

Annual Report 2019

www.gabv.org

Global Alliance for Banking on Values

Contents

What is the Global Alliance for Banking on Values? 3
A message from Peter Blom, Chair and Tamara Vrooman, Vice-chair 4
A message from Dr. Marcos Eguiguren, GABV Executive Director 5
Highlights of 2019 6
Network Growth
- Members 8
- Supporting Partners 14

The decade of successes and GABV influence
- European Chapter 16
- North America Chapter 18
- Latin America Chapter 20
- Asia Pacific Chapter 22
- African Chapter 24

Ten years of annual meetings 26
Ten years of projects
- Leadership Academy 27
- Scorecard 28
- GABV Branding 29
- Knowledge Management and Exchanges 30
- HD Group 31
- #BankingOnValues Campaign 32
- Research 33
- Climate Change Commitment and PCAF 34

What did we accomplish with the 2015-2020 strategy? 35
New strategic directions 36
Governance and GABV team
- GABV Board 37
- GABV Secretariat 38

Financials 41

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:



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 to the banking industry, policy makers and regulators the GABV´s focus on driving a fundamental banking paradigm shift, 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 on 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 organisation. We deliver our ambitious goals through a number of actions, each accompanied by clear and specific goals. Learn more about what we do here.

Within a few 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 movement of banks and banking institutions achieves 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. And that if they choose a GABV member they know that their money will be invested in ways that aspire, as a first priority, to improve their quality of life and wellbeing of people everywhere on Earth.

At the end of 2019, there were 59 GABV full member banks and four associate bank, each profitable and growing, from Asia, the Middle East, Africa, Australia, Latin America, North America and Europe. We serve close to 60 million clients with combined assets closed to USD 170bn, including third party funds under management. Members include microfinance banks in emerging markets, credit unions, community banks and sustainable banks financing social, environmental and cultural enterprise.

A message from Peter Blom and Tamara Vrooman

It is our great pleasure to present the Global Alliance for Banking on Values (GABV) Annual Report, a summary of our collective achievements over the last 10 years. The remarkable dedication of our members continues to establish values-based banking as a necessary pathfinder at a time when the rules of finance are being rewritten. The results we have achieved over the last decade are proof that we are moving in the right direction and that our years of actively working to change finance have been fruitful. We are recognised as a vibrant and much-needed voice of the next generation in the financial services industry. Not only are other banks listening, but we are getting more traction in the media and are drawing the attention of regulators and new financial approaches around the world.

We have come a long way since March 2009, and the inaugural meeting of the GABV in the Netherlands. We have inspired many more members to join – starting with a handful of banks, we now are proud to have grown to 63 members in 10 short years. We have encouraged many partners to join us on our common mission and to work mutually on projects that benefit both banking and the wider world. The GABV has grown from a committed CEO network to a global movement, active in making the world a better place.

In the past decade, more and more people have become conscious of the good that money can do. They see that banks and the banking system can be a laboratory for sustainable and just finance, instead of serving the status quo and the most privileged in society. We have shown that if you put money in the hands of people, entrepreneurs with a vision of a different future, they will move money to where it matters most. Each member of the Global Alliance for Banking on Values plays a role in bringing the future of banking to the present, to meet the pressing challenges of our unique cultures, and to a build a safe banking operating system for humanity.

We have also seen over 10 years that people have a greater understanding of the power they possess to make changes that can improve the world we live in. Waking up and understanding one's role in the world of finance is an essential first step. The more we can support the wake-up call through values-based banking, the greater our chances are to encourage a positive future across banking and finance.

Our 10th anniversary celebrated in Vancouver, hosted by Vancity, set a remarkable stage to discuss what the financial industry is facing: Migrants, #MeToo and Melting Icecaps... Redefining Banking for a Radically Different Future. Our dialogues have been valuable in shaping the strategic approach of the GABV for the next strategy cycle and have helped us to plot a course for the next 10 years.

As we look forward, the years ahead will be crucial for the GABV and for our movement. We have built a solid network with committed members, and we can now take the next steps, in line with our values. The movement has great potential to grow and evolve and to be perceived as an essential part of

the wider banking industry. In this way, our members, values-based banks and financial institutions can be recognised for their essential roles as actors in the evolution of our society, champions of our local communities and stewards of the Earth where we live and prosper.

In short, the times we live in ask all of us to **lead** the change, to **strengthen** and be recognised for our mission, and to **expand** our movement to achieve collective impact!

We ask you to give some thought to the themes addressed in the 2019 annual report and what more we can do to improve as banks and shape the future of the financial sector. We are confident that through sharing and collective improvement of our banking knowledge we have reinforced the heart of what we do as diverse inclusive and sustainable banks and laid the groundwork for a world we want and urgently need.



Peter Blom
Board Chair, GABV
CEO, Triodos Bank



Tamara Vrooman
Board Vice-Chair, GABV
President + CEO, Vancity

We have inspired many more members to join – starting with a handful of banks we now are proud to have grown to 63 members in ten short years.

What did we achieve in the past ten years?



The Global Alliance for Banking on Values was born in 2009 with the vision of being influential to help change finance, putting it at the service of people and planet.

A group of just ten banks and a few thoughtful leaders, has today become a robust movement with a diverse range of 59 full member banks and four associate banks, serving close to 60 million clients all over the world. There are also 16 supporting partners, all with a collective goal to change the banking system so that it is more transparent, supports economic, social and environmental sustainability and serves the real economy.

The design of the Principles of Values-based Banking (2011) followed by the design of the Values-based Banking Scorecard, that measures the alignment of any bank with the principles, has advanced a common understanding of what it is to be a values-based bank and how values-based banks are different from others.

The Principles of Values-based Banking and the work of the GABV banks, have become increasingly influential in the global banking ecosystem.

Other banking associations, mainstream banks, regulators and multilateral institutions have been inspired by the work of the GABV. It is not just about our 10 years as a movement of banks but about the many decades of values-based banking behind all our members. In spite of our relatively small size, the GABV has been able to champion a budding change in the industry, through research work that has made us robust and credible enough as a movement of frontrunners.

Milestones such as the launch of the Berlin Declaration (2013), the Kathmandu Pledge (2017), and more recently, the decision of the Global Alliance for Banking on Values to co-lead the global initiative of the Partnership for a Carbon Accounting Financials (2019) and to disclose the carbon footprint of most of its member in three years' time, have strengthened its credibility and leadership.

But the Global Alliance for Banking on Values is not only about influencing the financial industry, it is also about helping its member banks to grow healthily and create a robust family of likeminded banking leaders and experts. During the last 10 years, GABV member have increased their cooperation and exchanges on many different fronts. They have created different expert groups to exchange ideas and best practices: Human Development experts, Communication and Marketing executives, Non-Executive directors and Finance and Metrics experts, or promoting many different bilateral and group exchanges at CEO, Board or Expert level.

There have been many achievements in the last 10 years, including initiating a financial inclusion fund (Sustainability Finance Real Economies Fund – SFRE) that provides mission-aligned capital to real economy focused financial institutions, which play key roles in meeting human needs and advancing essential segments of local real economies, and setting-up the Global Alliance for Banking on Values Leadership Academy.

At the end of 2019, we find a strong Global Alliance for Banking on Values, ready to lead and become even more influential and relevant in the banking industry, and ready to keep on expanding, strengthening and supporting the impact and growth of its members.

Dr. Marcos Eguiguren
Executive Director
Global Alliance for Banking on Values

New strategy



Global Alliance for Banking on Values

A successful Annual Meeting 2019 in Vancouver

The graduation of the fourth cohort of the GABV Leadership Academy

Public Summit: Migrants, #MeToo, and Melting Ice-caps... Redefining Banking for a Radically Different Future

Highlights of 2019

Partnership for Carbon Accounting Financials

Initial meeting of African Chapter

New Branding

Global Alliance for Banking on Values

Bilateral interac-tions and exchanges between our member banks

kks advisors
reshaping markets

Do sustainable banks outperform? Driving value creation through ESG practices





63 members and 16 supporting partners

Network Growth

Members

The GABV membership has radically changed since its first annual report in 2014. During the last 10 years, the GABV has focused not only on growing its members base, but also on achieving a more geographically balanced composition of its membership.

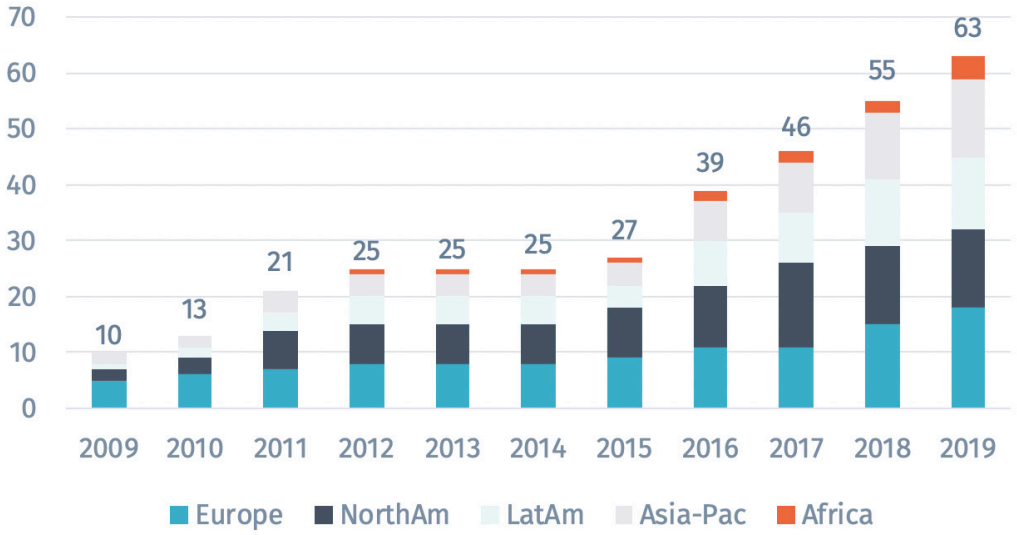
The regional distribution of GABV membership shifted in 2018 and through September 2019 with faster growth in Europe and Asia-Pacific. Together these regions account for 50.8% of GABV members. Intra-regional diversity increased both in terms of new members' business models (e.g. local and national cooperatives) and countries of origin (India, Philippines, Japan, Honduras, Colombia and Russia, to name a few).

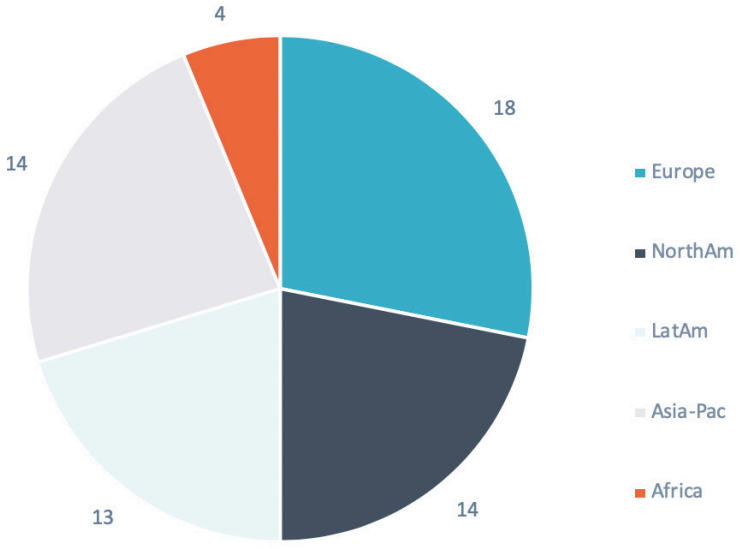
During 2019, the GABV welcomed eight new members and associate members. The regional distribution of GABV membership in 2019 is presented in Figure 1.1, while Figure 1.2 shows regional membership since 2009.

Year	Europe	NorthAm	LatAm	Asia-Pac	Africa	Total
2009	5	2	1	2	0	10
2010	6	3	2	2	0	13
2011	7	7	3	4	0	21
2012	8	7	5	4	1	25
2013	8	7	5	4	1	25
2014	8	7	5	4	1	25
2015	9	9	4	4	1	27
2016	11	11	8	7	2	39
2017	11	15	9	9	2	46
2018	15*	14	12	12	2	55*
2019	18*	14	13	14	4*	63*

(*) These numbers include associate members (1 in 2018 and 4 in 2019, 2 in Europe and 2 in Africa)

Member Evolution





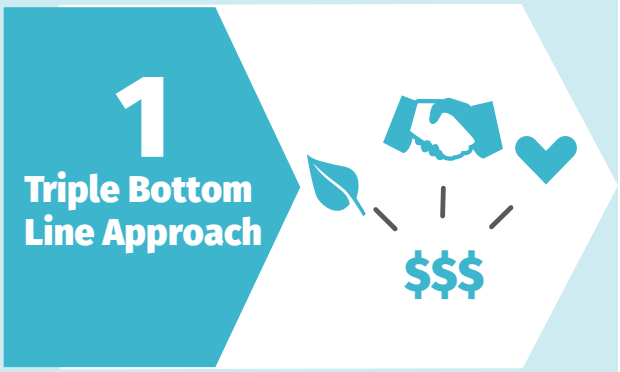
GABV members and associates in 2019, by region (in %)

GABV member list as December 2019

Alternative Bank Switzerland (Switzerland)
Amalgamated Bank (USA)
Banca Etica (Italy. Spain)
Banco Ademi (Dominican Republic)
Banco de Antigua (Guatemala)
Banco FIE (Bolivia)
Banco Mundo Mujer (Colombia)
Banco Popular (Honduras)
Banco Solidario (Ecuador)
Bancompartir (Colombia)
BancoSol (Bolivia)
BANFONDESA (Dominican Republic)
Bank Australia (Australia)
Muamalat Bank (Malaysia)
Bank of Palestine (Palestine)
Beneficial State Bank (USA)
BRAC Bank (Bangladesh)
Caisse d'économie solidaire Desjardins (Canada)
Caja Arequipa (Peru)
CARD Bank, Inc. (Philippines)
Centenary Bank (Uganda)
Center-Invest Bank (Russia)
Charity Bank (UK)[1]
City First Bank of DC (USA)
Clearwater Credit Union (USA)
Cooperativa Abaco (Peru)
Cooperative Bank of Karditsa (CBK) (Greece)
Crédit Coopératif (France)
Cultura Bank (Norway)
DAI-ICHI KANGYO Credit Cooperative (DKC) (Japan)
Decorah Bank and Trust Co. (USA)
Ecology Building Society (United Kingdom)
Ekobanken (Sweden)
ESAF Small Finance Bank (India)
FolkeSparekassen (Denmark)
Freie Gemeinschaftsbank Genossenschaft (Switzerland)
GLS Bank (Germany)
Grooming Microfinance Bank (Nigeria)[1]
Kindred Credit Union (Canada)
LAPO Microfinance Bank (Nigeria)
Lead Bank (USA)
MagNet Bank (Hungary)
MegaBank (Ukrania) [1]
Merkur Resource Bank (Denmark)
Muktinath Bikas Bank Ltd. (Nepal)
National Cooperative Bank (USA)
NMB Bank Limited (Nepal)
North East Small Finance Bank (India)
Opportunity Bank (Serbia)
Opportunity Savings and Loans (Ghana)[1]
SAC Apoyo Integral, S.A. (El Salvador)
Southern Bancorp (USA)
Sunrise Banks (USA)
Teachers Mutual Bank (Australia)
The First Microfinance Bank Afghanistan (Afghanistan)
The First Microfinance Bank Tajikistan (Tajikistan)
Triodos Bank (Europe)
UmweltBank (Germany)
Vancity (Canada)
Verity CU (USA)
Vision Banco (Paraguay)
VSECU (Vermont State Employees Credit Union) (USA)
XacBank (Mongolia)

[1] Associate members


ALTERNATIVE BANK SCHWEIZ
amalgamated bank
bancaetica
Banco Ademi
Banco de Antigua
Lo logramos juntos
BancoFie
¡eres tú!
Mundo Mujer
El Banco de la Comunidad
BANCO POPULAR
Gente que Crece
Solidario
conmigo
Bancompartir
contigo
BancoSol
Juntos crecemos
BANFONDESA
Bank Australia
RESPONSIBLE BANKING
Bank Muamalat
BANK OF PALESTINE
ESTABLISHED 1960
beneficial state bank
BRAC BANK
CAISSE D'ÉCONOMIE SOLIDAIRE
caja arequipa
CARD Bank, Inc.
A Microfinance - Oriented Rural Bank
A member of CARD MRI
Centenary Bank
BANK CENTER-INVEST
Charity bank
a bank for good
cityfirst BANK
Abaco
clearwater
CREDIT UNION
COOPERATIVE BANK OF KARDITSA
CREDIT COOPERATIF
Cultura Bank
DKC
Decorah Bank
& TRUST CO.
Ecology
Building Society
Ekobanken
ekologiskt - socialt - kulturellt
ESAF
ESAF SMALL FINANCE BANK
Joy of Banking
FOLKE SPAREKASSEN
Freie Gemeinschaftsbank
GLS Bank
das macht Sinn
KINDRED
Credit Union
BANKING WITH PURPOSE
LAPO Microfinance Bank Ltd.
...Improving Lives
Lead BANK
Member FDIC
Magnet
MAGYAR KÖZÖSSÉGI BANK
MGB
megabank
MERKUR
मुक्तिनाथ विकास बैंक लि.
MUKTINATH BIKAS BANK LTD.
ncb
National Cooperative Bank
NMB
NMB BANK
एनएमबि बैंक
North East
Small Finance Bank
OPPORTUNITY Banka
Za život prepun mogućnosti!
OPPORTUNITY International
Integral
Sociedad de Ahorro y Crédito
Apoyo Integral, S.A.
Southern Bancorp
SUNRISE BANKS
Teachers Mutual Bank
We put you first
The First MicroFinanceBank
اولین بانک قرضه های کوچک
'bank with a social mission'
The First MicroFinanceBank
Triodos Bank
UmweltBank
Mein Geld macht grün.
Vancity
Verity
CREDIT UNION
VISION
Banco
VSECU
XACBANK



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.

4 Long Term Resiliency



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.

5 Transparency



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.

6 Culture



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.

Supporting Partners

When we collaborate, we create and sustain greater economic, social and environmental impact across the world. That's why we consider strategic partnerships a critical factor in building an inclusive, sustainable and representative #BankingOnValues movement. Supporting Partners are those organisations (development banks, multilateral and academic institutions, networks, and initiatives) that believe in missions and visions based on people-focused, real economy, and triple bottom line solutions. Here are just some of our partners.

In 2019, Supporting Partners also played an important role in cementing the efforts taken forward by the broader GABV network in the past 10 years. During 2019, we focused on exploring strategic partnerships with institutions that contribute to further galvanize the outreach efforts of the GABV network, at the same time supporting GABV programmes such as our #BankingonValues campaign or Leadership Academy. And stimulating membership growth, of course.

For the past 10 years, GABV partnerships served to achieve objectives (both the collective partnership objectives and individual partner goals) that could not be achieved as efficiently, effectively or innovatively by the GABV network alone.

Aga Khan Microfinance Agency

For more than 60 years, agencies of the Aga Khan Development Network (AKDN) have offered microfinance services through integrated development programmes and self-standing microfinance institutions. Today, these programmes come together under the Aga Khan Agency for Microfinance (AKAM).

Asociación de Universidades Confiadas a la Compañía de Jesús en América Latinan (AUSJAL)

AUSJAL is an international non-confessional organisation, with voluntarily affiliated members. Members include universities and faculties entrusted to the Society of Jesus in Latin America. AUSJAL, seeks to strengthen the network of its affiliated members to offer better integral education opportunities for its students and on-going career development for professors and co-workers.

B Lab (Europe)

B Lab is a non-profit organisation that serves a global movement of people using business as a force for good. Its vision is that one day all companies compete not only to be the best in the world, but the Best for the World® and as a result society will enjoy a more shared and durable prosperity.

CARE International

CARE International is an international humanitarian agency dedicated to saving lives and ending poverty, with a special focus on achieving equal rights and opportunities for women and girls. They address the rights of vulnerable groups and provide assistance on the basis of need, regardless of race, creed or nationality.

CDC Group plc

CDC Group are the world's first development financial institution. They've been at the forefront of supporting companies that help poor countries grow for the last 70 years. CDC Group invests where they can achieve the biggest development impact. This means their decision-making process encourages investment in the countries with the most challenging investment climates.

CEMS

CEMS is a global alliance of academic and corporate institutions dedicated to educating and preparing future generations of international business leaders. The CEMS academic and corporate members work collectively to develop knowledge and provide education that is essential in the multilingual, multicultural and interconnected business world.

Finance Watch
Finance Watch is a European NGO founded in reaction to the last financial crisis, when policymakers realised that there was no counter-power to the lobby of finance. Their team is composed of ex-finance professionals which allow them to challenge the financial lobby's fallacious technical arguments. They defend the public interest in the making of financial regulations.

FMO
FMO is a Dutch development bank. The bank creates capital and knowledge solutions for companies, projects and financial institutions in developing countries.

Fundación Avina
Fundación Avina is a Latin American foundation focused on producing the large-scale changes necessary for sustainable development. It does this by fostering collaborative processes among leaders from different sectors, thereby contributing toward the UN Sustainable Development Goals (SDG). Fundación Avina is present in 20 countries and operates nine programmes. It coordinates the Platform for Innovation with Purpose, an alliance to accelerate high-impact solutions and large-scale transformations in favour of sustainable development in Latin America by bringing together social innovation with innovation in technology and business.

Oikocredit
Oikocredit is a worldwide cooperative and social investor, providing funding to the microfinance sector, fair trade organisations, cooperatives and small and medium-sized enterprises.

Opportunity International
Opportunity International is helping to end extreme poverty in our lifetime. Opportunity International believes that empowering individuals to work their way out of poverty and give their children a quality education is the most sustainable way to transform their lives, their families, and their communities. The organization was founded in 1971 by two visionary leaders who were inspired to take action by their experiences with people living in extreme poverty. Today, Opportunity International serves 10 million hardworking families in 23 countries around the world. They have big plans for the world: a place without poverty where people can live with dignity and purpose. Their clients have ambitious dreams for their futures, but lack the opportunities needed to make those dreams a reality.

ProMujer
ProMujer is a leading women's development organization committed to positively impacting the lives of their clients and families. Going beyond small loans, ProMujer supports entrepreneurial clients on their own transformative journey by creating opportunities, providing education, training and leadership skills to help them grow their businesses.

SME Finance Forum
The SME Finance Forum works to expand access to finance for small and medium businesses. The Forum operates a global membership network that brings together financial institutions, technology companies, and development finance institutions to share knowledge, spur innovation, and promote the growth of SMEs.

Solidarité Internationale Pour Le Développement et l'investissement (SIDI)
SIDI's goal was to reinforce its support towards initiatives in the economic field, by using the same tools than traditional investment companies, and aiming to build a more balanced, inclusive, economy in developing countries. To provide SIDI with means in line with those objectives, CCFD-Terre Solidaire, together with Crédit Coopératif, created the first mutual fund in which savers share part of their interest payments with the NGO, allowing it to finance, on a long-term basis, SIDI's support activities.

The Institute for Social Banking
The Institute for Social Banking and provides education, network, and research for a responsible banking and finance sector. They offer training for people working and/or interested in social banking, support the community of practitioners, academics, and others interested in ethical finance and contribute to research in the field, engage in knowledge and research management, and encourage academia to integrate these topics into their research agendas and curricula.

Wellbeing Economy Alliance
The Wellbeing Economy Alliance (WEAll) is a new non-profit alliance, which exists to help bring about a transformation of the economic system, of society and of institutions so that all actors prioritise shared wellbeing on a healthy planet. Born out of existing movements for system change, WEAll has more than 30 organisational members and seeks to amplify and connect the diverse movement for a wellbeing economy.

The decade of successes and GABV influence

European Chapter



European banks were strongly represented at the founding of the Global Alliance for Banking on Values in 2009, with five banks out of the initial ten members mainly from Western Europe. Today, the share of European banks in the GABV has been reduced thanks to the huge expansion in the other continents. However, expansion has also been very strong in Europe, increasing the reach of the GABV thanks to a better geographical spread including banks in Central and Eastern Europe.

At the end of 2019, there are 18 member banks in the European chapter representing total assets under management of about USD 72 billion, and more than 8,200 co-workers.

Although there were regular meetings of values-based banks in Europe for many years, the European member banks have organised formal annual European Chapter meetings since 2013. Meetings have taken place in France, Italy, Denmark, Switzerland, Spain, Serbia and Sweden. These chapter meetings enable CEOs to meet each other and share opportunities and challenges of values-based banking.

Recurrent themes discussed during these meetings are the advocacy for value-based banking, the network expansion, transparency and impact reporting, training of values-based bankers, the challenge of increasing regulation and supervision and how to demonstrate the specificity of values-based banking.

The European chapter meeting is also the occasion to present values-based banking locally to a broader community. A public event takes place at most of the chapter meetings, with keynote speakers and panel discussions combining prominent representatives of the academic world, central bankers, members of parliament, NGO's, and the business and finance community.

The expansion of the network increases the variety of members banks and brings new perspectives from different parts of Europe. The banks participate in the strategic projects of the GABV, such

as the Leadership Academy, the investment fund SFRE, transparent reporting with the Scorecard and carbon reporting (PCAF). But the banks also seek collaboration on themes affecting a smaller number of banks, or bilateral collaboration in fields such as investment funds distribution, risk sharing of loans, raising capital, or payment systems.

In 2019, the European chapter meeting was very closely involved in the building of the new GABV strategy. During the last chapter meeting in Sweden, a workshop was organised to provide input from a European perspective.



STORY
Charity Bank, United Kingdom

The new ownership group Holne Community Shop & Tea Room takes the "community" aspect of its name literally. When its original owner decided to sell, a group of employees took out a loan that would allow them to take it over as a collective. Thanks to their initiative, the shop and tea room now belong to the group of residents, and continues as the social hub and heart of Holne, a UK village with a population of 250.

Click to read more:



STORY
Ekobanken, Sweden

The situation for dairy farmers in Sweden is becoming severe: many farms are closing due to generation shifts and heavy investment demands. To support and highlight the work of organic and biodynamic dairy farmers, Ekobanken offers a lower interest rate for farmers.

Click to read more:

North America Chapter



One of the early chapters of the GABV, the North American regional group stands at 14 members from the United States of America and Canada. Since 2013, chapter CEOs and guests have met each fall hosted by a chapter member. These meetings in the US—Washington, DC; Clarksdale, Mississippi; Missoula, Montana; Minneapolis-St. Paul, Minnesota; and Canada—Toronto, Ontario, have provided a window which affords participants the opportunity to see first-hand how values-based banking is put into practice in different operating entities around the continent, learn about regional issues, and meet local leaders.

The 2019 annual chapter meeting was hosted by Sunrise Banks, in Minneapolis-St. Paul, Minnesota, USA. Chapter members largely focused their work on issues related to climate change, the application of the triple bottom line in commercial lending, challenges of maintaining a values-based culture in growing organisations, and board engagement, as well as an update on GABV-related issues and a focus on the GABV's 2020-2023 Strategic Plan. Members were joined by the CEO and CAO of Opportunity International, a Supporting Partner of the GABV focused on ending extreme poverty by empowering individuals to work their way out of poverty in 23 countries around the world.

While the chapter comprises of just two countries, their population, markets, industry sector, and regulatory regimes are distinctly different. As members of the world's largest economies (USA at #1 with a 2019 GDP of $21.5 trillion USD; Canada at #10 with a 2019 GDP of 1.8 trillion USD), chapter members have their own unique set of challenges with growth, operations and the regulatory environment, and provide trusted support to each other on these and many more issues.

Eight chapter members, led by New York's Amalgamated Bank, are active participants in the Partnership for Carbon Accounting Financials (PCAF), the first global initiative that allows financial institutions to measure their carbon emissions across all lending and investment portfolios in order to reduce their climate impact. More than 60 financial institutions worldwide have committed to

assess and disclose the GHG emissions of their loans and investments in this industry-led work.

The chapter also had some prolific authors in 2019 with the publication of Fintech 4 GOOD by Sunrise Banks CEO David Reiling and Organized Money by Amalgamated Bank CEO Keith Mestrich and Mark A. Pinsky.

The chapter saw a new chair in 2019 with David Reiling taking over from Tamara Vrooman, President and CEO of Vancity and Vice-Chair of the GABV.



STORY
Beneficial State Bank, USA

Washington natives Kevin and Daryl Maas's childhood in farm country inspired their ambition to use renewable energy to sustain small farms. In 2007, they formed Farm Power Northwest LLC, specializing in anaerobic digesters that can produce up to 4.25 mw of renewable electricity. The Maas brothers and their lender, Beneficial State Bank, share a concern about climate change and the deterioration of the American food system.

Click to read more:



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STORY
Caisse d'economie solidaire Desjardins, Canada

In 2017, the Caisse d'économie solidaire Desjardins proposed a fossil fuel free retirement savings plan, geared toward environmentally conscious members. During the first quarter of 2017, the Caisse also offered petroleum divestment workshops. During that same period, requests for account openings doubled compared to the previous year. The divestment movement from oil and shale gas enables the Caisse d'économie solidaire to be a corporate citizen committed to the development of a more sustainable society.

Latin America Chapter



The Latin American chapter was officially inaugurated in 2015 with a meeting in La Paz. During 2019, members of the Latin American chapter identified the need to explore the women entrepreneurs market as this segment represents a valuable and concrete opportunity to connect and transform using finance, from the perspective of values-based banking.

In this period, the Latin American chapter incorporated one new member and one new Supporting Partner: Banco de Antigua based in Guatemala and ProMujer International (SP), a leading organisation for the development of women in Latin America, closing the year with a total of 13 members.

With the support of two of the GABV's Supporting Partners, FMO and Fundación Avina, a gender study was conducted with the aim of identifying needs, gaps and best practices among its members. By means of directing funding to women entrepreneurs, values-based banking can contribute significantly to face the social and economic challenges of the region, as well as reaching the SDG targets. The study also offers a set of recommendations to better serve the women's market.

The regional meeting of the Latin American chapter this year was in Quito, Ecuador hosted by Banco Solidario. We received 28 participants, representing 11 banks, 3 Supporting Partners and Triodos Bank as a special guest of the chapter. The main content of the agenda during the three-day meeting included partial participation in the sustainable banking congress organised by the Ecuadorian Banking Association and FELABAN, where our chapter had the chance participate in round tables, panels and presentations, promoting best practices in values-based banking, financial inclusion and gender equality.

The meeting in Quito also included an adequate exchange of experiences, the opportunity to confirm the strategy of the chapter, consideration for the scorecard development and the promotion and dissemination of Banking on Values in Latin America.

The 2020 regional meeting of the Latin American chapter will be in Santa Cruz, Bolivia, hosted by BancoSol.



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STORY
Banco Popular, Honduras

Rosa Leticia Ramirez started with a humble candy store in Tegucigalpa, Honduras. Over five years, the driven entrepreneur expanded her business with small loans, ultimately transforming her little shop into a busy grocery store and a popular restaurant.



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STORY
Bancompartir, Colombia

Edwin Gómez's parents started the family's cheese production business 37 years ago. Collecting milk, transporting it on a donkey and cooking it at home has never been easy, but today, Edwin sees the business as a great family legacy. Lácteos Laura Valentina benefits more than 60 families in the region after an expansion that couldn't have come about without a longtime relationship with Bancompartir, which supported him as he improved machinery and distribution issues.

STORY
SAC Apoyo Integral, S.A., El Salvador

High-quality health insurance is hard to come by for El Salvador's poor, so SAC Apoyo Integral works with an insurance company to offer equal access to care. This includes medicines, physicians and clinics vital to well-being. The service gives clients access to two doctor visits, clinical examinations, hospitalization, an extensive network of private physicians, clinical laboratories, pharmacies and hospitals affiliated with the insurance company.

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Asia Pacific Chapter



A decade ago, the GABV movement was conceived, founded and developed with the participation of BRAC Bank in Bangladesh, a leading sustainable bank from the Asia-Pacific region. This region currently has 14 members. It was an obvious choice for Peter Blom, the current GABV Chair, to think of working together with the legendary late Fazle Abed to add a new dimension to steer the financial system in a sustainable direction.

The region's representation of two members when it was founded in 2009, increased to 14 in 2019. Asia-Pacific is a region with great diversity of representation from Australia to Mongolia. The region renders immense diversity and complexities as it comprises of the most developed and largest economies, and the least developed nations, as well as countries facing dire difficulties due to internal conflicts and natural disasters. This diversity gives its members a unique opportunity to draw from the myriad of experiences and context to learn from each other.

Since the first meeting of the CEOs from GABV member banks in the region in March 2017 during the Kathmandu Conference, three more regional meetings have been held: Dubai, Malaysia and India in 2017, 2018 and 2019 respectively. These meetings have been a great learning experience for the member banks and served as a platform for developing agenda for mutual collaborations.

Our members in the region have displayed excellent commitment towards values-based banking and the Principles of GABV during this period. Bank Australia has moved to 100% renewable energy, one year earlier than planned. It is first bank to do so. Bank Australia and Teacher's Mutual, both GABV member banks have set an outstanding example of working together as they implemented their own version of the leadership programme in Australia. Dai-Ichi Credit Cooperative, the member bank in Japan, has formed Japanese Practitioners of values-based bankers which is expected to make a huge difference in terms of promoting values-based banking in Japan. Member banks in Nepal, India, Afghanistan, Tajikistan, Palestine and Bangladesh have been serving the deprived sections of the society through microfinance and wholesaling to other microfinance institutions and creating enabling environments for the rural population.



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STORY
Bank Muamalat, Malaysia

Bank Muamalat invests in education capital and essential medical equipment such as dialysis machines and nitrogen storage tanks. Its initiatives include the operation of mobile health clinics, so it can continue to create healthy communities—literally—by providing free treatment to the nearly 5,000 members of the region's most vulnerable communities.



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STORY
Bank of Palestine, Palestine

With half of all youth in Palestine unemployed, Bank of Palestine creates a bridging mechanism to support investing in aspiring entrepreneurs. Along with several like-minded partners, the bank has established a $10 million Ibtikar Fund, which invests in Palestinian early-stage innovative ventures that enable companies to grow and create returns to investors. This fund is expected to surpass expectations, make a positive impact on the Palestinian economy and create employment opportunities for university graduates.

STORY
EFAS Small Finance Bank, India

When Charulata Rajesh was suddenly widowed in 2011, she found herself left to raise her children alone, with no income. Ultimately, her own fierce dedication, hard work and relationship with ESAF small finance banking fueled the launch of her independent bag stitching business. Over the next few years, she became known for the quality of her work; today she provides jobs for other women in her village.

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African Chapter

Africa is the continent where the GABV has seen slower growth, although this has accelerated in the past two years. For that reason, a formal chapter has not been started yet and its formal creation is expected during the first few months of 2020.

Two full member banks: Centenary Bank (Uganda) and LAPO Microfinance Bank (Nigeria), and two associate banks: Grooming Microfinance Bank (Nigeria) and Opportunity International Savings and Loans (Ghana), will be part of the African chapter and will be supported by a relevant group of GABV Supporting Partners that are actively operating in the African continent.

In the last two years, successful public conferences have been organised by our full members to raise awareness of values-based banking: October 2018, Values-based Financial Inclusion. The benefits of sustainable banking, organised by Centenary Bank in Kampala (Uganda), and November 2019, Enhancing Sustainable Finance in the Microfinance Subsector, organised by LAPO Microfinance Bank in Lagos (Nigeria).

The GABV expects a rapid growth in number of members, visibility and closer cooperation amongst members and supporting partners in the region once the chapter starts its activities formally in the coming months.



Ehancing Sustainable Finance in Microfinance Subsector, LAPO Microfinance Bank, Lagos 2019



GABV Conference 2018 organised by Centenary Bank in Kampala (Uganda)



Click to read more

STORY
Centenary Bank, Uganda

Mpanga Growers Tea Factory is a cornerstone of Western Uganda's economy. Established to protect small tea growers against competitors, it has leveraged loans to double its capacity and provide 4,700 jobs and a source of income to 800 families in Kabarole and Kyenjojo Districts.



Click to read more

STORY
LAPO Microfinance Bank, Nigeria

Students get a hand up with the Skills Acquisition Scheme, a LAPO-microfinanced training program that provides youth with marketable career skills, empowerment and a sense of community. In partnership with the Nigerian Directorate of Employment, the program improves youths' financial and life situations while training them in event management, interior design, plumbing, hairdressing and catering, among other trades.

Ten years of annual meetings

In 2009, seeking to provide support to the values-based banking model as an alternative to the banking models that led to the financial crisis, three values-based banks - BRAC Bank, Shorebank and Triodos Bank founded the Global Alliance for Banking on Values. Their aim was to contribute to the growth and development of social and environmental renewal in the global banking system. The first meeting gathered 10 values-based banks from around the world to discuss the focus of the organisation. All the banks were committed to economic development based on a set of conscious values. They recognised the importance and potential of money as tool and driver of transformation, and they all agreed on the importance of learning and growing together as a movement. This idea remained for the next 10 years, and the Global Alliance for Banking on Values inspired many more to join the movement, extended its reach and helped influence change in the banking system.

Since the first meeting, a host bank invites the CEOs of GABV member banks to meet once a year and spend three days discussing the future of the financial sector with a broader public, how values-based banking can play a role in addressing the biggest challenges facing our communities and how we as banks can improve. With each new meeting, we welcomed new members and a wider range of people: Human development specialists, governing board members, scorecard developers, branding specialists and emerging leaders who were thoughtful and committed to improving their banks and building a movement. Every meeting was designed around a theme that was of interest to members and a reflection of our evolution in the banking industry.

1. Zeist - The Netherlands (2009) Inaugural Meeting
2. Dhaka - Bangladesh (2010) Moving From Intention to Action
3. Lima - Peru (2011) Delivering Better Banking in Challenging Times
4. Vancouver - Canada (2012) Building a Movement for Sustainable Banking
5. Berlin - Germany (2013) Change-makers: Transforming Banking Values
6. Melbourne - Australia (2014) Banking on a More Sustainable World
7. Paris - France (2015) Banking on Values: The New Financial Revolution
8. Amsterdam - The Netherlands (2016) It's Banking But Not as We Know It
9. Kathmandu - Nepal (2017) Shifting the Financial Paradigm: Courage to Act Together
10. Arequipa - Peru (2018) Values-based Banking Revisited: Facing the Future Together
11. Vancouver – Canada (2019) "Migrants, #MeToo, and Melting Icecaps... Redefining Banking for a Radically Different Future"

On February 19 and 20, Vancouver hosted the 10th annual meeting of the Global Alliance for Banking on Values including a public event. Co-organised by the GABV and its member Vancity, the event brought together banking and financial leaders and experts from around the world to discuss the present and future of the values-based banking movement. Conversations covered some of the most relevant topics of today's reality, including immigration and refugees, gender equality and women empowerment, and climate change.

Click on the link below to read the document or watch the Summit video.

- Summit outcomes booklet
- Summit outcomes video

See some of the highlights from the past meetings in our booklet: Ten years of #BankingOnValues - Moving Forward Together

Ten years of projects

Leadership Academy

The GABV Leadership Academy was launched in March 2015 at the GABV annual meeting in Paris. Its purpose is to provide a unique learning and development environment for professionals with three to five years' experience at executive, mid-management and project management levels in values-based banks. Participants explore the concept of values-based banking and different business models in-depth, while developing and advancing their own leadership ability. The programme has three modules; two of them hosted by different member banks and a final module at the Massachusetts Institute of Technology, Cambridge, USA. The Academy provides participants with a unique opportunity to network, share experiences and gain insights from experts and senior executives in the values-based banking sector.

During the 2019 Leadership Academy, participants focused on the questions: What is the business model of the future for values-based banks? How to respond to negative interest rates? What if central banks issue crypto currencies?

These are examples of questions explored by the 24 participants of the 2019 Leadership Academy. In three modules participants explored banking models, leadership methods and engaged with thought leaders and innovators. The programme succeeded in creating a challenging learning environment that allows participants to identify their potential and define actions steps. The modules were followed by individual coaching as well as peer coaching. The final module at the Massachusetts Institute of Technology overlapped with the second GABV Leadership Academy Alumni. The alumni programme combined leadership work with an engagement with thought leaders at MIT.



Scorecard

The GABV was founded on the success of values-based banking around the world meeting societal needs sustainably as well as on the shared commitment of its members to expand and strengthen their impact and reach. The GABV Scorecard was created to support this commitment.

Developed by practitioners, the GABV Scorecard emphasises the two most distinctive factors common to values-based banking institutions: a focus on serving the real economy and a commitment to actively do good, not just to avoid harm. It is structured around an institution's core culture and capabilities to realise its mission and the quantitative evidence of its results, offering a holistic view of a bank's activities across multiple dimensions (see Figure 1).

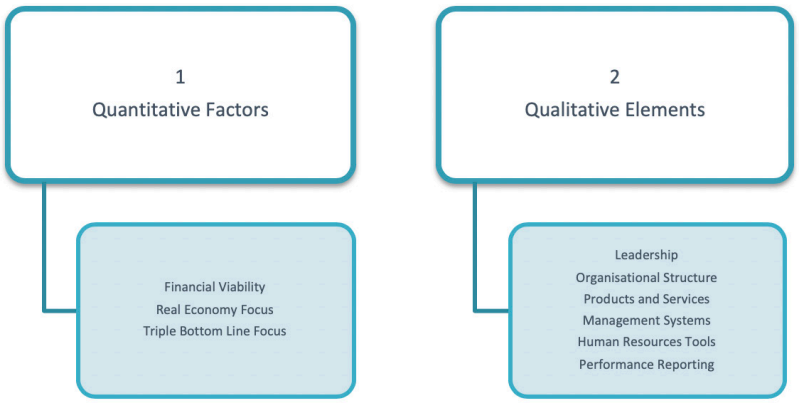


Figure 1. The GABV Scorecard's Conceptual Framework

The Scorecard links to the Principles of Values-based Banking and is suitable for any banking institution seeking to understand its relative business focus on values-based banking, notwithstanding business model, scale and place of operation. It is a key tool when evaluating potential candidates to membership and for tracking progress of GABV members. In a similar vein, the SFRE Fund uses the Scorecard to select investees and as a tool for monitoring their progress and discussing potential improvements in impact and performance.

For GABV members, values-based banking is both a journey and a commitment to sustained progress, transparency and accountability in service. The Scorecard further supports their efforts as a tool for self-assessment and as repository of valuable information and insight into their organisation's strategies and policies, processes and actions, and their results. The GABV provides feedback to interested member banks on their Scorecard and score, highlighting areas of opportunity.

With dozens of initiatives designed to capture the sustainability focus of organisations, the Scorecard is in a category of its own. Compared with sustainability standard-setting initiatives such as the Global Research Initiative and the Sustainability Accounting Standards Board, the GABV Scorecard focuses only on regulated banking institutions, requiring contextual reporting to facilitate progress in social and environmental value generation for all. As a best-in-kind tool, the Central Bank of Malaysia with support from the GABV developed during 2018 their own Values-based Intermediation Scorecard for the Islamic Banking Sector. The GABV regularly shares best practices and lessons learnt from its Scorecard with other global efforts, including UNEP FI's Principles for Responsible Banking as member of its Civil Society Advisory Group.

GABV Branding

In the past two years, the GABV comms team, supported by the marketing and communications Community of Practice led by our members around the world, were busy developing a new GABV brand. The strategy cycle 2015-2020 highlighted the importance of more visibility in all aspects of our work. As a first step in achieving this, the branding had to be redesigned to better fit with the maturity and the mission of the organisation. As part of this project, we developed a co-branding strategy to help our members communicate their commitment to the movement more effectively.

The GABV brand has been updated to look more professional, have a bit more serious note but still not seem too financial. We strived to remain accessible and identifiable by the people we serve. The new brand uses the same colour palette which helps to build on our already recognised brand.

It is more than a logo

The GABV has been striving to push further and be truly recognised as a network of changemakers. We are building a movement, and for that, we need to enable our members to communicate with one voice the mission of the GABV.

The GABV co-brand is a 'quality stamp' for members. It demonstrates their commitment to the Principles of Values-based Banking, and GABV's stamp of that commitment. We developed the co-brand, in collaboration with the members, so that it could be flexibly adapted and easily applied to communication and marketing materials. The GABV co-brand aims to enhance and compliment members own brands. The usage guidelines and strategy document developed are designed to help members adopt the co-brand consistently and in a way that aligns with GABV's branding guidelines.

Learn more about new brand and co-brand here:
www.gabv.org/brand
www.gabv.org/cobrand

Global Alliance for Banking on Values

New GABV logo



New co-branding logo

Knowledge Management (KM) and Exchanges

For the purpose of this strategic framework, the GABV defines KM as the summary of all measures designed to address its knowledge-related challenges. It recognises that knowledge is both a key output that it delivers to its members, partners and stakeholders, as well as a key resource that the organisation needs in order to deliver its results. KM means using the resource 'knowledge' more effectively to improve the way GABV does business and to achieve greater impact in its outcomes as formulated in GABV's Operational and Strategic Plan.

KM includes external KM for and with partners and clients to draw on external knowledge, expand our perspective beyond GABV's internal view, build our partners' capacity on the principles and goals of the values-based banking movement and respond to members demand for KM advisory services. It also includes internal KM to support the organisations flow of substantive expertise and operational efficiency. GABV's KM framework suggests that facilitating and resourcing both aspects in appropriate measure is key for GABV to be the leading knowledge organisation in the values-based banking movement. Below are some of the knowledge initiatives undertaken in 2019:

External:

- KM for network cooperation: In 2019, the GABV hosted more than 50 practice-related conversations and attended 10 knowledge exchange requests from its members.
- Building values-based evidence: This year the GABV focused on building an external evidence base with partners on policies and solutions and active participation to shape values-based solutions and discourse. Great examples of this are several research collaborations we engaged with in 2019 (for more information, please see the research section).
- KM advisory and support services and capacity building of members, partners and stakeholders. During 2019, the GABV Secretariat handled more than 10 requests for knowledge exchange visits and organised five study visits.

Internal:

- Improved quality and efficiency of thematic and operational work of staff, consultants, and project teams. For example, specific KM initiatives such as knowledge systematisation exercises at a regional level.
- Achieving the greatest possible advantage of existing knowledge resources available through the GABV's global network. Communities of Practices (COPs) have become a cornerstone of GABV's global services and programme functions, connecting practitioners across regions and increasing exchange among co-workers.
- Collecting evidence and lessons for learning, reporting, results-based management and communication. Knowledge sharing has been fully institutionalised as a natural cross-functional and cross-practice exercise within the GABV Secretariat. The Member Only Site (MOS) started in May 2019 as a relevant tool to foster member participation and exchanges.

HD Group

The Human Development (HD) Community of Practice was launched in October 2011. Senior Human Resources (HR) managers from GABV members meet regularly to engage in peer learning and discuss how HR can be advanced from a values-based perspective.

For the last 10 years the HD Community has advanced their work on best practices in values-based HR, increased awareness of the movement inside the banks with the values ambassadors programme and graduated more than 60 high-potential leaders from member banks through the GABV Leadership Academy. It has also run an online-programme with over 8,000 participants and hubs in member banks, supported the exchange of individuals between member banks, and launched workgroups on best practices in values-based HR.

During 2019 the work of the Human Development CoP focused on:

ASSESING

After nine years of developing a learning infrastructure for GABV member banks, the HD Community of Practice has reached a crossroads that requires a strategic decision for its next phase. There are two main reasons for reviewing and adjusting the current status of this community: growth in the number of members and new strategic developments at the GABV. A network-wide survey was implemented to collect input from community members on the challenges and future of this community.

RECONNECTING

Members of the community reconnected during an in-person meeting which took place within the framework of GABV's 10th Anniversary events in Vancouver. During this session members shared their expectations and recommendations for the work of the Human Development Community.

BUILDING

Throughout the year the group focused on building the knowledge sharing structures that will allow this community to continue contributing to the expansion of the Banking on Values movement. With this objective in mind, the community held a series of knowledge exchange sessions focusing on the topics such as learning networks, capacity building and employer branding.

IDENTIFYING

Considering the feedback received throughout the year the HD Community Steering Committee engaged in a series of conversations to identify emerging opportunities and trends derived from initiatives such as the Leadership Academy and the Just Money Massive Online Open Course (MOOC) and planned activities for 2020.

#BankingonValues campaign

#BankingOnValues day campaign is a public initiative that calls on all GABV members, partners, customers, policy makers, regulators and the public to get involved in celebrating the growing global values-based banking movement.

#BankingOnValues day is about creating positive change in the world's banking system, and driving positive economic, social and environmental impact by influencing how banks and banking cooperatives serve human needs and the real economy.

Since its beginning in 2014, the campaign focused on positive collaborative action through our members and partners with one message and one voice on one day. With the campaign we have managed to reach millions of people. Each year we change strategies and utilise different approaches to ensure that we stay current and reach audiences in innovative ways. We engaged with artists to visually represent the messages around values-based banking. In the first years of the campaign our focus was mostly on social media. This changed in the past two years where we encouraged our members to take a more active approach and implement activities with their local communities. Members used this opportunity and went out into communities and listened what the needs are – some planted trees, others organised clean-up actions, and some created financial products in answer to the needs of the local communities.

In 2019, we focused on three themes – gender, migration and climate change. With the campaign, we wanted to inspire others and show what role banking on values can play when working on these challenges.

If you like to know more about the campaign, please visit our website
www.gabv.org/bankingonvaluesday







Research

Our research efforts focus on examining values-based banking, building a body of evidence that informs the transformation of the global financial system and expanding the impact of values-based banks around the world on their communities.

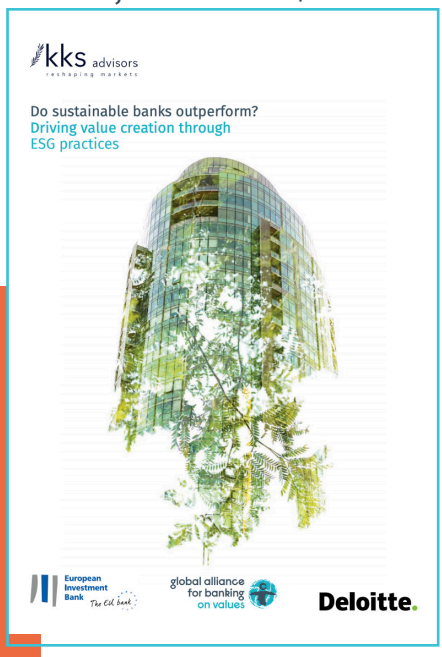
We work with a broad range of academic, government and business partners who bring to our collaboration expertise and resources that complement our extensive and diverse practitioners' knowledge. Since 2012, the Global Alliance for Banking on Values publishes a comparison of values-based banks (VBBs) with the largest banks in the world, the Global Systemically Important Banks (GSIBs). Real Economy – Real Returns: The Business case for Values-based Banking examines the evolution of financial returns for both VBBs and GSIBs finding that in serving the real economy VBBs deliver better and more stable financial returns.

Together with the European Investment Bank, Deloitte and KKS Advisors, we released Do Sustainable banks outperform? Driving value creation through ESG practices.in December 2019. This research extends our Real Economy – Real Returns report examining the relationship between financial returns and the intentional pursuit of 'material' environmental, social and governance (ESG) issues for a sample composed of the largest 100 commercial banks in the world between 2007-2017. The analysis showed that those who consistently scored well on material ESG issues also delivered higher than average financial returns.

Under the Sustainable Finance – Law – Stakeholders (SFLS) Project with Exeter University the successful practice by GABV banks of the Principles of Values-based Banking is informing proposals for global banking regulation overhaul towards a people-oriented sustainable approach. A white paper of the collected lessons and practices will be released in early 2020.

Research to support the capacity of members to deliver financial products and services specifically for women entrepreneurs in Latin America identified key opportunities and proposed concrete next steps. This member-led initiative benefited from financial and intellectual support of FMO, the Dutch Entrepreneurial Development Bank, and Fundación Avina. The report will be released in early 2020.

With the growing understanding of positive societal, environmental and financial impacts of values-based banking, opportunities to inform global initiatives in banking and sustainable finance have become more common. In 2019, the Global Alliance for Banking on Values joined the ISO / Technical Committee 322 on Sustainable Finance as external liaison. Previously, the GABV participated in the UNEP FI's Principles for Responsible Banking Civil Society Advisory Group.



Click to download report

REPORT
Do sustainable banks outperform?

Commercial banks that prioritise sustainability outperform those which do not, according to a new research report issued by the Global Alliance for Banking on Values (GABV) and produced with the support of the European Investment Bank and Deloitte.

Climate change Commitment and PCAF

In early 2019, Triodos Bank in the Netherlands and Amalgamated Bank in the US actively led an initiative for Global Alliance for Banking on Values members to play a leading role in the financial sector with a commitment to measure and report the carbon footprint of their loans and investment portfolios as a necessary step to align their financing with Paris Agreement targets (see Figure 2).

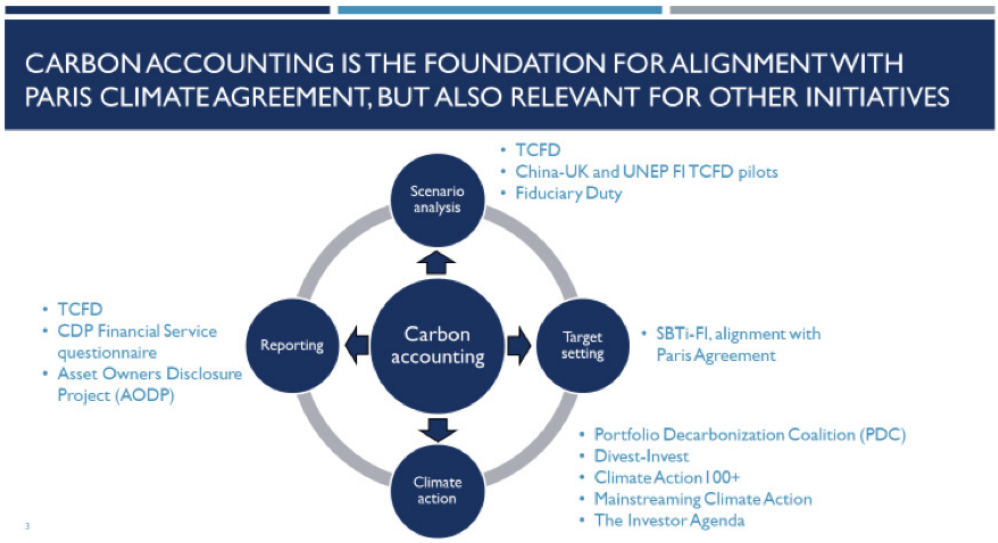


Figure 2 Relevance of Carbon Accounting to Climate-related Initiatives
Source: Navigant, Supporting Partner, Partnership for Carbon Accounting Financials.

The Climate Change Commitment, announced in Vancouver during the GABV's 10-year anniversary, became a stepping stone for the globalisation of carbon accounting in the financial sector. It builds on the methodologies developed by the Platform for Carbon Accounting Financials (The Netherlands) and Platform for Carbon Accounting Financials (North America). ABN AMRO, Amalgamated Bank, ASN Bank, the GABV and Triodos Bank, with funding from the Hewlett Foundation, launched the Partnership for Carbon Accounting Financials in September 2019. The global consultancy Navigant, responsible for implementation and technical support, is guiding the work of core regional technical working groups in the development of a global harmonised approach to assess and disclose the greenhouse gas (GHG) emissions associated with loans and investments. To date, 57 financial institutions with US$3.5 trillion in combined total financial assets are committed to the Partnership. The GABV has taken a co-leading role and sits in the Steering Committee of the Partnership. GABV members in Latin America, Europe and North America are active in the core regional technical working groups.

What did we accomplish with the 2015-2020 strategy?

During the first pioneer years (2009-2014), the GABV developed its founding principles, gathered an initial number of banks (25 members and one Supporting Partner) and built an initial governance structure. A new phase of growth and consolidation started with the GABV2020 plan, which was initially designed to cover the period 2015-2020. This has already been accomplished one year in advance (2019) since most of the strategic goals have been reached, and the changes in the world and in the financial system urge a new strategic plan to be shaped.

Four pillars were designed to approach the GABV2020 plan: balanced growth, visibility development, enhancing cohesion within the network and creating a robust structure and services to members. The GABV has achieved significant milestones in all four pillars.

Solid growth has been achieved in the last years with 59 full members and 4 associate banks by the end of 2019, along with a pretty good geographical and business model balance. In terms of visibility, a larger network of Supporting Partners, with 16 institutions of all kinds, has helped the GABV to share and amplify what values-based banking is about. Values-based banking has been mentioned in relevant publications all over the world and the different research works that the GABV and/or its members have conducted or sponsored have been inspirational for many.

The growth of the GABV has made it much more visible in the last years. The work of the Global Alliance for Banking on Values in this period has pioneered the efforts of the financial industry to become more sustainable and has directly or indirectly set the path for a banking system that is at the service of people. Multilateral organisations, private and public institutions and regulators have been directly advised by the GABV, and the work of the GABV members has indirectly inspired many others.

New Chapters: Latin America and Asia-Pacific chapters were created in this period and the African chapter is ready to start in early 2020. The work of the chapters has proved valuable to increase the bilateral cooperation amongst members and exchange ideas, but also to initiate practical projects that involve different members within a region. The number of exchanges, visits and examples of cooperation has been growing continuously since 2015.

But the cohesion of the network has also been supported by different experts and by the way the chapter and annual meetings have been designed and conducted in the past years. The prioritisation of the close connection amongst the CEOs of our member banks and others in the ecosystem has been key in creating a common understanding of what values-based banking is about. Of course, this is always work in progress but there have been solid improvements despite the growth of the network and the diversity of the membership.

The work of the different expert groups, the consolidation of the Leadership Academy and our Knowledge Management policy has been able to create the conditions to support many of our members in different ways. From a more internal perspective, the improvements in the governance system, with the approval of bylaws, Charter of the board, a set of internal regulations, as well as the creation of a robust, financially sound and independent Secretariat has also added to this.

In the strategic cycle 2015-2019, we grew and created a more robust and visible alliance. Now it is time for the next step in which the GABV will become even more relevant and will more clearly lead the discussion on the transformation of the financial industry. We will also strengthen the business model of member banks and the common understanding of what values-based banking means, and thence expand the network and its impact in society. The 2020-2023 new strategic cycle is ready to start.

New strategic directions

The Global Alliance for Banking on Values welcomed the increased attention on sustainability in finance most clearly exemplified by UNEP-FI's Principles for Responsible Banking. As a movement of innovative leaders and frontrunners in the banking industry, who place integrity, human dignity and the protection of the environment at the core of their operations, we aspire to set the highest social and environmental standards and ethical practices for the financial sector.

We have come a long way over the last 10 years. At 63 members and 16 supporting partners, we are a vibrant community with meaningful engagements and increased visibility. Over the next 3 to 4 years, we will strategically pursue our vision of a world in which finance is at the service of people and planet. As illustrated in Figure 3, we will do so by leading in the co-creation of new frameworks and standards, being recognised as a force for good, and demonstrating that values-based banking is the model of the future. We will also focus on strengthening and empowering our members to measure and advance their transformational roles in their communities, while ensuring that we expand our reach and impact by inviting others with a demonstrable commitment to values-based banking to join our movement.

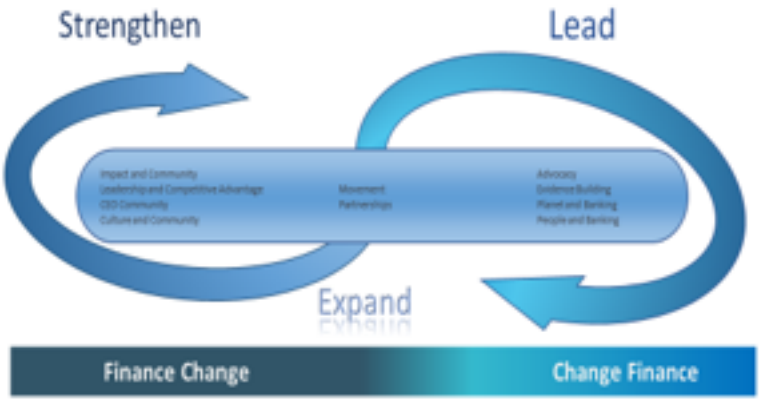


Figure 3. Pillars of Strategic Focus
Source: GABV

Governance and GABV team

GABV Board

The Global Alliance for Banking on Values was established in 2009 as a Dutch not-for-profit foundation. The GABV is governed by a Board of Directors which has a strategic leadership role and monitors organisational activities. Operational responsibilities and the execution of the strategy are delegated through the Chair of the Board to a Secretariat, led by an Executive Director.

Given its strategic role in defining priorities for the movement, the Board consists of CEOs or other top management representatives of the GABV member institutions and has a regional composition that ensures membership representation in decision making. Members of the Board are appointed by direct election from the GABV members during the Annual General Meeting.



Peter Blom, CEO, Triodos Bank (The Netherlands), Chair
Tamara Vrooman, President and CEO, Vancity (Canada), Vice Chair
Shameran Abed, Director of BRAC Microfinance Programme (Bangladesh), Asia-Pacific Region
Martin Rohner, CEO, Alternative Bank Schweiz (Switzerland), European Region
Kurt Koenigsfest, CEO, BancoSol (Bolivia), Latin American Region
David Reiling, CEO, Sunrise Banks (USA), North American Region
Ugo Biggeri, CEO, Banca Etica (Italy), At Large Representative

GABV Secretariat

The GABV Secretariat organises and facilitates the GABV activities. The core team is based in Amsterdam, the Netherlands, and a network of advisors operates remotely, ensuring closer connections with members and partners. You can find updated roles and profiles on the dedicated page on our website.

The Secretariat meets in person twice a year and operates on the basis of its Team Charter.

This year we would like to especially thank David Korslund, former Senior Economist and Senior Adviser to the ED, who retired in early 2019, who has accompanied the GABV since its inception, and whose work has been extremely valuable for the growth and visibility of our movement. David was the winner of the Friends of GABV Award 2019.

GABV Staff



Dr. Marcos Eguiguren
Executive Director



Sofia Ortega
Knowledge and Network Manager



Fernando García-Escudero
Communications and Brand Manager
(as of November)



Karla Pastor Montes
Logistics and Operations Support Officer
(as of December)



Dr. Adriana Kocornik-Mina
Metrics and Research Senior Manager



Federica Masut
Metrics and Finance Officer

Independent Advisers



Blanche Voorneman
Annual Meeting
(as of September)



Dr. Katrin Käufer
Leadership Academy and Human Development
Senior Adviser



Upendra Poudyal
Asia-Pacific Regional Representative



Rafael Llosa
Latin American Regional Representative



Tom Cummings
Annual Meeting Design and Senior Adviser to the ED

Advisors seconded by the members



Paula Martin
Advisor
(Senior Adviser
seconded by Vancity)



Pierre Aeby
European Regional
Representative
(Seconded by Triodos Bank)



Sonia Reinhardt
Leadership Academy Representative
(Seconded by Bank Australia and
Teachers Mutual Bank))

Intern



Jesica Cooray
Marketing and Communications
Intern

Special thanks go to the colleagues who left the GABV in 2019:

Nichole Peatross (May), David Korslund (June), Rebeca Pastor-Berezo (September), and Jasmin Panjeta (November)

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

Financials

Balance sheet as at 31 December 2019
(before profit appropriation)

		2019		2018	
	*		EUR		EUR
Current assets					
Cash and cash equivalents		539,897		505,729	
Accounts receivable	1	61,180		-	
Other receivables		1,592		7,523	
Prepayment		14,520		20,509	
			617,189		533,761
			617,189		533,761
Equity					
Other reserve		450,088		404,868	
Result for the period		77,642		45,220	
			527,730		450,088
Current liabilities	2				
Accruals		68,357		62,571	
Deferred income		21,102		21,102	
			89,459		83,673
			617,189		533,761

Profit and loss account 2019

			2019		2018
	*		EUR		EUR
Income	*3*				
Membership fees		948,617		861,580	
Other income		162,417		116,210	
			1,111,034		977,790
Operating expenses					
Co-worker expenses	*4*	747,581		715,567	
Other administrative expenses:					
Marketing and communication		41,593		38,794	
Research		41,815		-	
Travel expenses		40,261		48,415	
Meeting and conference expenses		34,201		51,296	
Scorecard project		28,042		-	
ICT and communication expenses		14,282		12,648	
Rental		8,502		-	
Other expenses	*5*	16,769		3,628	
Website expenses		-		13,992	
			973,046		884,340
Operating result			137,988		93,450
Special project cost	*6*		-60,346		-48,230
Net result			**77,642**		**45,220**

Download the complete financial report here.



REMEMBERING SIR FAZLE HASAN ABED KCMG

Sir Fazle was born in 1936 in Bangladesh. He studied Accountancy in London, qualifying as a Cost Management Accountant in 1962. While he was working as a senior corporate executive at Pakistan Shell Oil, the 1970 cyclone and 1971 Liberation War in Bangladesh dramatically changed the direction of his life. He left his job and moved to London, where he helped initiate Action Bangladesh and HELP Bangladesh in support of the Liberation War.
Early in 1972, after the war was over, he returned to the newly-independent Bangladesh, finding the economy in ruins. The return of 10 million refugees who had sought shelter in India during the war called for urgent relief and rehabilitation efforts. Sir Fazle established BRAC to address the needs of refugees in a remote area of north-eastern Bangladesh, guided by a desire to help people living in poverty develop their own capacity to better manage their lives.

Today BRAC is one of the largest NGOs in the world, operating across eleven countries in Africa and Asia. Its primary objective is to empower people living in poverty and inequality. In 2019, for the fourth year in a row, BRAC was ranked first among the world's top 500 NGOs by Geneva-based NGO Advisor; based on its impact, innovation and sustainability. Sir Fazle was honoured with numerous national and international awards for his achievements in leading BRAC, including the Yidan Prize for Education Development (2019), LEGO Prize (2018), World Food Prize (2015), Spanish Order of Civil Merit (2014), Inaugural WISE Prize for Education (2011), David Rockefeller Bridging Leadership Award (2008), Inaugural Clinton Global Citizen Award (2007), UNDP Mahbubul Haq Award for Outstanding Contribution to Human Development (2004), Olof Palme Prize (2001) and Ramon Magsaysay Award for Community Leadership (1980). Sir Fazle is one of the founders of the Global Alliance for Banking on Values.

He has also been recognised by Ashoka as one of the 'global greats'; and was a founding member of its prestigious Global Academy for Social Entrepreneurship. He was a member of the Commission on Health Research for Development (1987-90), the Independent South Asian Commission on Poverty Alleviation (1991-92) and the High-level Commission on Legal Empowerment of the Poor (2005-2008). In 2010, he was appointed Knight Commander of the Most Distinguished Order of St. Michael and St. George by the British Crown in recognition of his services to reducing poverty in Bangladesh and internationally. Sir Fazle was a member of the Group of Eminent Persons appointed by the UN Secretary-General in 2010 to advise on support for the Least Developed Countries. In 2014 and 2017, he was named in Fortune Magazine's List of the World's 50 Greatest Leaders. Sir Fazle was honoured with a Dutch Knighthood in 2019.



Global Alliance for Banking on Values
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www.gabv.org
#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.

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