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ABOUT US

Meet the Global Alliance for Banking on Values

The Global Alliance for Banking on Values is a movement of innovative leaders and frontrunners in sustainable finance. Integrity, human dignity and the protection of the environment are at the core of their operations.

By setting an example, they lead the transformation of banking and finance in their respective communities, countries and regions and expand their reach and impact by supporting others on the way to change. Read more about our history.

OUR 6 GUIDING PRINCIPLES

The GABV’s member banks have a shared commitment to finding local solutions to global problems and promoting a positive, viable alternative to the current financial system.

While the members are heterogeneous in terms of their business models, their size, and the markets they operate in, they share the Principles of Values-based Banking which underpin all that they do.

BASIC CRITERIA TO JOIN

• Values-driven mission
• Regulated financial institution
• Commitment at CEO level
• Minimum of USD 50 million in total assets
• Independent stable governance

Read about criteria to join and membership benefits
OUR 8 CORPORATE VALUES

Values-based banks have a clear set of values to inform and guide decision making, as well as engagement with clients and communities. The most important feature is that these values are at the heart of a values-based bank. They are intentional and integrated into the business model, and not simply an add-on.

Learn more about our movement.

Intentional

Values-based banks are intentional in creating social and environmental impact. It’s why they exist and this intentionality guides everything they do.

Coherent

Values-based banks take a holistic and coherent approach to the design of their business model, being aware about potential conflicts and challenges.

Ambitious

Values-based banks aspire to the highest standards and want to be recognised as thought leaders at the forefront of progressive banking.

Authentic

By being intentional in what they do, and integrating values in their business, values-based banks are genuinely authentic.

Contextual

The values are reflected, intentional and appropriate to bring positive social and environmental impact in a specific context, guides everything they do.

Transparent

Values-based banks are accountable at all levels of the business model. Transparency enables outsiders to easily understand how a bank is behaving

Inclusive

Values-based banks aim to build an inclusive financial system that responds to the needs of everyone, and not just a few.

Systemic

Values-based banks work with others to change the banking system itself, so it is better able to serve people and protect the environment.
A Bolder Future for Values-based Banking

2022 has been another extraordinary year for the Global Alliance for Banking on Values. We have experienced constant disruption, whether military, economic or environmental. This pace of change has quickly become our new normal, creating opportunities as well as challenges. I have been inspired during the year to see how our members meet short-term challenges with a long-term vision of a fairer, more inclusive, green and resilient economy. And I was delighted to meet many of them in person, for the first time in a long time, in 2022.

A particular highlight was a special meeting in November, hosted by BRAC Bank in Bangladesh. I am grateful to everyone who attended the meeting and particularly to fellow Board member and BRAC Bank CEO, Selim Hussain and his team, for graciously hosting us. From directly financing women entrepreneurs leading small and medium-sized enterprises, to embracing and directing new technologies so that they serve people rather than create distance from them, BRAC Bank remains an iconic example of how compassionate banking can be a catalyst for profound change. Through specially curated learning journeys and a rich programme, they showed us how to deliver impact at scale, not just in specific communities but across an entire nation.

It was an unforgettable experience that typifies the unique value that our network brings. As well as enjoying meeting in person again after so long, we built on the learnings that the pandemic forced on us. We continued to host and engage in high-quality virtual meetings and programmes during the year. We expect this combination of relevant virtual meetings and carefully considered in-person events to continue in 2023.

I was delighted to see the GABV welcome six new members from across the world during the year – including new countries to the GABV like Papua New Guinea, Armenia and Madagascar. They are warmly welcome and will be part of an important new phase in the development of our movement. In 2023 we will develop a strategic plan for the coming years, building on the positive legacy of our predecessors. This work promises to further strengthen our members, grow our membership and promote a bolder future for values-based banking.

As one year ends and a new one begins, I want to thank our members, supporting partners, Board and Secretariat, as well as our wider stakeholders. Collectively you have made a powerful contribution to accelerate positive change in 2022 and beyond.

David Reiling
Chair, Global Alliance for Banking on Values
CEO, Sunrise Banks
Highlights in 2022

6 new members join the Global Alliance for Banking on Values (GABV)

GABV launches an ebook with insights from leading thinkers

The 9th edition of #BankingOnValues Day reached 21.1 million people

BRAC Bank hosts second virtual Annual Meeting in March

Release of 2021 Annual Research Report: Real Economy – Real Returns

BRAC Bank hosts first in-person global meeting since the pandemic in Dhaka in November

Launch of Governance Academy programme for Board members

7th edition and 1st Spanish speaking edition of the GABV Leadership Academy

GABV engages European Parliamentarians on social objectives of values-based banks
Our network provided an important anchor for values-based banks and credit unions during 2022, a year dominated by converging crises; from the Russian war against Ukraine and rising inflation and interest rates, to food and energy price hikes and social unrest caused by the worsening economic environment.

A rich and diverse virtual GABV Annual Meeting took place in the spring. And, as the world emerged from the pandemic in many parts of the world, an inspiring in-person conference followed in Bangladesh in the Fall. The meeting provided members with an opportunity to re-engage, recharge and explore practical ways to respond to these challenges.

A new GABV Scorecard dashboard will enable members to track their progress on the journey towards increasing their impact as leading values-based institutions. In addition to the regular Leadership Academy, providing a unique programme for emerging leaders in values-based finance, we launched the course’s first ever Spanish speaking edition during the year. In addition, the new Governance Academy programme, for non-executive directors of values-based banks, was developed during the year to be piloted in 2023.

More engagement took place outside of these meetings than ever before, too, because of investments in infrastructure that came to fruition early in the year.

We launched our new website and online community space, which has become a vibrant platform for over 400 of our members to share, learn and collaborate. As well as strengthening inside our network we lead the values-based banking movement outside it. For the first time, the GABV participated as an Observer NGO at the United Nations Climate Change Conference of the Parties (COP27), making the case for values-based finance on a number of panels. We expect to build an even stronger presence at COP28.

This year’s Banking on Values Day campaign coincided with the Dhaka and COP27 climate conferences (of which more below) producing a record response on social media. Thanks to the GABV and others, the Partnership for Carbon Accounting Financials (PCAF) expanded, paving the way for financial institutions to assess and disclose their emissions and create plans to deliver on net zero targets. The initiative has over 340 signatories with over USD 80 trillion in assets.

I would like to thank our six new members in 2022, as well as existing ones, for their unwavering commitment to values-based banking during the year. I am also grateful to the Board of Directors and the entire team at the GABV Secretariat. I hope all our readers enjoy reviewing the year as much as I have valued being a part of it.
A global movement

THE GABV IN A NUTSHELL

Founded in 2009

The GABV was founded in 2009 by ten pioneer banks that believed in the need for a fairer financial system. Read our history

70 members

In December 2022, the GABV was formed by 63 full member banks and seven associate banks. Meet our members

6 new members

During 2022, the GABV welcomed three new full members and three associate members, and saw the departure of two members. One bank moved from associate to full membership.

New members by region:

1 in Madagascar (Africa)

2 in Belgium and UK (Europe)

3 in Australia, Armenia and Papua New Guinea (Asia Pacific)

In December 2022, the GABV was formed by 63 full member banks and seven associate banks. Meet our members
Our members are present in 45 countries in five regions:

- **15** in North America
- **18** in Europe
- **18** in Asia Pacific
- **6** in Africa
- **13** in Latam

**60 million clients**
Collectively we serve more than 60 million customers

**GABV members employ over 80,000 co-workers**

**12 supporting & ecosystem partners**
A new Supporting Partner strategy was developed and approved in 2022 and will be implemented in 2023. The new strategy distinguishes between two partnership categories only, Supporting partners and Ecosystem partners.

**400+ users in the GABV Community space**

The GABV Community space has become a vibrant hub of exchange for the GABV Community. Launched at the end of November 2021, the space had over 400 users at the end of 2022. A new mobile app will be launched first quarter of 2023.

**USD 200 billion assets**
GABV members collectively hold over USD 200 billion of combined assets
Emerging from the Pandemic

The impact of the pandemic continued to prevent wider travel for many during the first half of the year. But as the year advanced and Covid-19 restrictions diminished, there were more opportunities to meet in person. During 2022 we combined a series of virtual and in person meetings to advance the Banking on Values movement.

GABV ANNUAL MEETING

BRAC Bank in Bangladesh hosts the second virtual GABV Annual Meeting: ‘Banking for Good in an Age of Change’ to explore how values can secure a positive future for banking.

While we could not meet in-person we made the most of a virtual format, hearing voices from across our network as well as from high-profile speakers such as Jørgen Randers, Baroness Minouche Shafik and Prof. Atiur Rahman. It was a particular pleasure to hear from so many CEOs, who responded to the themes and issues raised by the keynote speakers.

The event provided a flavour of Bangladesh and the region, and the impact on local communities of BRAC Bank’s great work through filmed virtual learning journeys. An inspiring open event also explored the history and work of BRAC and BRAC Bank.
DHAKA MEETING

After two years without meeting in person as a global group, BRAC Bank also graciously hosted an in-person global meeting in Dhaka, Bangladesh, in November. 42 CEOs and senior colleagues from 31 member banks took part in the Dhaka Meeting titled ‘From Perspectives to Action’, which built on the virtual Annual Meeting to create action with a focus on social, environmental, digital and organisational transformation.

1. Thomas Jorberg, CEO of GLS Bank (Germany), co-founder of the GABV and Board member until 2019, retired from GLS at the end of the last year. In 2022 he was recognised as European Banker of the Year. Read a full interview here.

2. Participants in the global Dhaka Meeting, hosted by BRAC Bank in November 2022.

3. Lars Pehrson, former CEO of Merkur Bank (Denmark), together with Martin Rohner, GABV Executive Director, in his farewell at the Dhaka Meeting in Bangladesh, in November 2022.

4. Selim Hussan (BRAC Bank) passes the ‘talking stick’ to Priscilla Sims Brown (Amalgamated Bank), which means that Amalgamated Bank will host the 2023 GABV Annual Meeting in New York.

5. GABV participants at the Dhaka Meeting during a learning journey with Priya Fashion employees.
NORTH AMERICAN REGIONAL CHAPTER MEETING
In June, City First Bank organised the first in person Regional Chapter Meeting since 2019. Hosted by Brian Argrett, CEO of City First Bank, nine member CEOs met in Washington DC, while two participated virtually. The GABV Executive Director, the Regional Representative for North America and the Board also joined the session, and three CEOs from non-member banks were invited as observers. The agenda deepened on how member banks can increase their commitment to climate change.

EUROPEAN CEO REFLECTION PROCESS ON FUTURES PERSPECTIVES
In September, European members met in Zug, Switzerland, for a workshop initiated and hosted by Freie Gemeinschaftsbank to reflect on the future of values-based banking and how to differentiate it from mainstream sustainable finance. The group identified important areas for future collaboration, including sustainable asset management and shareholder engagement, and climate and social transformation to increase impact. The meeting was attended by the CEOs of nine European member banks.

3 MEMBER SPOTLIGHTS
The GABV hosted three virtual Member Spotlight webinars that highlighted leaders in the network and their personal journeys in values-based banking. Member Spotlight presenters included Mamie Kalonda, CEO of Finca DRC (Democratic Republic of Congo), Damien Walsh, CEO of Bank Australia (Australia) and Vladimir Vukotic, CEO of 3Bank (Serbia).

ESG EVENT
The GABV Secretariat convened a well-attended Environmental, Social and Governance (ESG) event in the autumn with Jesse Fripp and David Porteous, to bring the voice of emerging market banks into the global discussion around ESG. The workshop highlighted the importance of viewing the sometimes controversial topic of ESG through a values lens to deliver outcomes over process.
Member Engagement and Collaboration

After a three-year hiatus, members of the GABV actively engaged in-person exchanges again in 2022, taking advantage of the opportunity to learn from peers through study visits in different regions.

In June, the Secretariat arranged a visit by CEO Dwayne Naylor and members of the Civic Federal Credit Union Board to meet with senior leaders from Banca Etica in Italy, Freie Gemeinschaftsbank and Alternative Bank Schweiz in Switzerland, and GLS Bank in Germany to help deepen and expand Civic’s values-based agenda.

In addition to the North American and European Regional Chapter Meetings, Martin Rohner followed the in-person meeting in Bangladesh with a visit to Australia to meet members Bank Australia, Australian Mutual Bank, Teachers Mutual Bank Limited and G&C Mutual Bank.

GABV Executive Director, Martin Rohner, visited existing and potential members in different locations during the year. A trip to East Asia with Asia Pacific regional representative, Upendra Poudyal, included meetings with the CEOs of member banks ESAF and North East Small Finance in India, and Bank Muamalat in Malaysia.

NMB Bank in Nepal sent its first delegate of managers to BRAC Bank in Bangladesh in December to learn about its impactful work in the SME sector. This visit was the first part of a wider exchange programme that may include visits to other members in Asia Pacific.

Also in June, a delegation from Bank Australia met with vdk bank in Belgium and Triodos Bank in the Netherlands, as well as the GABV Secretariat, to learn more about approaches to impact management.

President and CEO of Clear Water Credit Union in USA, Jack Lawson, travelled to Australia after the Dhaka Meeting and spent two weeks with Bank Australia to get inspiration and meet their work on climate change and reconciliation.
1. 3Bank (Serbia) visits GLS Bank (Germany).
2. Bank Australia visits the GABV Secretariat in The Netherlands.
3. Dwayne Taylor, Civic Federal Union (USA) meets Martin Rohner, Executive Director, GABV, in Switzerland.
4. Civic Credit Union visits GLS Bank.
5. Martin Rohner, GABV Executive Director, meets with the CEOs of Australian Mutual Bank, G&C Mutual Bank and Bank Australia.
6. From left to right: Martin Rohner, Upendra Poudyal and Paul Thomas.
In late summer, the GABV conducted its annual Member Survey to explore members’ performance and their satisfaction with the network. Members identified key risks and opportunities and key issues in the values-based banking practice.

### More optimistic

According to the survey, members are more optimistic about their growth than previously, with:

- 45% expecting slightly higher or significantly higher growth compared to last year;
- 25% expecting the same, slightly lower, or significantly lower profitability compared to last year;
- 30% expecting a slightly higher, or significantly higher, profitability.

### 65% response

45 of the 69 members providing feedback. All regions represented

### 8.3/10

Members ranked for overall satisfaction with the membership in the GABV:

- Satisfaction with communications from the Secretariat (8.4)
- Governance (8.5)
- Leadership of the Board (8.6)
- Members’ engagement with the network (8.1).

### 7.7/10

Satisfaction with the activities of their Regional Chapter. Due to the pandemic, some chapters had fewer opportunities to meet in-person than others, and therefore felt less personally engaged. The Secretariat is working to make improvements to the Regional Chapters.
Key opportunities

- Social change and demands on banks regarding impact and sustainability
- Demand for renewable energy due to energy crisis
- Higher interest rates
- Growth in organic, agricultural sector
- Measuring and reporting
- Digitalisation
- New business models (green financing, climate friendly solutions)
- Influence financial education and cultural change in academic institutions
- New partnerships (fintechs, DFIs, UN)
- Expansion and increased scale through mergers
- Micro-entrepreneurship development
Key risks

Mainstream banks looking more like us, loss of USP
Capital requirements
Regulation and cost of regulation
Profitability
Supply chain disruptions
Credit & Asset quality

Greenwashing

Inflation (rising salaries, housing costs)
Time to market and costs of digitalisation
Climate change
Political uncertainty & social instability
Economic crisis (exchange rate depreciation, recession)
Talent acquisition & retention
EU Taxonomy has spurred fast-growing competition.

Balancing Profitability vs Sustainability

Differentiation to combat greenwashing

Measuring true impact considering rise in mainstream impact measurement

Risk of diluting values by ‘conventionalizing’ business model

Transparency and customer protection

Equitable execution and scaling of social and environmental ambitions

Increasing proportion of VBB impact loan portfolio

Strengthening institutional culture and corporate governance

Need to re-engage and leverage GABV community more

Key values-based banking issues
Practitioner Power: Communities of Practice

The Global Alliance for Banking on Values convenes communities of practice to help strengthen our members and increase their positive impact. Together these communities address relevant topics, harnessing the knowledge of experts working on challenges and developing opportunities often unique to values-based banking.

**METRICS**

In November 2022, UmweltBank hosted an in-person meeting of the Metrics Community of Practice. Participants from Georgia, Germany, Ghana, Greece, Italy, Netherlands, Switzerland and Uganda reviewed benchmarks, scoring and technical portfolio classification guidelines of the GABV Scorecard, carried out a critical analysis of implications of regulatory developments in sustainable finance, including ESG risk assessments and management, from a values-based banking lens, and explored opportunities to advance nature-positive finance. Quarterly webinars throughout the year offered additional opportunities to connect.
HUMAN DEVELOPMENT

The Human Development (HD) Community of Practice held quarterly calls and a virtual annual meeting to exchange experiences and best practices around Human Resources (HR) challenges such as supporting co-worker mental health, enabling a hybrid workforce, and strengthening co-worker recruitment and retention. The group also met in person for the first time since the pandemic, hosted by Banco Solidario in Quito Ecuador, to learn and exchange knowledge on HR Transformation and Innovation, and how to embed a resilient, values-based culture of innovation into their organisations.

MARKETING & COMMUNICATIONS

The Marketing and Communications Community of Practice met virtually three times during the year on calls that were well attended. Participants exchanged their priorities for 2022 and their main concerns, such as the increasing growth of greenwashing in the financial industry. This topic was selected as the main theme for the Banking on Values Day campaign, as a result. This important annual event was celebrated on 10 November, with the active engagement of 43 member banks. In 2023, the group will meet in person again for the first time since 2019.
GABV LEADERSHIP ACADEMY: 2022 COHORTS & ALUMNI

The 7th edition of the GABV Leadership Academy is a transformative learning experience for bankers in values-based institutions offered in Partnering with the Massachusetts Institute of Technology (MIT) Co-Lab and Presencing Institute.

The LA Alumni group (graduates from the GABV Leadership Academy) is a vibrant network of values-based banking leaders who meet quarterly to reconnect, share and learn from each other.

25 participants
from
11 member banks
and supporting partners.

From March to April 2022

44 participants
from
8 countries
in Latin American joined the first cohort in Spanish of the GABV Leadership Academy.

GOVERNING BOARD FORUM

The Governing Board Forum (GBF) is made up of participants from the non-executive boards of GABV members. Building on the momentum of the previous year, the GBF mandated a core group to review its Terms of Reference and make a proposal for GBF Chair succession. The Terms of Reference were approved by the GABV Board and will establish a permanent Executive Committee, as well as a Vice-Chair position, to support the GBF Chair and to steer the group’s work.

17 participants
joined in October the first edition of the Governance Academy, a new programme for GBF members developed by the Institute for Principle-based Governance (IPBG).
Public Engagement: Driving Systemic Change

The Global Alliance for Banking on Values (GABV) influences the financial sector so that it serves people and the environment through specific actions and agreements. We share best practices, communicate our position on global issues and engage with international initiatives, regulators and advocacy organisations to help deliver systemic change.

TAKING A POSITION IN AN ERA OF CONVERGING CRISSES

In a challenging era of converging crises, the Global Alliance for Banking on Values (GABV) takes positions and explores opportunities on several issues:

Beginning of the year, the GABV published a Statement on the war in Ukraine. This was informed by an open conversation with a number of CEOs about the situation in the region and the continuity of Russian member bank, Center Invest, in the network.

The GABV marked this year’s International Women’s Day with specially curated content featuring the women CEOs in the network.

For Banking on Values Day 2022, and on the eve of the United Nations (UN) Climate Conference of COP27 in Egypt, the GABV called out greenwashing in the financial sector.

The GABV closely followed the deep-seated economic and social crisis in Sri Lanka, the continuing conflicts in the Democratic Republic of Congo, Afghanistan and Palestine, and terrible flooding in Australia, Bangladesh and India. These are all countries where members operate, providing essential financial services to millions of people.

And we also shared content around Pride, showcasing the network and our member’s strong commitment to Diversity, Equity and Inclusion.
PARTNERING FOR CHANGE
The GABV and some of its members were signatories to campaigns aimed at promoting a fairer, greener financial system during the year. We also continued to participate in working groups.

- We partnered with the advocacy organisation Finance Watch’s call on the G20 to address the systemic risks related to fossil fuel exposures.
- We signed FEBEA’s (European Federation of Ethical and Alternative Banks and Financiers) letter to members of the European Parliament to vote against the inclusion of nuclear and gas as green investments in the European taxonomy. Read more
- We actively participated in the International Standards Organisation Technical Committee 322 on Sustainable Finance and the Group III Expert for the European Economic and Social Committee’s work on Social Taxonomy.

NEW EBOOK RELEASED: 1,300 DOWNLOADS
The ebook Shaping a Positive Future in a Changing World features contributions from high-level experts during the GABV’s virtual Annual Meetings in 2021 and 2022. It includes:

- 9 global views from leading thinkers
- 6 case studies from worldwide changemakers
- 6 social entrepreneurs financed by values-based banks
BANKING ON VALUES DAY 2022

Titled ‘Real Impact Behind the BIG Words’, the 2022 campaign focused on what distinguishes the values-based banking movement and why it is becoming increasingly influential in the mainstream banking industry. It highlighted the key values that underpin our work and constructively challenged the wider financial industry to avoid “greenwashing” practices.

The campaign created more visibility than ever before:

- **21+ million impressions** on social media
- **175 articles**
- **360,000 video views**
- **24k visits** to the website
- **43 members** from 31 countries actively participated

NEW WEBSITE LAUNCHED

The new site aims to communicate values-based banking better and offers a space to learn and understand the impact of the Banking on Values movement.
Climate Action

Addressing the climate emergency is an important goal of values-based banking, whether it is through mitigation or adaptation. Against the backdrop of an escalating climate crisis, the Global Alliance for Banking on Values (GABV) and its members increased their efforts to use finance to combat climate change in 2022.

3C: COMMITTING TO COMBAT CLIMATE CHANGE

The GABV focused on providing technical support to signatories to the Climate Change Commitment (3C). The 3C is a member-led initiative committing its signatories to assess and report the greenhouse gas emissions of their loans and investments as a key step to aligning with the Paris Climate Goals.

7 members operating in different countries and using a variety of business models, disclosed their portfolio emissions for the first time in 2022:
- Banco Popular de Honduras
- BancoSol (Bolivia)
- Clearwater Credit Union (USA)
- Sunrise Banks (USA)
- Cooperative Bank of Karditsa (Greece)
- Cultura Bank (Norway)
- NMB Bank (Nepal)

19 signatories have now disclosed and comply with the 3C. Of the remaining 14, nine expect to publish their disclosures in 2023.

TRANSITION IN PCAF

The Partnership for Carbon Accounting Financials (PCAF), an industry-leading methodology to assess and disclose emissions, has been co-created by GABV member banks among others and is critical to this work. PCAF has over 350 signatories with more than USD 80 trillion in assets.

During the year, preparations were made for PCAF’s transition from a grant-funded initiative to become a non-profit entity. In 2023, the GABV’s support to its members will extend beyond emissions disclosures, to assist in taking steps to align with the Paris Agreement.

Banco Popular, in Honduras, is the first GABV member in Latin America and the first bank in Honduras to apply the PCAF Standard to measure the GHG emissions in the Agro sector.
A CLIMATE LEADER

GABV’s pioneering work as a leader in climate finance was recognised by the Finance for the Future Awards, in partnership with the Institute of Chartered Accountants in England and Wales (ICAEW), Accounting for Sustainability and Deloitte, during the year. The GABV qualified as a finalist for the ‘Driving Change in the Finance Community’ category.

Observer NGO at COP27

The GABV was an observer organisation at COP27, the United Nations key Climate Conference. Adriana Kocornik-Mina, Senior Manager of Metrics and Research, attended speaking at a number of sessions on sustainable finance. Adriana shares reflections from the meeting in a long article.

The GABV spoke on a number of panels including sessions convened by Egyptian sustainable development pioneers, Sekem, as well as with long-term partners CIBAFI (the General Council for Islamic Banks and Financial Institutions). The GABV intends to build on this activity, including COP28, in 2023.
Research and Advocacy

The Global Alliance for Banking on Values (GABV) conducts research and advocacy on selected topics that are relevant to values-based banking and where it can contribute with its rich experience and practical examples.

ANNUAL RESEARCH & CASE STUDIES
Since 2012 the GABV has published research comparing the results of values-based banks with the largest banks in the world, the Global Systemically Important Banks (GSIBs). The 2021 Real Economy – Real Returns: The Business Case for Values-based Banking research covers ten years of annual research through year-end 2020.

As part of VALoRE (Values Regulation in Europe), a high impact research and advocacy initiative with the support of the Open Society Foundations, the GABV prepared two case studies about members Banca Etica, in Italy and Spain, and GLS Bank, in Germany. In collaboration with Nyenrode University in The Netherlands, the case studies looked at how values-based banks contribute to sustainable transformation in their markets.

Values-based banks lend 30% more of their total assets to the real economy than big banks (Real Economy-Real Returns 2021 report)
THE VALORE PROJECT: ADVOCATING FOR CHANGE

Under the VALoRE project, the GABV has advocated for the inclusion of green and social impact objectives in the European Union regulation for Sustainable Finance. Together with our members and other partners, in February we called on the European Commission to be more ambitious and prioritise public interest in its social taxonomy. The GABV argued that the Commission should move beyond compliance with limited criteria and respect for human and labour rights.

The GABV also responded to the Basel Committee on Banking Supervision public consultation on principles for the effective management and supervision of climate-related financial risks. And reacted against the decision to include gas and nuclear in the EU green taxonomy, as it undermines the credibility of the EU to combat the climate urgency.

The GABV engaged Members of the European Parliament (MEP), sharing examples of best practices by values-based banks to advance social objectives. Following these meetings, MEP Jordi Cañas sent a written question to the European Commission. It asked for clarity on the Commission’s next steps and its intentions to extend the scope of the taxonomy regulation to cover the financing of social objectives.

“Social impact is always a relative concept, and as such, the Social Taxonomy criteria should not translate into legally enforceable thresholds, but rather in a guidance document that can serve as a reference for financial institutions and investors to assess social impact.”

Adriana Kocornik-Mina
GABV Metrics and Research Sr Manager

GABV SCORECARD: HOW TO MEASURE AND IMPROVE THE VALUES-BASED PRACTICE

In 2023, we expect all members to complete the GABV Scorecard. For this, the Secretariat has reviewed it and simplified the tool by replacing open-ended questions with a structured questionnaire to complete every three years only.

In addition, a new GABV Scorecard dashboard will allow the Secretariat to monitor GABV members’ progress towards values-based banking and enable them to benchmark themselves against their peers. This will help to better engage with our members on strengths and opportunities to improve. The Secretariat is working in a new GABV Scorecard dashboard by 2023.
The Global Alliance for Banking on Values (GABV) is a genuinely international network. For that reason, the network has established five regions where Chief Executive Officers and senior colleagues, convene to address topics that matter most to them. These groups are supported by a network of regional representatives, all of whom are senior bankers with extensive experience of the regions they serve.
The African Chapter was established at the Bern Annual Meeting in Switzerland in 2020, shortly after the outbreak of the Covid-19 pandemic. Unfortunately, few members of the Chapter have enjoyed the opportunity to meet again in-person since then. In 2022 a new member joined: SIPEM Banque, the largest bank in Madagascar.

Developing a vibrant African Chapter to the scale of the other regional chapters remains an important goal for the GABV. But expansion was slower than planned in 2022,hampered by the pandemic in particular. Challenging economic and social conditions, exacerbated by the war in Ukraine, have further delayed progress. The diversity of the continent and the structure of the African financial sector, which is dominated by large, mostly foreign-owned banks, also brings challenges to developing the thriving Chapter we want to see.

Against this backdrop, in 2022 a new member joined the movement. SIPEM Banque from Madagascar, the largest Malagasy owned bank, is the sixth African member. Of these, two are associated members and four full members. The GABV Supporting Partners continue to play a significant role in the development of the Chapter. The GABV is grateful to FMO, British International Investment, SIDI, Oikocredit, Opportunity International and Triodos Investment Management for their continued support and advice to build its presence in Africa.

The GABV Secretariat hosted an interview with Mamie Kalonda, former CEO, FINCA DRC, the largest microfinance institution in the Democratic Republic of Congo, as part of a special series of Member Spotlights. Mamie shared her powerful story working for 18 years in microfinance in the Democratic Republic of Congo, Tanzania, Zambia and Uganda. In challenging political, economic and social conditions, Mamie built a values-based culture at FINCA DRC, serving vulnerable communities across the country.

There are many more powerful stories like Mamie’s across the continent, and potential for values-based banking and the network. As the pandemic subsides and global travel has become easier, there is a positive opportunity to grow the Chapter and build a thriving GABV Community in Africa. With this goal in mind, Martin Rohner, Executive Director of the GABV, together with Fabian Kasi, CEO of Centenary Bank in Uganda and Board member of the GABV, plan to visit organisations in East Africa in the first quarter of 2023.
The GABV had 18 members in the Asia Pacific region (APAC), with combined assets of USD 44 billion serving more than 12 million customers, by the year end. APAC membership expanded by three during the year – in Australia (Australian Mutual Bank) and two new territories for the GABV, Papua New Guinea (TISA) and Armenia (ACBA Bank).

APAC is a geographically diverse region, with marked differences in per capita income, the operating environment for the financial system and local, national and regional priorities. However, some challenges were felt by all the GABV’s members in 2022. The war in Ukraine, and disruption to supply chains caused by it, had a significant impact on the post-Covid economic recovery. Marked inflation, in energy and food costs in particular, and rising interest rates weakened economies in the region and stifled economic growth. While GABV member banks remain resilient in the face of these issues the financial stress this causes, including deteriorating quality of assets, is likely to be a continuing challenge for many GABV members in 2023.

Many of the members in the region focus on providing access to finance, poverty eradication and improvement in the quality of lives of the people at the bottom of the pyramid. BRAC Bank hosted meetings during the year offered inspiring insights into BRAC Bank and the wider BRAC family’s extraordinary, positive impact on the lives of millions of people in and outside Bangladesh. The meeting’s location also provided an opportunity to showcase the work and impact of GABV members across the APAC region, presented in a specially commissioned exhibition.

Members in the region were also active in the face of the climate crisis during 2022. ESAF in India marked World Environment Day with a series of initiatives and events, including a panel discussion with CEO Paul Thomas and the GABV’s visiting Executive Director, Martin Rohner. Other highlights in the year included an industry-leading climate commitment to deliver net zero emissions in its operations and portfolio by 2035, from Bank Australia.

The region expects to collaborate and convene more frequently in 2023 on issues including embedding ESG best practice, financial literacy and inclusion, and cyber security.
EUROPE

Thanks to significant global expansion of the GABV network, the share of European banks has declined over time, having represented half of the initial ten founding banks. However, the European Chapter remains a dynamic region with 18 member banks at the end of 2022. Half of these are located in the European Union.

Two members joined the region during the year: vdk bank (Belgium) and Unity Trust Bank (UK) while two resigned: Crédit Coopératif (France), due to changes in strategic priorities, and Megabank (Ukraine), after the decision was taken to cease the bank’s activities.

The European CEOs explored future perspectives for values-based banking during the year. This was a response, in part, to mainstream banking’s increasing engagement with values-based banking language and, to some but a lesser extent, its practice. A strategic working group was led by Max Ruhri, CEO of Freie Gemeinschaftsbank (Switzerland) to address a central question: ‘We are a movement, but what is moving us?’ Two online conversations and facilitated dialogues were convened for this purpose.

During the year, the landscape in Europe changed drastically with the war in Ukraine, the energy crisis, inflation and related social challenges. These developments further galvanised the Chapter’s CEOs to explore how best to respond to them as values-based banks, prompting a two-day, in person meeting in Zug, Switzerland.

The topic of transformation provided an overarching theme for these discussions. The CEOs focused on a call for action to move the needle of sustainability; a willingness to take a leadership role in banking for net zero; providing access to finance for disadvantaged communities in emerging economies and Western Europe; and engagement with society grounded in concrete examples of banking approaches that support communities. The group intends to build on this dialogue in 2023, to strengthen the members in the region and argue effectively for the development of a more sustainable banking system.
The Latin American Chapter is made up of 13 banks from nine countries, all of whom are focused on inclusive finance. At the year-end Mibanco Colombia (previously Bancompartir) decided to leave the GABV from 2023 after a change of ownership.

Despite the challenges of social unrest, political change, economic instability and climate change in the region in 2022, GABV members emerged from the Covid-19 pandemic with improved operating results compared to 2021. Their success, grounded in working closely with and understanding the needs of their clients, demonstrated the resilience of values-based banking models.

The year began with the first edition of the GABV Leadership Academy in Spanish. More than forty banking executives, representing all our Latin American banks, took part in a virtual setting.

After two years, half of the members of the Latin American Chapter were finally able to meet again in-person as they made the trip to Bangladesh for the global Dhaka Meeting hosted by BRAC Bank. Given a shared interest in inclusive finance and poverty alleviation, the meeting represented an inspiring opportunity to share and learn at the birthplace of microfinance.

‘One on one’ virtual meetings took place in July with all member CEOs to follow up on their priorities and establish better service points and agenda topics for the Chapter. We expect discussions in 2023 to focus on digital transformation, gender equality, collaboration with FinTech companies, sustainability, political instability, cybersecurity and best practices in microfinance.

Other highlights in the year included Ecuadorian member Banco Solidario hosting a special event in Quito for the Human Development group, with participants from Latin America, Europe, USA and Africa. The event was also ably supported by fellow Ecuadorian member: Banco Codesarrollo. A new Spanish-speaking Human Development working group emerged from this meeting. While 2022 was not an ideal year for pursuing new memberships, the Latin American Chapter expects to grow by welcoming other members in 2023.
NORTH AMERICA

The North American Chapter is strong and growing. The North American Chapter ended the year with 14 members, two new members approved to join in January 2023, and two applications for membership pending. Lead Bank decided to cease its membership in 2023 after its acquisition by another bank.

In June, City First Bank organised the first in person Regional Chapter Meeting since 2019. Hosted by Brian Argrett, CEO of City First Bank, nine member CEOs met in Washington DC, while two participated virtually. The GABV Executive Director, the Regional Representative for North America and the Board also joined the session, and three CEOs from non-member banks were invited as observers. The agenda deepened on how member banks can increase their commitment to climate change. The headline presentation on the Hidden Risk of Climate Change for Financial Institutions was presented by Jim Scott, Senior Advisor, Financial Institutions Engagement, Ceres Accelerator for Sustainable Capital Markets. This was followed by an update from Christine Bergeron, CEO of Vancity, on the action underpinning its commitment to be net zero by 2040. A facilitated discussion of what members are doing to increase their commitment to mitigating and adapting to climate change completed the conversation.

The highlight of the Regional Chapter Meeting was a tour of the 8th Ward where City First Bank concentrates its lending. Participants met with minority developers building new affordable housing and toured a new facility that is the first medical facility to provide pre- and post-natal care in this low-income neighbourhood.

In late summer, five GABV members received US government Emergency Capital Investment Program (ECIP) awards totalling USD 885 million. Awards went to Beneficial State Bank, City First Bank, Clearwater Credit Union, Southern Bancorp and Sunrise Banks. These injections of capital will allow the banks to expand their footprint and increase their lending.

Four North American CEOs attended the global Dhaka Meeting. At the end of the meeting, the GABV ‘talking stick’ was passed to Priscilla Sims Brown, CEO of Amalgamated Bank, who will host the 2023 GABV Annual Meeting in New York in April.

The increasing frequency of severe storms in North America demonstrated the dire consequences of climate change and increased interest in the GABV from smaller North American financial institutions looking to join a community committed to addressing climate change. The frontrunning lending by GABV member banks in low-income and minority communities continues to be a model for how finance can change lives.
Governance and Team

The Global Alliance for Banking on Values (GABV) was established in 2009 as a Dutch not-for-profit foundation. The Board has a strategic leadership role and monitors organisational activities. Operational responsibilities and the execution of the strategy are delegated to the Secretariat.

THE BOARD
The GABV Board has a regional structure with the Chair and Vice-Chair selected on a global basis. Shameran Abed, Executive Director of BRAC International, stepped down from the Board, where he had served since 2017. The Board thanks Shameran for his contribution to the development of the GABV network, especially in the Asia Pacific region, and his passion to build inclusive finance and alleviate poverty wherever it occurs in the world.

Shameran’s successor is Selim Hussain, Managing Director and CEO of BRAC Bank Ltd. Selim was appointed during the Annual General Meeting in March of 2022.

In the Fall 2020, the Board adopted a gender policy according to which no gender may have more than 70% of the votes. The requirement must be implemented within two years. Therefore, the Board actively sought senior female colleagues during the year that have an interest in serving on the Board with the goal to reach this target by the spring 2023 Annual General Meeting.

David Reiling, CEO, Sunrise Banks (USA), Chair
Beltrán Macchi, CEO, Visión Banco (Paraguay), Latin American Region
Damien Walsh, CEO, Bank Australia, (Australia), At Large
Darrin L. Williams, CEO, Southern Bancorp (USA), North American Region
Fabian Kasi, CEO, Centenary Bank (Uganda), African Region
Selim Hussain, CEO, BRAC Bank (Bangladesh), Asia-Pacific Region
Ugo Biggeri, President, Etica Sgr (Italy), European Region

From left to right: Fabian Kasi, Damien Walsh, David Reiling, Selim Hussain, Beltrán Macchi and Ugo Biggeri.
THE SECRETARIAT

The GABV Secretariat organises and facilitates the network's activities. The core team is based in Amsterdam, the Netherlands. A network of advisors (including GABV Regional Representatives) operates remotely, ensuring close connections with members and partners. The full Secretariat aims to meet in person at least once a year.

In May 2022, an in person full retreat took place in Amsterdam, The Netherlands, for the first time since 2019. The Regional Representatives joined the core team to review the GABV's work, identify opportunities to expand the network, strengthen its members and lead the development of a fairer, greener financial system. The group focused, in particular, on engaging more effectively with the members.

Secretariat:

Martin Rohner, Executive Director
James Niven, Chief Operations and Programme Officer
Dr Adriana Kocornik-Mina, Metrics and Research Senior Manager
Karla Pastor, Operations and Finance Officer
Alice Khounta, Knowledge and Network Manager
Sonia Felipe Larios, Head of Communications and Marketing
Jessica Cooray, Communications Officer

Regional Representatives:

Jean Pogge, Regional Representative for North America
Juan Pablo Meza, Regional Representative for Latin America
Upendra Poudyal, Regional Representative for Asia Pacific
Pierre Aeby, Regional Representative for Europe

Consultants:

Tom Cummings, Annual Meeting Design and Senior Adviser to the Executive Director
Dr Katrin Käufer, Leadership Academy and Human Development Senior Adviser
Sonia Reinhardt, Sr Human Development Programme Coordinator

Full team retreat in May 2022 in Amsterdam, The Netherlands.
Financial Overview

At the year end, the Global Alliance for Banking on Values (GABV) had delivered a surplus of EUR 34K, compared to a budgeted deficit of EUR 86K. Excluding investment projects using finance from the appropriated reserve (to develop the GABV’s data management capacity and develop the online ecosystem) the surplus is EUR 75K compared to a budgeted deficit of EUR 33K.

The reasons for a surplus, excluding the appropriated reserve for investment projects, were largely because of higher than budgeted membership fees. This, in turn, was due to the growth in assets size of existing members and new members who were larger than anticipated and therefore generated higher fee income. Operational costs were also lower than budgeted. This was due, in part, to lower co-worker costs, postponing part of the investment project budget from the data management/scorecard project and lower than anticipated rental costs.

Grant Related Income (VALoRE and PCAF) continued to make an important contribution to the 2022 financial position. Limited grant funding will continue into 2023. The GABV Secretariat is grateful for the significant contributions to the VALoRE project, from the Open Society Foundations and to the expansion of Greenhouse Gas assessment and disclosures in the financial industry, via funding to the Partnership for Carbon Accounting Financials (PCAF) programme.

While a number of uncertainties remain, given difficulties in accurately predicting membership growth and the impact of the ongoing pandemic, the GABV anticipates a small deficit in 2023.

Read the full report of the 2022 Annual Accounts.
# STATEMENT OF ACTIVITIES
## FOR THE YEAR 2022

<table>
<thead>
<tr>
<th></th>
<th>Budget 2022</th>
<th>Budget 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefits</strong></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Membership fees</td>
<td>1,139,820</td>
<td>1,071,840</td>
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<tr>
<td>Supporting partners fees</td>
<td>38,500</td>
<td>33,000</td>
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<tr>
<td>Intellectual Property fees</td>
<td>9,000</td>
<td>26,017</td>
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<tr>
<td>Other income</td>
<td>111,830</td>
<td>110,422</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,299,150</td>
<td>1,241,279</td>
</tr>
</tbody>
</table>

| **Expenses**     | Budget 2022 | Budget 2021 |
| Staff costs      | 981,021     | 953,200     |
| Marketing and communication | 48,154 | 40,000 | 23,516 |
| Travel costs     | 21,337      | 4,102       |
| Meeting en conference costs | 27,536 | 30,000 | 6,428 |
| ICT              | 18,729      | 10,753      |
| Administration and other costs | 43,108 | 58,425 |
| Rental costs     | 8,897       | 9,496       |
| Human Development Programme | 6,194 | 6,213 |
| Investment projects | 35,461 | 41,034 |
| Grant related projects | 39,860 | 66,563 |
| **Total of sum of expenses** | 1,230,297 | 1,179,730 |

| **Total operating result** | Budget 2022 | Budget 2021 |
| Total operating result | 68,853 | 61,549 |
| Provisions and write-offs | -34,540 | - |
| **Total net result** | 34,313 | 61,549 |

| **Appropriation of result** | Budget 2022 | Budget 2021 |
| Appropriation reserve | -40,765 | -46,835 |
| General reserve | 75,078 | 108,384 |
| **Result excluding investment projects** | 34,313 | 61,549 |
| Result excluding investment projects | 75,078 | 108,384 |

*Investment projects are to improve the GABV's online ecosystem and data management, using money appropriated from the reserve.
## BALANCE SHEET AS AT 31 DECEMBER 2022
(After proposal distribution of result)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2022 EUR</th>
<th>12/31/2021 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
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</tr>
<tr>
<td>Receivables</td>
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<tr>
<td>Accounts receivables</td>
<td>2,640</td>
<td>7,625</td>
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<tr>
<td>Other receivables</td>
<td>92</td>
<td>13,969</td>
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<tr>
<td>Accruals and prepaid expenses</td>
<td>52,085</td>
<td>49,337</td>
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<tr>
<td></td>
<td>54,817</td>
<td>70,931</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>809,220</td>
<td>816,733</td>
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<tr>
<td></td>
<td>864,037</td>
<td>887,664</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
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<tr>
<td>Appropriation reserves</td>
<td>12,400</td>
<td>53,165</td>
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<tr>
<td>General reserves</td>
<td>723,117</td>
<td>648,039</td>
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<tr>
<td></td>
<td>735,517</td>
<td>701,204</td>
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<tr>
<td><strong>Short-term liabilities</strong></td>
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<tr>
<td>Accounts payable</td>
<td>18,839</td>
<td>36,940</td>
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<tr>
<td>Payables relating to taxes and social security contributions</td>
<td>32,607</td>
<td>21,647</td>
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<tr>
<td>Other liabilities and accrues expenses</td>
<td>77,074</td>
<td>127,873</td>
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<tr>
<td><strong>Total net result</strong></td>
<td>128,520</td>
<td>186,460</td>
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<tr>
<td></td>
<td>864,037</td>
<td>887,664</td>
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