime Minister Pushpa Kamal Dahal.

A detailed report of the annual report is available for our members and supporting partners.
Communities of Practice (CoP)

In GABV, the concept of CoPs has evolved since its start. The current form of CoPs was established in 2015. Today, CoPs co-exist in the form of committees that work across 5 thematic areas: Impact Metrics, Human Development, Governing Board Forum, Risk and Control and Marketing and Communication.

Impact Metrics

In 2017 the Metrics CoP has been focused on further refining the Scorecard used to assess the values-based focus of members, as well as developing the capacity to voluntarily publish member Scorecards on the GABV website. The work of this CoP was hindered due to the unexpected illness of the CoPs Chair at the beginning of 2017 but is now on track. Two successful regional meetings were held in the fall jointly with the Marketing and Communications CoP. Approximately 25 people attended these meetings and future refinements of the Scorecard were reviewed.

The focus of the Metrics CoP has been to study ways in which the Scorecard can be enhanced including:

- Seeking linkages between the GABV Triple Bottom Line approach and the Sustainable Development Goals,
- Developing accurate scoring algorithms, calibration and validation processes,
- Seeking a new operational infrastructure to allow better collection and storage of relevant data, and
- Finalising the publication of some member Scorecards with enhanced communication regarding the Scorecard methodology.

Similarly, initial efforts to extend the use of the Scorecard beyond the GABV are showing positive results. Currently the Scorecard is being licensed to two external organizations, which use it in their investment processes. An agreement to adapt and use the Scorecard in collaboration with an Asian central bank was successfully achieved end of 2017. Work related to this significant project will be underway in 2018.

Complete Scorecards were received from 28 out of 39 (as of end of 2016) members and all members provided the financial information required for updating the research. In addition, 2 of the 2017 new members provided complete Scorecards. The Scorecard methodology and process were documented with significant detail. Progress on reviewing and validating the scoring algorithm and calibration process was achieved with final results expected in early 2018.

Operationally there was progress made on both securing an alternative web-based Scorecard collection process as well as publication of member Scorecards on the GABV website. Finally, the team was expanded with Adriana Kocornik-Mina and Federica Masut to provide resources and backup reducing the risk of reliance on
Human development

The Human Development CoP was founded in 2009 with the aim to create a space for learning and reflection for the heads of Human Resources. The core group of 15 members meet regularly in-person and virtually. The HD CoP was able to innovate a learning infrastructure across the GABV network that includes a Leadership Development program called the GABV Leadership Academy that has graduated a total of 41 leaders from member bank by 2017 and a best practices handbook on human resource practices in values-based banks. Also included is an exchange and learning program among members that allows individuals to visit other members and learn from best practices across the network, and an online program that is freely accessible and provides an introduction to values-based banking. This online program is called “Just Money Banking as if society mattered” and has had over 16,000 participants since its launch in 2016. The Human Development network cooperates with the Presencing Institute (presencing.org) and the MIT Community Innovators Lab (http://colab.mit.edu) in the development and delivery of all Human Development activities.

Marketing and Communications

The work of the Marketing and Communications CoP in 2017 focused on consolidating partnerships for a public initiative celebrated on 2 November 2017. It called on all GABV members, partners, customers, as well as interested and passionate, policy makers, regulators and the public, to get involved the growing, global, values-based banking movement. The #BankingOnValues campaign focused its outreach efforts on engaging co-workers and the public in building the movement. The implementation of this approach was only possible thanks to the collaboration of the Marketing and Communication and the Human Development CoPs. Closely connected to the work of the Marketing and Communication CoP is the Strategic Branding Advisory Committee focusing on designing a common co-branding framework for the GABV banks, which includes a better alignment of each members’ marketing and communication based on the co-branding framework.
The MarComs CoP organized two in-person meetings in 2017 for the members of the community. The meetings were held in Germany (hosted by GLS Bank) and New York (hosted by Amalgamated Bank). The meetings served as an introduction of the community and established steps forward. The members also got a chance to learn more about the Scorecard and the work of Metrics group.

**Governing Board Forum**

The Governing Board Forum seeks to build and exchange the knowledge and skills of its members by addressing current and emerging governance issues for values-based financial institutions. Each GBF activity addresses one area of practice where GBF members wish to strengthen their understanding of how being a values-based organization shapes and influences the governing board, its responsibilities and actions.

The GBF held its first webinar in November, with participants from Switzerland, Canada, United States, Peru, Ecuador and Australia. The webinar, led by Tom Cummings, helped participants to understand the factors the GABV uses to assess the governance of potential members. Furthermore, the webinar discussed the features of strong governance in a values-based bank. Participants, through open discussion, learn from the experience of their peers. Other members can benefit from the webinar discussion by accessing the recording of the webinar.

During 2017, the GBF identified the topics that members have the most interest in discussing at the annual conference. To assist all members to participate, surveys and notices are sent to members in English and Spanish.

The GBF is co-operating with the University of Edinburgh on a research project to explore governance mechanisms used by governing boards. The project, which is conducted independently of the GBF, uses interviews with GABV members to consider the governance structures in values-based organization, and make recommendations for more effective and efficient implementation of the values-based banking philosophy in corporate supervision and oversight functions. The initial results of this research project are expected in the first half of 2018.

**Risk and Control**

The Risk and Control CoP is one of the newest groups formed within the GABV. In its first year this CoP has focused not only in developing a systematic body of knowledge that can be easily accessed by all members but have also directed a lot of energy towards identifying the true potential of the group.

In 2017, the Risk and Control CoP focused on establishing varied perspectives based on diverse experiences to convey what group members are doing and how they are building trust. They are drawing the line between the values-based business model, and risk, finance and control. Five topics were selected and discussed in a series of conference calls informed by global surveys outlining member banks approach to diverse issues.
As a result, a detailed database of common practices among GABV members has been collected in the following areas:

- Controls to ensure achievement of social impact objectives;
- The manifestation and maintenance of an auditable control structure regarding the mission-driven culture;
- Social impact considerations in pricing;
- What a values-based bank reputation management control structure looks like; and
- Risk framework in values-based banking compared to mainstream banks, and why it makes values-based banks more resilient.

We expect that this community will continue to mature and start to deliver more tangible value to its members.

**Advisory Committees**

**Global Branding and Strategic Communication**

Creating a global branding and communication strategy for the GABV and its members is an important aspect of the GABV 2020 strategy. As described in the strategy, profile development is intended to establish the GABV as the reference point for values-based banking. Defining what this means in terms of strategies, actions and alignment amongst members, including opportunities to improve the position of each local brand from a values-based banking perspective, as well as raising the voice of the GABV brand globally, requires an effort that exceeds the capacity of the Secretariat.

To that end, a group of marketing and communications executives from the network has been working together to deliver this work. The Advisory Committee Global Branding and Strategic Communication was established at the beginning of 2017. During the year, the committee held a number of conference calls and met twice in person - the first time during the GABV annual meeting in Kathmandu, Nepal in March and the second time in Quito, Ecuador in September (hosted by Banco Solidario). The Committee has been working on developing the strategic framework: recommendations for a strategic branding approach. The committee is expected to present a draft of the framework with the next steps during the annual meeting in Arequipa, Peru in March 2018.

**Digital Business and Innovation**

During 2017, the GABV Board approved the creation of a special committee comprising of 11 top level chief digital strategists (or similar strategic roles) from member banks who are currently frontrunners in applying digital solutions. Tamara Vrooman, President and CEO of Vancity in Vancouver, Canada, agreed to serve as Executive Sponsor, overseeing the GABV strategy in this field and working with members to advance this practice.

The work of the DBI Committee started right after the annual event in Kathmandu, Nepal, where its action plan was presented. The committee met in person in June 20017 hosted by Vancity in Canada. The DBI Committee was dissolved in the first quarter 2017 after reaching the goals of its mandate, and thus reaching its natural end. The final results of the work of the committee will be presented to GABV members in Arequipa, Peru during the annual meeting.

The DBI Committee explored the following topics:

- How can we best define the scope of what digital business should mean for values-based banks and building our own approach to digital solutions based on the Principles of Sustainable Banking
- The value of creating an inventory of best practices currently existing in GABV banks
- The possibility to draft conceptual holistic digital solutions for different profiles of GABV banks
- Co-developing values-based common products, services, technology, etc. that could sit on any banking platform and could be shared amongst GABV members
Chapters

Asia-Pacific Chapter

GABV CEOs from the Asia-Pacific region gathered for the first time since the formation of the Asia-Pacific Chapter, in March 2017 during the annual event in Kathmandu. The purpose of this meeting was to further explore the vision and purpose of the chapter as well as its strategic goals in the short, medium and long term. The discussion took place late August 2017 in Dubai hosted by the Aga Khan Agency for Microfinance.

The meeting offered a space for GABV CEOs to start building a Chapter agenda, based on the needs and commonalities of GABV members at a regional level. The meeting commenced with a short introduction by the CEOs of the participating banks, in which they presented their banks business models and shared their expectations of the GABV in the region and the Asia-Pacific Chapter. During the meeting, the members concluded that GABV members in the region have a mandate to serve vulnerable populations, particularly those underserved by the financial system. Thus, financial inclusion is a driver of GABV members in the region.

Members showed willingness to further involve clients and co-workers in the discussion of what it means to be a values-based organization. Members in the region often have to operate in an unstable context. Showing resilience in diverse and increasingly complex, and/or unstable contexts is crucial in the region. And the meeting reinforced that it is important to bring a values-based banking perspective to the public.

Chapter members also discussed the growth perspective of the GABV in the Asia-Pacific region, while jointly establishing the scope and pace to do so.

North American Chapter

While North American members work in two different cultures and differently regulated markets, they have many opportunities and challenges in common—from fintech disruption, growth in other fields such as the health industry, and demand for affordable housing, to evolutions in organizational culture, leadership and governance. The high level of trust that has developed over the past five years means members are comfortable sharing the challenges they face, as well as solutions they’ve developed, with each other.

The North American Chapter held its annual fall meeting in October 2017 in Toronto, Canada, hosted by Vancity Community Investment Bank, a newly launched social investment bank by parent Vancity. The startup is focused on community real estate, clean energy and energy efficiency, local food and agriculture, and civic inclusion. The meeting gave Chapter members an opportunity to engage with change makers in the heart of Canada’s financial center who are working across social, environmental and economic sustainability spheres.

Chapter members agreed that the Chapter’s strategic priority is to develop a high-level policy position which transcends the Canada/US border to influence regulators and policy makers. The Chapter also agreed to seek out partner organizations that can help it go deeper into such policy areas—all work which the Chapter will undertake in 2018.
Latin American Chapter

The third Latin American Chapter meeting took place in Santo Domingo in September 2017. The meeting was hosted by Banco Ademi whose team attentively welcomed representatives from the regional members of the GABV and guests. Almost all members in the region participated in the meeting, which made the meeting discussions interesting and engaging.

The agenda included contributions from Osiris de Leon, geologist and renowned expert and Fidel Duran, CEO of Banco Solidario, on how to address catastrophes such as earthquakes and hurricanes from a values-based banking perspective.

A useful discussion took place on topics to be included in the 2018 annual meeting in Arequipa (Peru) to display values-based banking in the region. Members agreed to speed up growth in the region, especially in those countries where we do not have a presence, to increase the use of the GABV brand and to support existing staff exchanges within the members in the area.

The meeting was concluded with a public discussion about values-based banking which received great coverage in the press.

European Chapter

The GABV’s European Chapter held its annual meeting in Barcelona, Spain in November 2017. The meeting was hosted by the city of Barcelona with the support of Triodos Spain. Following the European Chapter Meeting, the GABV, together with Barcelona City Council, organized a public event on values-based banking with more than 120 participants.

During the meeting, the Chapter welcomed the newest European member: Opportunity Bank Serbia, the first bank from Eastern Europe. During the meeting, the participants had a chance to welcome the Commissioner of Social Economy of Barcelona who talked about the role of cities in promoting a more human and sustainable economy and suggested ways for cities and values-based banks to cooperate. The Chapter continued the conversation about how to progress the regulatory advocacy work and to cooperate with other networks to be more efficient.

The day after the European Chapter meeting, the GABV together with Barcelona City Council held an international conference on Banking on Values, where more than 120 participants from public administration, private organizations and financial entities discussed the transformative role of values-based banking defined as the relationship between values-based banking and cities, entrepreneurs and even citizens.
Knowledge sharing

In 2017, the GABV focused on developing the GABV Knowledge Management Strategy that would serve as the framework for establishing the program of work for the GABV Secretariat team relating to knowledge management. The strategy responds to the need for coordination in the access to and sharing of knowledge and experiences by GABV members, as well as the intention of the GABV to become, not only a knowledge hub for values-based banking, but also a thought leader at a global level. The GABV Knowledge Management Strategy document outlines the main drivers for developing knowledge management within the GABV, defines the vision, mission, main objectives, and approach, and finally identifies and prioritizes areas to be addressed and shows its key success indicators.

Below are some of the achievements made in the framework of the knowledge management strategy in 2017

<table>
<thead>
<tr>
<th>GABV Strategic Objectives</th>
<th>Knowledge Management Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development</td>
<td>Supporting the business development process by maintaining an up-to-date database of prospective members, as well as facilitation of introductory information on the GABV</td>
</tr>
<tr>
<td></td>
<td>Key Achievements:</td>
</tr>
<tr>
<td></td>
<td>→ Launch of a comprehensive member database to aid member-facing communication</td>
</tr>
<tr>
<td></td>
<td>→ Implementation of a Prospect Member Pipeline</td>
</tr>
<tr>
<td>Profile Development</td>
<td>Creating relevant, high-quality and usable knowledge objects that allows engagement with different audiences at various levels, both from the Secretariat and members perspective</td>
</tr>
<tr>
<td></td>
<td>Key Achievements:</td>
</tr>
<tr>
<td></td>
<td>→ Creation of a repository of “good-practices request” – available to all members</td>
</tr>
<tr>
<td></td>
<td>→ Stock-taking and update of GABV knowledge objects (presentations, membership benefits, etc.)</td>
</tr>
<tr>
<td></td>
<td>→ Creation of three overview presentations and six topic-specific presentations – available to all members.</td>
</tr>
<tr>
<td></td>
<td>→ Launch of three research collaboration projects</td>
</tr>
<tr>
<td>Partnership Development</td>
<td>Establishing a supporting partnership strategy that allows us to increase the knowledge base of the GABV, and thus the value of supporting partner to members and vice versa.</td>
</tr>
<tr>
<td></td>
<td>Key achievements:</td>
</tr>
<tr>
<td></td>
<td>→ Launch and implementation of a new GABV Supporting Partner Strategy</td>
</tr>
<tr>
<td>Network Services Development</td>
<td>Responding to the knowledge needs of members by encouraging a sharing culture and building the capacity to use and reapply experiential and technical knowledge among members and supporting partners.</td>
</tr>
<tr>
<td></td>
<td>Key Achievements:</td>
</tr>
<tr>
<td></td>
<td>→ Implementation of topic-specific CEO-only webinars</td>
</tr>
<tr>
<td></td>
<td>→ Implementation of topic-specific webinars</td>
</tr>
<tr>
<td></td>
<td>→ Implementation of first CoP Satisfaction Survey</td>
</tr>
<tr>
<td></td>
<td>→ Publication First CoP Annual Report</td>
</tr>
<tr>
<td></td>
<td>→ Increase in peer-to-peer exchange coordination and reporting</td>
</tr>
</tbody>
</table>
Leadership Academy

The GABV Leadership Academy was developed and is overseen by the GABV Human Development group. It is a collaboration between the GABV, the Presencing Institute and the MIT Community Innovators Lab, designed to help values-based bankers advance their leadership skills and capacity in order to help their respective banks address the challenges of our time. Over a period of eight months, participants in the Academy convened for three, in-person modules, and participated in individual and peer-coaching sessions between the modules. The three modules were hosted by NMB Bank, Nepal, Triodos Bank, Madrid and Vancity, Vancouver. In 2017 the GABV participants came from:

→ First Green Bank, USA
→ Merkur Cooperative Bank, Denmark
→ Vancity Savings Credit Union, Canada
→ NMB, Nepal
→ GLS Bank, Germany
→ AgaKhan, Kyrgyzstan + Madagascar + Switzerland
→ Triodos Bank Belgium, Germany, TIM
→ Alternative Bank, Switzerland
→ BRAC Bank, Bangladesh
→ Xac Bank, Mongolia
→ Centenary Bank, Uganda
→ Vision Banco, Paraguay

The curriculum included: 23 speakers from academy, business, NGOs and government; Learning Journeys; a nature solo; prototyping; innovation methods and state-of-the-art leadership methods and tools.

“I never knew that I was able to progress until I tried and experienced it with the GABV Leadership Program. Although I still have to improve myself, I am now confident that I am well equipped to be part of the change towards sustainable economic, social and environmental development.”

“The GABV Leadership Academy has radically changed my management style and my attitude towards the staff. I am able to drown my internal voice of skepticism and have become open to new ideas. I have become a different leader.”

“I began to devote more time to strategic thoughts – for reflection. I started to keep a journal, where I fix my thoughts on the important moments that have taken place and thoughts about the future.”

“At the Leadership Academy, we learned about prototyping for innovation products, ideas, processes, which has helped my company in the implementation of a nano-loan product.”

“Personally, I learned a lot about self-reflection (observe myself), different forms of learning and different levels of listening, which is very useful for my professional and private life.”
To support the day-to-day running of the office, the GABV Secretariat strengthened its team with the following roles:

Knowledge Management and Services to Members Coordinator to oversee the design and implementation of the GABV’s knowledge management strategy and ensures vibrant relationships between the GABV Secretariat and its members: banking and partner institutions.

Office and Project Coordinator to oversee the daily operations of the GABV Secretariat and lead the project management of the GABV annual meeting.

Marketing and Communication Coordinator with responsibility for building the values-based banking movement, internally within the GABV and its co-workers and externally with GABV partners and the interested public, by using earned, paid, owned media and social media.

The Research and Scorecard area also took on two new roles:
Research and Scorecard Coordinator to work on advancing the research and metrics activities of the GABV, together with the Senior Advisor.

Metrics and Research Support to help with research into financial institutions in general and sustainable banking specifically, as well as providing support for the development and use of the Scorecard and research and development of the detailed assessments of potential GABV members.

GABV Staff

Dr. Marcos Eguiguren
Executive Director

Sofia Ortega
Knowledge Management and Services to Members Coordinator

Jasmin Panjeta
Marketing and Communication Coordinator

Rebeca Pastor-Berezo
Office and Project Coordinator
Independent Advisers

Rafael Llosa
Latin American Regional Representative

David Korslund
Senior Economist & Senior Adviser to the Executive Director

Dr. Katrin Käufer
Leadership Academy and Human Development
Senior Adviser

Member Secondments

Dr. Christoph von Carlowitz
European Regional Representative
(Senior Adviser seconded by GLS Bank)

Paula Martin
North American Regional Representative
(Senior Adviser seconded by Vancity)
We are sorry to say goodbye to Carolina Benavides, our former Latin American Regional Representative.

Special thanks go to our Metrics and Administration interns who spent four to six months with the GABV in 2017.

Learn more: http://www.gabv.org/about-us/the-team
## Financials

### Balance sheet as at 31 December 2017
**(before profit appropriation)**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Other receivables</td>
<td>9,443</td>
<td>3,578</td>
</tr>
<tr>
<td>Prepayment</td>
<td>4,235</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>489,295</td>
<td>284,333</td>
</tr>
<tr>
<td></td>
<td>502,973</td>
<td>287,911</td>
</tr>
<tr>
<td></td>
<td>502,973</td>
<td>287,911</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Other reserve</td>
<td>240,723</td>
<td>410,803</td>
</tr>
<tr>
<td>Result for the period</td>
<td>164,146</td>
<td>-170,080</td>
</tr>
<tr>
<td></td>
<td>404,869</td>
<td>240,723</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Accruals</td>
<td>47,002</td>
<td>26,086</td>
</tr>
<tr>
<td>Deferred income</td>
<td>51,102</td>
<td>21,102</td>
</tr>
<tr>
<td></td>
<td>98,104</td>
<td>47,188</td>
</tr>
<tr>
<td></td>
<td>502,973</td>
<td>287,911</td>
</tr>
</tbody>
</table>
### Profit and loss account 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Membership fees</td>
<td>788,700</td>
<td>627,604</td>
</tr>
<tr>
<td>Other Income</td>
<td>36,524</td>
<td>18,522</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Co-worker expenses</td>
<td>543,665</td>
<td>506,339</td>
</tr>
<tr>
<td>Other administrative expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing and communication</td>
<td>28,359</td>
<td>32,149</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>39,754</td>
<td>33,634</td>
</tr>
<tr>
<td>Meeting and conference costs</td>
<td>39,434</td>
<td>31,018</td>
</tr>
<tr>
<td>Other expenses</td>
<td>9,866</td>
<td>11,622</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>661,078</td>
<td>614,762</td>
</tr>
<tr>
<td><strong>Project Cost Website</strong></td>
<td>164,146</td>
<td>31,364</td>
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<tr>
<td><strong>Annual Meeting</strong></td>
<td>-</td>
<td>-11,529</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>164,146</td>
<td>-170,080</td>
</tr>
</tbody>
</table>

Download the complete financial report [here](#).
Focus for 2018

We achieved many significant milestones in 2017 and managed to go further than ever, reaching more people, consolidating a vibrant movement and achieving a higher number of members.

In 2018, GABV is planning to:

→ Continue the selective growth of the member base and continue working on more equal geographic representation of members.
→ Initiate efforts to get a better presence in Africa and the Middle East.
→ Focus on onboarding more Supporting Partners to further support our activities and ensure the growth and visibility of the Global Alliance.
→ Focus on revisiting and have an in-depth exchange of what it means to be a values-based bank during the annual meeting to be celebrated in March 2018 in Arequipa, Peru.
→ Move forward with two significant research streams in coordination with third parties to prepare for the special events linked to the GABV 10th Anniversary in March 2019.
→ Consolidate the Knowledge Management policy and improve services to members within the scope of the GABV mission.
→ Start the alumni group of the GABV Leadership Academy.
→ Finalize the first full operational version of the GABV Scorecard and present it in Arequipa. Decide the way forward with the Scorecard.
→ Strengthen the advocacy activities in preparation for the 10th Anniversary.
→ Fully align the celebration around the #BankingOnValues with the advocacy efforts in preparation of the 10th Anniversary.
→ Finalize the work of the two Advisory Committees on Global Branding and Digital Business. Share recommendations with members and find ways of going ahead in these two areas.

These are some of the areas of focus for 2018. We are working hard with all our members and partners to support all our efforts to achieve better results and the growth of the network and our movement.
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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