STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Consolidated Financial Statements and Schedules

December 31, 2012

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
Stichting To Promote Women's World Banking:

We have audited the accompanying consolidated financial statements of Stichting To Promote Women's World Banking (the Organization), which comprise the balance sheet as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Stichting To Promote Women's World Banking as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

KPMG

Report on Summarized Comparative Information

We have previously audited the Organization's 2011 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 11, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in schedules 1, 2, 3, and 4 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

June 6, 2013

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Consolidated Balance Sheet

December 31, 2012
(with comparative financial information as of December 31, 2011)

Assets		**2012**	**2011**
Cash and cash equivalents	$	4,914,225	6,871,502
Due from FWWB		731,264	—
Loan receivable (note 4)		—	4,151,717
Loan interest receivable (note 4)		—	207,211
Grants and contributions receivable, net (note 3)		2,214,140	7,011,058
Investments (note 5)		16,721,820	11,497,445
Other assets		40,059	193,176
Interest in net assets of supporting organization (note 11)		689,670	582,182
Furniture, equipment, and leasehold improvements, net of accumulated depreciation and amortization of $357,450 and $341,216 in 2012 and 2011, respectively		57,894	8,281
Total assets	$	25,369,072	30,522,572
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	263,534	541,038
Deferred revenue		99,775	945,787
Due to FWWB		—	113,320
Total liabilities		363,309	1,600,145
Net assets:			
Unrestricted		2,518,913	1,068,385
Temporarily restricted (note 7)		6,549,830	11,917,022
Permanently restricted capital fund (note 7)		15,937,020	15,937,020
Total net assets		25,005,763	28,922,427
Total liabilities and net assets	$	25,369,072	30,522,572

See accompanying notes to financial statements.

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Consolidated Statement of Activities

Year ended December 31, 2012
(with summarized financial information for the year ended December 31, 2011)

	Unrestricted	Temporarily restricted	Permanently restricted	Total 2012	Total 2011
Operating activities:					
Revenue and support:					
Grants and contributions (notes 2 (i) and 11)	$ 51,048	3,948,334	—	3,999,382	12,200,215
In-kind contributions (note 9)	287,281	—	—	287,281	949,702
Interest and dividends, net of investment expenses	—	23,679	—	23,679	209,105
Net appreciation (depreciation) in fair value of investments	—	803,643	—	803,643	(867,341)
Change in interest in supporting organization (note 11)	—	107,488	—	107,488	161,182
Foreign currency translation loss		(28,217)	—	(28,217)	(402,677)
Fee for services	1,625,000	—	—	1,625,000	1,198,891
Other income	151,897	—	—	151,897	163,587
Net assets released from restrictions	10,222,119	(10,222,119)	—	—	—
Total revenue and support	12,337,345	(5,367,192)	—	6,970,153	13,612,664
Expenses and loss :					
Program services:					
Institutional development programs	3,791,673	—	—	3,791,673	3,533,300
Functional products and services	4,052,992	—	—	4,052,992	3,565,706
Total program services	7,844,665	—	—	7,844,665	7,099,006
General and administrative	1,157,989	—	—	1,157,989	1,214,822
Fund-raising	1,084,925	—	—	1,084,925	1,033,238
Total expenses	10,087,579	—	—	10,087,579	9,347,066
Loss on uncollectible grants receivable	59,000	—	—	59,000	—
Total expenses and loss	10,146,579	—	—	10,146,579	9,347,066
Increase (decrease) in net assets from operating activities	2,190,766	(5,367,192)	—	(3,176,426)	4,265,598
Nonoperating activity:					
Contributions to network members	(740,238)	—	—	(740,238)	(766,583)
Total nonoperating activity	(740,238)	—	—	(740,238)	(766,583)
Decrease (increase) in net assets	1,450,528	(5,367,192)	—	(3,916,664)	3,499,015
Net assets at beginning of year	1,068,385	11,917,022	15,937,020	28,922,427	25,423,412
Net assets at end of year	$ 2,518,913	6,549,830	15,937,020	25,005,763	28,922,427

See accompanying notes to financial statements.

STICHTING TO PROMOTE WOMEN'S
WORLD BANKING

Consolidated Statement of Cash Flows

Year ended December 31, 2012
(with comparative financial information for the year ended December 31, 2011)

		2012	2011
Cash flows from operating activities:			
(Decrease) increase in net assets	$	(3,916,664)	3,499,015
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:			
Depreciation and amortization		16,234	13,542
Provision for uncollectible grants receivable		59,000	—
Net (appreciation) depreciation in fair value of investments		(803,643)	867,341
Increase in interest in net assets of supporting organization		(107,488)	(161,182)
Decrease (increase) in grants and contributions receivable, net		4,737,918	(1,711,007)
Increase in due from FWWB		(731,264)	—
Decrease (increase) in loan interest receivable		207,211	(207,211)
Decrease (increase) in other assets		153,117	(86,657)
Decrease in accounts payable and accrued expenses		(277,504)	(23,072)
(Decrease) increase in deferred revenue		(846,012)	350,112
(Decrease) increase in due to FWWB		(113,320)	113,320
Net cash (used in) provided by operating activities		(1,622,415)	2,654,201
Cash flows from investing activities:			
Purchases of furniture, equipment, and leasehold improvements		(65,847)	(2,352)
Purchases of investments		(4,987,927)	(3,531,410)
Proceeds from sale of investments		567,195	4,085,279
Proceeds from loan receivable		4,151,717	—
Net cash (used in) provided by investing activities		(334,862)	551,517
Net (decrease) increase in cash and cash equivalents		(1,957,277)	3,205,718
Cash and cash equivalents at beginning of year		6,871,502	3,665,784
Cash and cash equivalents at end of year	$	4,914,225	6,871,502

See accompanying notes to financial statements.

(1) Organization

Stichting To Promote Women's World Banking (WWB or the Organization) is an international, independent organization incorporated in the Netherlands for the purpose of encouraging the direct participation of women and their families in the full use of the money economies of their countries, particularly those women who have not generally had access to the services of established financial institutions. WWB has been classified as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code. The accompanying consolidated financial statements do not include the financial position or the changes in net assets of WWB's network members (NMs), which are independent and unrelated organizations.

Friends of WWB/USA, Inc. (Friends) is a nonprofit corporation whose purpose is to support programs of the Organization and is reflected as interest in net assets of supporting organization on the balance sheet (see note 11).

WWB's programs are organized into four areas: technical services, financial products and services, strategy and business development, and knowledge and communications. The following functional classifications have been established to account for the program services of WWB:

(a) Institutional Development Programs (IDP) consists of technical support and strategy development for WWB NMs. Under this program, WWB offers leadership development trainings as well as services in building gender diversity in microfinance institutions. IDP provides strategic advice to WWB and NMs, develops best practice toolkits, organizes workshops and exchanges, and is charged with monitoring existing and cultivating new NMs. IDP also includes a strong communications component to share information across the network and bring public exposure to the network's value and principles. This includes the expenses in WWB Asset Management LLC (WAM), a Delaware limited liability company, which directs and manages private equity investment in high-performing, women-focused MFIs worldwide. WAM expects to achieve its double bottom line objectives of demonstrating the investment case for conscientious, women-focused microfinance while also achieving positive economic returns.

(b) Functional Products and Services (FPS) support NMs and associates in expanding financial services to low-income entrepreneurs and in forging partnerships with banks. The products and services include marketing and market research, introduction of new products such as savings, micro-insurance, individual lending and rural lending, and formalization. FPS also has a publication component to disseminate knowledge gained through developing new and innovative products.

WAM is a wholly owned subsidiary of the Organization. The entity was established to hold the operations of the Organization's WAM activity, described above. WAM began operations on February 15, 2012.

WWB GP LLC, a Delaware limited liability company, is a wholly owned subsidiary of the Organization. The entity was established to hold equity shares, in affiliate organizations, primarily through investments from WWB's Capital Fund. As of December 31, 2012, WWB GP LLC holds WWB's interest in Kashf Microfinance Bank and a 1% interest in the WWB Isis Fund L.P.

WWB Investments, LLC, a Delaware limited liability company, is a wholly owned subsidiary of the Organization. WWB Investments, LLC is the general partner and management company of WWB Isis Fund L.P., a Delaware limited partnership, formed in August 2010 to act as a socially responsible private equity fund. The activity of the WWB Isis Fund L.P., other than WWB GP LLC's noncontrolling interest, is not reflected in the Organization's consolidated financial statements.

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting.

(b) Basis of Presentation

Net assets and revenues, gains, losses, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of WWB and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met by actions of WWB and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. WWB's permanently restricted net assets consist of a Capital Fund. Generally, the donors of these assets permit the Organization to use all or part of the income earned, including net realized and unrealized gains on investments, for general purposes.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions or they have not been appropriated for expenditure as discussed in note 7(b). Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(c) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the Organization's valuation methodologies at December 31, 2012 and 2011. The Organization recognizes transfers as of the actual date of the event or change in circumstance that caused the transfer. There were no transfers between fair value levels for the year ended December 31, 2012, although there was a transfer from Level 3 to Level 1 during the year ended December 31, 2011.

(d) Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with maturities of three months or less at the time of purchase to be cash equivalents, except for those held for long-term investment purposes.

(e) Grants and Contributions

Revenue from grants and contributions is recognized when an unconditional commitment is made by a donor. WWB often receives multiyear grants denominated in foreign currency amounts, which are subject to future currency fluctuations. As a result, WWB will recognize foreign exchange gains or losses representing the difference in the dollar value of the grant between the time the grant commitment is made and recognized and when the sums are received.

Grants and contributions not expected to be received within one year are discounted at a risk-adjusted rate. Amortization of the discount is recorded as additional grants and contributions revenue.

(f) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market prices.

For investments in funds that do not have readily determinable fair values including private equity and limited partnership with fund of funds, the fair value is estimated using net asset value per share or its equivalent as reported by the fund managers. The estimated fair values may differ significantly from values that would have been used had a ready market for these securities existed. These values are reviewed and evaluated by management.

Given that the net asset value reported by each fund is used as a practical expedient to estimate fair value of the Organization's interest therein, its classification in Level 2 or 3 is based on the Organization's ability to redeem its interest at or near the date of the balance sheet. If the interest can be redeemed in the near term, the investment is classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

(g) Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are reported at cost less accumulated depreciation or amortization. Depreciation of furniture and equipment is computed on a straight-line basis over a period of three to five years. Amortization of leasehold improvements is computed on a straight-line basis over the remaining life of the lease or the estimated useful life of the improvement, whichever is shorter.

(h) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Concentration of Revenues

In 2012 and 2011, three funding sources accounted for 93% and 68% of contribution and grant revenue, respectively. Included in the funding sources is Friends of WWB/USA, Inc. (Friends), an affiliated organization (note 11). In 2012 and 2011, Friends provided approximately 61% and 11%, respectively, of total grant and contribution revenue.

As of December 31, 2012 and 2011, contributions receivable was concentrated to three donors, which accounted for 89% and 71%, respectively.

(j) Prior Year Information

The statement of activities is presented with certain prior year summarized information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2011 from which the summarized information was derived.

(k) Tax Status

The Organization recognizes the effects of income tax positions only if those positions are more likely than not to be sustained. The Organization has evaluated its tax positions in 2012 and 2011, and has determined that there are no significant uncertain tax positions and that it will continue to be exempt from income taxes.

(l) Reclassifications

Certain 2011 balances have been reclassified to conform to the 2012 presentation.

(3) Grants and Contributions Receivable and Conditional Grant

Grants and contributions receivable at December 31, 2012 and 2011 are scheduled to be collected as follows:

	2012	2011
Less than one year	$ 2,214,140	5,267,465
One to five years	—	1,806,010
	2,214,140	7,073,475
Less discount to present value (at discount rate of 2.5%)	—	(62,417)
	$ 2,214,140	7,011,058

In 2011, WWB received a conditional grant in the amount of approximately $641,000 from Irish Aid, which is being recognized as the conditions are met (funds are received). During the year ended December 31, 2012, $177,860 of this grant was received and recognized as revenue. No revenue was recognized in 2011.

(4) Loan Receivable and Interest Receivable on Loan

In 2010, the Organization authorized the use of a portion of its permanently restricted funds to make a loan to WWB Investments, LLC. In February 2012, WWB Investments, LLC repaid the loan in full with all applicable interest.

(5) Investments

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2012:

	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Cash and cash equivalents	$ 465,976	465,976	—	—
Equities:				
Domestic equity	6,202,299	6,202,299	—	—
Fixed income:				
Mutual funds	533,729	533,729	—	—
Alternative investments:				
Limited partnerships	9,315,342	—	5,828,440	3,486,902
Private equity	204,474	—	—	204,474
Total investments	$ 16,721,820	7,202,004	5,828,440	3,691,376

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2011:

	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Cash	$ 25,986	25,986	—	—
Certificates of deposit	539,598	539,598	—	—
Equities:				
Domestic equity	3,296,649	3,296,649	—	—
Alternative investments:				
Limited partnerships	7,368,248	—	—	7,368,248
Private equity	266,964	—	—	266,964
Total investments	$ 11,497,445	3,862,233	—	7,635,212

At December 31, 2012 and 2011, Level 1 assets comprised 43% and 34% of the Organization's total investments.

The following table presents a rollforward of Level 3 investments for the years ended December 31, 2012 and 2011:

		2012	2011
Beginning balance	$	7,635,212	9,078,519
Purchases		1,377,085	—
Transfers to Level 2		(5,828,440)	(802,481)
Net appreciation (depreciation)		507,519	(640,826)
Ending balance	$	3,691,376	7,635,212

In May 2009, WWB capitalized WWB GP LLC, through which a 10% equity interest in Kashf Microfinance Bank (Kashf) was secured. The cost of the investment in Kashf was $980,500. At December 31, 2012 and 2011, this investment is estimated to have a fair value of $204,474 and $266,964, respectively. Also included in the limited partnerships balance in 2012 is the Organization's investment in WWB Isis Fund L.P. of $123,215.

As of December 31, 2012 and 2011, the estimated fair value of the Organization's limited partnerships totaled $9,315,342 and $7,368,248, respectively. This balance is invested through six limited partnership agreements in 2012 and one limited partnership agreement in 2011, each with varying lockup periods. As of December 31, 2012, the majority of funds within the limited partnerships can be redeemed quarterly with 60 days' notice, as the lockup periods have expired, and are classified as Level 2. However, certain funds are still subject to lockups and gates and are classified in Level 3.

(6) Loan Guarantees

From time to time, WWB provides collateral to sponsor loan guarantees as an authorized use of the Organization's permanently restricted Capital Fund. As of December 31, 2010, WWB provided partial guarantees through letters of credit for a loan or a line of credit from a bank to two NMs for on-lending to the NMs' clients that were secured by WWB's certificates of deposits funded by permanently restricted funds.

As of December 31, 2011, one loan guarantee structure remained outstanding with a total of $500,000. The NMs' loan might have individually exceeded $500,000 at any given time but WWB's potential exposure would never have exceeded the $500,000 partial guarantee. The Organization maintains a 5% reserve for the outstanding guarantee and has not experienced a default in several years of providing guarantees of similar structure. This guarantee expired in February 2012 without experiencing any loss or default.

As of December 31, 2012, there were no loan guarantees structures outstanding.

(7) Restricted Net Assets

(a) Temporarily Restricted Net Assets

At December 31, 2012 and 2011, temporarily restricted net assets are available for the following purposes:

		2012	2011
Institutional development programs	$	2,269,598	4,404,357
Functional products and services		2,763,721	6,930,483
Interest in supporting organization (note 11)		689,670	582,182
Capital Fund – accumulated earnings		826,841	—
	$	6,549,830	11,917,022

(b) Permanently Restricted Net Assets

The Organization's Capital Fund is primarily invested by the organization through two investment vehicles that have been established to support the Organization's mission and are aligned with WWB's investment strategy. As required by GAAP, net assets associated with the Capital Fund are classified and reported based upon the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

WWB follows the policies under New York Prudent Management of Institutional Funds Act (NYPMIFA) as signed into law in New York State in September 2010. As a result of NYPMIFA, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. GAAP requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the Capital Fund
2. The purposes of the Organization and the Capital Fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments

6. Other resources of the Organization

7. The investment policies of the Organization.

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the initial level of contribution due to net losses from investments. In 2009, WWB sought and received a clarification letter from the Dutch Government, a major donor of the Capital Fund, regarding its intention for the net loss scenario. The Dutch Government clarification releases WWB's obligation to pay back losses to the Capital Fund. As of December 31, 2011, due to general market volatility, the Capital Fund experienced a net loss of $658,236, which reduced the Dutch Government's portions of the Capital Fund. In 2012, there were no deficiencies.

Spending Policy

In 2012 and 2011, the Organization did not appropriate any income from investments to be spent by the Organization. Overall, WWB intends to limit the spending of investment gains whenever financially feasible to promote the continued growth of the Capital Fund.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for the Capital Fund that attempts to provide a predictable stream of funding to programs supported by the fund while seeking to maintain the purchasing power of the fund. The fund includes those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The following represents the net asset classes of the Organization's Capital Fund at December 31, 2012:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted Capital Fund	$ —	826,841	15,937,020	16,763,861
Total	$ —	826,841	15,937,020	16,763,861

The following represents the net asset classes of the Organization's donor-restricted funds at December 31, 2011:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted Capital Fund	$	—	—	15,937,020	15,937,020
Total	$	—	—	15,937,020	15,937,020

Changes in the Organization's Capital Fund for the year ended December 31, 2012 are as follows:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Capital Fund, beginning of year	$	—	—	15,937,020	15,937,020
Investment return:					
Interest and dividend income		—	23,198	—	23,198
Net realized and unrealized gains		—	803,643	—	803,643
Total investment gain		—	826,841	—	826,841
Appropriation of endowment assets for expenditure		—	—	—	—
Net Capital Fund, end of year	$	—	826,841	15,937,020	16,763,861

Changes in the Organization's Capital Fund for the year ended December 31, 2011 are as follows:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Capital Fund, beginning of year	$	—	—	16,595,256	16,595,256
Investment return:					
Interest and dividend income		—	—	209,105	209,105
Net realized and unrealized losses		—	—	(867,341)	(867,341)
Total investment loss		—	—	(658,236)	(658,236)
Appropriation of endowment assets for expenditure		—	—	—	—
Net Capital Fund, end of year	$	—	—	15,937,020	15,937,020

(8) Lease Commitment

WWB occupies facilities under a lease agreement expiring December 31, 2014. The lease contains escalation clauses, which provide for increased payments resulting from increases in real estate taxes and certain other building expenses in excess of the base period amounts.

Future minimum lease payments under this lease are as follows:

		Amount
Year ending December 31:		
2013	$	643,000
2014		651,000
	$	1,294,000

Total rent, utilities, and maintenance expense in 2012 and 2011 amounted to $731,241 and $724,264, respectively.

(9) In-Kind Contributions

In-kind contributions are recorded where there is an objective basis upon which to value these contributions. These amounts are recognized as both support and expense in the accompanying consolidated financial statements. During the years ended December 31, 2012 and 2011, in-kind contributions consisted of $287,281 and $949,702, respectively, for legal and other services.

(10) Pension Benefits

WWB sponsors a 401(k) retirement plan for its eligible employees with benefits up to 3.5% of eligible compensation. Total retirement expense relating to 2012 and 2011 was approximately $118,036 and $109,435, respectively.

(11) Interest in Net Assets of Supporting Organization

WWB acts in cooperation with Friends, which has a separate board of trustees and maintains its legal and financial independence. Management of WWB and Friends is shared. The principal activity of Friends is the solicitation, receipt, and administration of grants and contributions on behalf of WWB. From time to time, Friends will grant funds to WWB for certain programs in compliance with all 501(c) 3 activities. WWB regularly reports back to the Friends' board of trustees on the progress of projects and the utilization of funds granted.

In accordance with Financial Accounting Standards Board Accounting Standards Codification 958-20, *Financially Interrelated Entities*, WWB's balance sheet includes its interest in the net assets of Friends. The increase in WWB's interest in the net assets of the supporting organization during 2012 and 2011 of $107,488 and $161,182, respectively, was recorded as change in interest in supporting organization.

Expenses allocated to Friends include amounts for personnel, travel, and overhead of $874,393 and $810,696 in 2012 and 2011, respectively. WWB received grants and contributions from Friends of $2,388,786 and $1,447,257 in 2012 and 2011, respectively.

(12) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events after the consolidated balance sheet date of December 31, 2012 through June 6, 2013, the date the consolidated financial statements were available to be issued and noted no additional items that would require adjustment to, or disclosure, in the 2012 consolidated financial statements.

Schedule 1

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Grants and Contributions Receivable Rollforward

December 31, 2012

		Net receivable balance at December 31, 2011	New grants, 2012	Cash receipts, 2012	Discount adjustments	Foreign currency translation and other adjustments	Net receivable balance at December 31, 2012
Corporation Andina de Fomento CAF	$	80,000	—	79,319	—	(681)	—
International Labor Office – ILO *		5,000	—	—	—	(5,000)	—
Irish Aid		—	177,860	177,860	—	—	—
Swedish International Develop. Coop – (SIDA)		2,650,835	—	1,409,495	31,935	—	1,273,275
Hivos Foundation		123,144	—	118,529	—	—	4,615
Govt. of Luxemburg		1,339,661	—	1,283,463	—	(56,198)	—
Inter-American Development Bank (IDB) *		616,933	—	185,920	20,117	(54,000)	397,130
Inter-American Development Bank (IDB)(B)		—	30,000	30,000	—	—	—
Government of Germany (BMZ)		621,242	—	394,256	5,091	—	232,077
KPMG Netherlands		168,348	—	168,348	—	—	—
AusAID		1,017,440	—	1,046,400	—	28,960	—
Government of Finland		388,455	637,515	718,629	—	(298)	307,043
New Zealand AID		—	—	—	—	—	—
Credit Suisse		—	657,030	657,030	—	—	—
Triodos Bank		—	49,985	49,985	—	—	—
Others		—	1,063	1,063	—	—	—
Friends of WWB/USA, Inc.		—	2,388,786	2,388,786	—	—	—
	$	7,011,058	3,942,239	8,709,083	57,143	(87,217)	2,214,140

* Adjustment represents a loss on an uncollectible grant receivable.

See accompanying independent auditors' report.

Schedule 2

STICHTING TO PROMOTE WOMEN'S
WORLD BANKING

Schedule of Functional Expenses

Year ended December 31, 2012
(with summarized financial information for the year ended December 31, 2011)

	Institutional development programs excluding WAM	Women's asset management (WAM)	Total institutional development programs	Functional products and services	Total program services	General and administrative	Fund-raising	Total 2012	Total 2011
Personnel costs	$ 1,221,085	148,026	1,369,111	1,351,134	2,720,245	687,765	525,627	3,933,637	3,796,863
Technical service consultants	925,365	51,311	976,676	1,742,351	2,719,027	71,880	133,785	2,924,692	2,372,422
Legal, accounting, and auditing	69,419	6,185	75,604	107,064	182,668	69,419	72,083	324,170	1,014,147
Travel, workshops, and meetings	1,051,480	6,870	1,058,350	578,441	1,636,791	58,956	80,883	1,776,630	1,070,478
Printing, production, and video	1,395	95	1,490	453	1,943	451	453	2,847	36,142
Rent and utilities	182,810	—	182,810	182,810	365,620	182,811	182,810	731,241	724,264
Telephone and cable	21,374	29	21,403	21,791	43,194	21,133	21,132	85,459	69,971
Office expenses	95,430	6,740	102,170	64,889	167,059	61,517	64,093	292,669	249,237
Depreciation and amortization	4,059	—	4,059	4,059	8,118	4,057	4,059	16,234	13,542
	$ 3,572,417	219,256	3,791,673	4,052,992	7,844,665	1,157,989	1,084,925	10,087,579	9,347,066
Project initiatives – contributions to network members								740,238	766,583
Loss on uncollectible grants receivable								59,000	—
Total expenses and losses								$ 10,886,817	10,113,649

See accompanying independent auditors' report.

Schedule 3

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Agencia Espanola de Cooperation International (AECID) Grant Expenses

Year ended December 31, 2012

	CMG	Senegal feasibility	M&E gender indicators	CML/MDP trainings	Gambia remittances	Total
Salaries	$ 52,000	30,000	6,000	—	—	88,000
Consultant fees	2,351	8,756	7,533	18,038	—	36,678
Travel: airfare, lodging, meals, etc.	—	12,285	—	—	669	12,954
Printing and production	—	676	—	—	—	676
Office supplies (including telephone)	—	47	—	—	—	47
Subtotal direct expenses	$ 54,351	51,764	13,533	18,038	669	138,355
Indirect costs						27,091
Total expenses						$ 165,446

See accompanying independent auditors' report.

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Notes to AECID Grant Expenses

Year ended December 31, 2012

Special reporting procedures are required under the Agencia Espanola de Cooperation International (AECID) Grant.

Expenses are categorized on schedule 3 of the financial statements. The projects created under AECID are as follows:

AECID Strategy:
Define and outline a strategy for technical cooperation in the framework of the Spanish cooperation of microfinance institutions in Sub-Saharan Africa. There were no expenses incurred for the project in 2012.

CMG:
Improve internal capacity of the Gambia Microfinance Network (GAMFINET) to provide support to the microfinance institutions in Gambia, especially by facilitating workshops and trainings in finance and access to the capital markets to be run through WWB's Capital Markets Group (CMG).

Senegal Feasibility:
Develop a country plan for the country of Senegal.

M&E Gender Indicators:
Identify and document social and financial performance indicators based on gender that have specific relevance for microfinance institutions in Sub-Saharan Africa as part of the organization's Monitoring and Evaluation (M&E) of institutions.

CML/MDP Trainings:
WWB's Center for Microfinance Leadership (CML) will train female professionals from microfinance institutions in Sub-Saharan Africa through a conference and workshop offered by WWB between January 1, 2011 and December 31, 2012.

Gambia Remittances:
WWB conducted market research on the demand and supply of remittance products in Gambia and Spain, in partnership with Reliance Financial Services, a microfinance institution in the Gambia.

Schedule 4

STICHTING TO PROMOTE WOMEN'S
WORLD BANKING

Development of Rural Credit Products with a Gender-Sensitive Approach Grant Expenses

Year ended December 31, 2012

		Breakdown by project grantor				
		MIF	**BMZ**	**Irish Aid**	**HIVOS-Cordaid**	**Total**
Salaries	$	—	175,000	125,000	84,800	384,800
Technical service consultants		315,338	73,928	107,422	851	497,539
Travel: airfare, lodging, meals, etc.		66,900	35,999	24,564	9,827	137,290
Subtotal, direct expenses	$	382,238	284,927	256,986	95,478	1,019,629
Indirect costs	$	—	37,040	38,548	9,548	85,136
Total expenses						$ 1,104,765

		Breakdown by project components					
		Component 1	**Component 2**	**Component 3**	**Component 4**	**Administrative**	**Total**
Salaries	$	175,000	84,800	27,000	19,000	79,000	$ 384,800
Technical service consultants		404,386	32,228	13,325	47,600	—	497,539
Travel airfare, lodging, meals, etc.		113,069	13,247	3,549	6,115	1,310	137,290
Subtotal, direct expenses	$	692,455	130,275	43,874	72,715	80,310	1,019,629
Indirect costs							85,136
Total expenses							$ 1,104,765

See accompanying independent auditors' report.

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Notes to Development of Rural Credit Products with a Gender-Sensitive Approach Grant Expenses

Year ended December 31, 2012

Special reporting procedures are required under the grants supporting Development of Rural Credit Products with a Gender-Sensitive Approach.

The grantors supporting the project are categorized on schedule 4 of the financial statements. The funders are as follows:

MIF:
Inter-American Development Bank (IDB), acting as Administrator of the Multilateral Investment Fund

BMZ:
Government of the Federal Republic of Germany

Irish Aid:
Irish Aid, Department of Foreign Affairs and Trade

HIVOS-Cordaid:
Humanist Institute for Cooperation with Developing Countries
Catholic Organization for Relief & Development Aid

Expenses are categorized on schedule 4 of the financial statements. The projects created under the grants are as follows:

Component 1:
Design and deliver rural credit products in three institutions in Colombia, Peru, and Paraguay

Component 2:
Consolidate a gender-sensitive approach in the provision of financial services through the development, tracking, and analysis of gender-specific indicators at the client and institutional level

Component 3:
Design and develop a learning and communication strategy for catalyzing effects in the industry

Component 4:
Understand barriers to access for rural women in Asia and Sub-Saharan Africa with the intention of replicating the project in these regions

Administrative:
Program coordination and financial administration, including reporting, across all components