

WOMEN'S  
WORLD  
BANKING



INVESTING IN WOMEN,



TRANSFORMING LIVES.



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## CREDITS

Vice President, Global Resources and Communications	Sarita Gupta
Executive Editor	Julie Slama
Design	Kari Litzmann

## LETTER FROM THE PRESIDENT: MARY ELLEN ISKENDERIAN



The year 2008 was one of historic change and dynamic accomplishment. Yet, when retrospectives of the year are written, they will undoubtedly center on the warning signs and fourth-quarter collapse of the global financial system.

Similarly, the microfinance sector reflected this dual sense of opportunity and crisis. More than \$11 billion of capital flowed into the sector, allowing providers to reach more than 155 million clients with a broader array of products through more diverse distribution channels. Despite these advances, by the end of the year most MFIs were revising their growth projections downward in the face of liquidity constraints and the first signs of weakening portfolio quality.

At Women's World Banking, we began three initiatives as we embarked on our 2008-2010 strategy to become the pre-eminent voice for women in microfinance:

- **Commercialization and Women:** Commercialization of microfinance, leading to the growth of MFIs, spells hope for those still unbanked. But what happens to poor women clients when institutions align their interests with those of profit-seeking investors? See our network's recommendations on how MFIs can stay focused on their social mission on page 10.
- **Building Future Leaders:** Commercialization has also resulted in a decline of women staff at all levels of MFI operations. In response, WWB created a diagnostic approach, the Organizational Gender Assessment, to help MFIs identify and rectify internal constraints to gender diversity. See page 12 for findings of the assessment we completed with ASA in Bangladesh.
- **Expanding our Network:** In spite of the sector's enormous gains, more than 1 billion people still lack access to any financial services. In 2008, WWB expanded our network to make a small, but deliberate, step toward closing that gap. We introduce WWB Ghana, PEACE (Ethiopia) and Ujjivan (India) to you on page 14.

Against this backdrop of progress and opportunity, I nevertheless became keenly aware while travelling throughout the network, that our 20 million clients were among the hardest hit by the sharp global increases in food and fuel prices. I heard poignant stories about the ways in which poor households coped with these shocks: families cutting down on meals, reducing health care spending and withdrawing children from school. All of these strategies exacerbate their level of poverty and all too often affect women and girls most severely.

In contrast, household savings is a far more effective strategy to counteract poverty. Until now, most MFIs have not had the legal structure or capacity to provide their clients with a safe place to save. With rapid advances in commercialization and technology, however, MFIs can offer an increasing set of asset-building options to their clients. We are particularly proud to partner with the Nike Foundation to expand our savings work to include young girls, a description of which appears on page 24.

The theme of this annual report is **Investing in Women, Transforming Lives**. All of WWB's offerings focus on our members' women clients. This year, we gave them tools to focus on women staff and leaders as well. I invite you to read about the investments we are making in women and glimpse the ways in which the WWB network is transforming the lives of millions of poor women and their families.

## LETTER FROM THE BOARD CHAIR: MERCEDES DE CANALDA

During times of uncertainty and change, the governance role of a Board of Trustees becomes even more crucial. The upheaval in the world markets and the microfinance sector meant that we at WWB also had to examine our relevance and sustainability. I am proud to share with you some of the changes we undertook to make WWB a stronger, more efficient organization.

The WWB Board had grown to 22 members, an unwieldy number to organize for meetings and gain consensus. We examined best practice in the not-for-profit sector, which suggested a smaller board that meets more frequently, in person, with greater participation of each member in the work of board committees. We restructured the board to 13 trustees, adding members with specific backgrounds and expertise—banking and finance—to already established leaders in law, community organizing and microfinance. One thing did not change, however: the representation of our network members on the WWB Board. The five CEOs of microfinance institutions from Kenya, Colombia, Bangladesh, Russia and Pakistan keep us vitally connected to our mission.

It has been my honor to serve on the WWB Board of Trustees for almost 20 years, and as chair since 1998. I now pass the torch on to Inger Prebensen, who became Chair in November 2008 after serving as a member of the Board since 1994. Inger recently retired as Deputy Director of Technology and General Services at the International Monetary Fund.

On the issue of sustainability, WWB made a concerted effort last year to seek more funding in the U.S. and strengthen its individual giving from foundations and corporations. Leading the charge was the Friends of WWB/USA, Inc. Board of Directors. The FWWB Board first reexamined its own roles and responsibilities, then sought new members



New WWB Board of Trustees, November

and, along with the newly formed volunteer group, the WWB LEADers, organized several awareness-building and fundraising events. I am pleased to welcome Beth Roberts as the new chair of the FWWB Board. Beth has been on the FWWB Board since 2005 and is a Senior Executive in Accenture's Financial Services Practice. Under Inger and Beth's leadership, the two boards now have increased dialogue and collaborate on strategy and fundraising.

The restructuring of the two boards has also meant a change of roles for many long-time friends. These are women and men who led WWB into the 21st century and on whose shoulders rest the accomplishments that you will read about in this report. On behalf of the current board members, I want to express our profound appreciation for their service, dedication and commitment to: Sylvia Fung Chin, Fouad Abdelmoumni, Rene Azokli, Patricia Barron, K. Burke Dillon, Ranjit Fernando, Maricielo Glen de Tobón, Connie Roveto and Jayshree Vyas on the Board of Trustees; and Gail Harritty, Ann Partlow, Carolee Friedlander and Ann Kaplan on the FWWB Board. They remain at the heart of delivering on WWB's mission.



## ABOUT WOMEN'S WORLD BANKING



Women's World Banking is a global network of 51 microfinance providers and banks working in 29 countries\* to bring financial services and information to low-income entrepreneurs. The core network and its banking partners serves 25 million clients. WWB's microfinance experts work hand-in-hand with our network members to provide a range of ongoing, carefully designed technical and advisory services and to actively promote the exchange of best practices. During the past three decades, this global partnership has enabled many of our network institutions to evolve from donor-dependent, philanthropic initiatives to self-sustaining financial institutions offering credit, savings, insurance and other essential products and services to millions of microentrepreneurs, the majority of them women. WWB is also the only microfinance network

explicitly focused on gender diversity and leadership in the microfinance industry and in 2008 launched a program to help network members recruit and retain women staff and leaders.

The WWB network is supported by a global team based in New York City that works closely with our member institutions to develop innovative business strategies, strengthen their organizations, and create products that best meet the needs of the poor in the communities they serve.

*\*These numbers represent the WWB network as of December 2008. The composition of the network changed in early 2009. The most current information about the network can be found at [www.womensworldbanking.org](http://www.womensworldbanking.org).*

## WHY MICROFINANCE AND WOMEN?



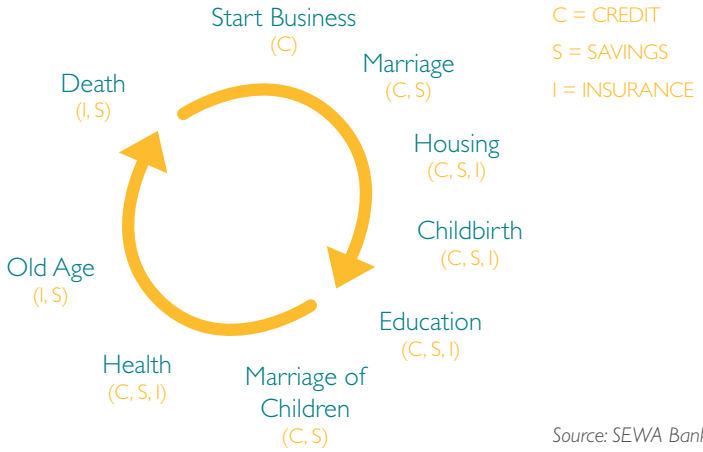
The initial motivation for microfinance roughly 30 years ago was, to a great extent, gender neutral. The pioneering microfinance institutions sought to provide credit to poor entrepreneurs who had no assets to pledge as collateral and, consequently, were denied access to capital by the formal banking sector. It quickly emerged, however, that women entrepreneurs invested the profits from their businesses in ways that would have a longer-lasting, more profound impact on the lives of their families and communities. The woman entrepreneur as the gateway to household security became a fundamental premise of the microfinance business model and the success of microfinance as a poverty alleviation tool.

The microfinance industry has recently moved into the commercial mainstream, reducing its reliance on subsidized donor funding. This commercialization has decidedly shifted the focus of MFIs away from low-income populations in general and poor women in particular. (A discussion of this trend can be found on page 10.) While this trend is worrying, WWB believes its effects can be significantly mitigated by another important development: the movement by MFIs away from a strictly credit-led approach toward providing a broad array of financial products and services, including savings and insurance.

Offering financial products and services that are designed to meet clients' needs, motivations and desires will be the key to success

for the MFIs of the future. WWB's research confirms that the key economic priorities for poor women—to a far greater extent than for men—continue to be health care, the education of their children, and housing. All MFI clients, but particularly women, seek a safe place to save the assets they have created and the means to protect them from catastrophic loss. In 2008, WWB built the expertise and designed and launched products through its network institutions that will enable them to meet their clients' needs while fulfilling the dual promise of microfinance as sustainable social enterprise and effective poverty alleviation tool.

### Women's Needs for Financial Services Over a Lifetime



Source: SEWA Bank

## HISTORY OF WOMEN'S WORLD BANKING



In 1975, women from around the world gathered in Mexico City for the United Nations' first International Women's Year conference. Amidst all the talk about women's rights, a visionary group of conference participants realized that economic independence allows women to drive their own opportunity and well being. This small group went on to found Women's World Banking with a simple but far-reaching aim: to help women around the globe achieve access to the financing necessary to grow their own businesses and achieve some measure of economic independence. Three decades later, WWB has proudly stayed true to this guiding vision while also establishing itself as the pre-eminent voice for women in microfinance.

Under the leadership of Michaela Walsh, the organization's first president, Women's World Banking assisted its earliest network members as they grew from small non-profit organizations into thriving microfinance institutions. In 1990, Nancy Barry became WWB's second President, and during the next 16 years, spearheaded the successful expansion of the WWB network to include major banks and to play an increasingly important role in advising developing country

policymakers. As part of this policy focus, she also hired a policy coordinator in 1993 to prepare WWB for the 20th anniversary of that original UN conference on women, this time to be held in Beijing. The coordinator, Ann Dunham-Soetoro, convened a panel of experts and helped write a report that became the foundation for much of the Beijing policy platform. Dunham-Soetoro died before the Beijing conference but her legacy lives on. In 2008 that legacy took on a new force when Dunham-Soetoro's son, Barack Obama, was elected the 44th President of the United States.

WWB's founding documents state its purpose as "an organization that would truly be able to meet the challenge of the coming decades and influence the economic and professional growth of women throughout the world." Mary Ellen Iskenderian, WWB's president since 2006, is steering the network through a time of rapid and unprecedented change in the microfinance sector. She is also a leading voice for women's leadership. Walsh, Barry, Dunham-Soetoro and Iskenderian continue the long line of visionary women and men who have shaped the WWB network to be a powerful vehicle for poverty alleviation.



## CLIENTS OF THE WWB NETWORK



### 1 Zahida, client of Spandana

In Hasan Nagar, a slum in Hyderabad, India, extreme poverty is so pervasive that parents often must make stark choices between educating their children and, what one woman termed vividly, “the demands of the stomach.”

Zahida Bi, a 45-year old housewife and mother of four, knows such dilemmas well. Zahida's husband leaves home early every morning to sell vegetables. The couple's oldest son dropped out of school to earn money by selling fruit. Zahida gets up at 5 a.m. each day to finish her household duties before beginning her own work—embroidering saris. Zahida works at a piece



### 2 Nadya, client of Microfund for Women (MfW)

Are entrepreneurs born or nurtured? Nadya Felah proves that it is a bit of both. Even when she worked as a janitor at a school in Amman, Jordan, she supplemented her income by buying used clothes in bulk and selling them to teachers. Realizing that this income was more than her salary, she quit her job at the school, bought a car using loans from MfW, and started selling clothes full time. Seeking a product with a continuous customer base, Nadya decided to start selling

rate, meaning that a middleman provides her with material and then pays her for her labor. Zahida embroiders one sari a week, earning Rs. 500—or \$10.

When Asma, Zahida's 14-year-old daughter, recently finished seventh grade, the family faced a tough decision—keep Asma in school or have her contribute to the household's income. They were forced to choose the latter, and Asma now works alongside her mother, embroidering an additional sari each week.

But thanks to Zahida's initiative, the family's prospects are changing for the better. Zahida recently took out her first loan of Rs. 10,000, or \$200, from Spandana. She

invested the money in buying inventory for her husband's and son's pushcarts. She now plans to get a second loan to buy her own saris and thread, eliminating the need for a middleman and effectively doubling her income. As for young Asma, she plans to resume her studies and continue to add to the family's resources by taking a tailoring course.

gas for cooking and heating. Her husband, Nidhal, was against the idea; he did not believe a woman running a gas distribution business would succeed. Nadya persisted, finishing in a few weeks a licensing process that usually takes six months. With a loan from MfW, she bought two cars and started her business in 2005. Nidhal realized how serious she was and saw how profitable the business was. He now works for Nadya part-time. She also employs her two sons, four drivers and two office employees, and is proud to say that she is supporting seven households.

Recently, Nadya has acquired several coveted contracts from government agencies. She hopes to buy 700 gas cylinders so she can sell gas while others are being filled at the refinery. She hopes to work less once she reaches this goal. However, her biggest supporter, her husband Nidhal, is encouraging her to run for office in the union of gas providers.

## THE WOMEN'S WORLD BANKING NETWORK

### LATIN AMERICA AND THE CARIBBEAN

#### BOLIVIA

Fondo Financiero Privado, FIE  
Fundación Boliviana para el  
Desarrollo de la Mujer  
(FUNBODEM)\*

#### BRAZIL

Banco da Família\*

#### CHILE

Santander Banefé

#### COLOMBIA

Fundación Mundial de la Mujer (FMM)  
Bucaramanga\*  
Fundación Mundo Mujer (FMM)  
Popayán\*  
Fundación WWB (FWWB)  
Colombia\*

#### DOMINICAN REPUBLIC

Banco ADOPEM\*  
Banco ADEMI

#### MEXICO

FinComún\*  
Grupo Financiero Banorte

#### PARAGUAY

Financiera Grupo Interfisa

#### PERU

Caja Municipal de Ahorro y Crédito  
de Arequipa (CMAC Arequipa)  
Banco de la Microempresa (Mibanco)

### NORTH AMERICA

#### USA

Citi Foundation  
Deutsche Bank Microcredit  
Development Fund  
ShoreBank Corporation  
World Council of Credit Unions  
(WOCCU)

### AFRICA

#### BÉNIN

Association d'Entraide des Femmes  
(ASSEF)\*  
Association pour la Promotion et  
l'Appui au Développement des  
Micro-Entreprises (PADME)\*

#### BURUNDI

Caisse Coopérative d'Epargne et de  
Crédit Mutuel (CECM)\*

#### THE GAMBIA

Gambia Women's Finance Association  
(GAWFA)\*

#### KENYA

Equity Bank  
Kenya Post Office Savings Bank  
Kenya Women Finance Trust (KWFT)\*

#### UGANDA

Finance Trust\*

### MIDDLE EAST AND NORTH AFRICA

#### JORDAN

Microfund for Women (MfW)\*

#### MOROCCO

Al Amana\*

#### TUNISIA

Enda Inter-Arabe\*

### EUROPE

BOSNIA AND HERZEGOVINA  
MI-BOSPO\*

#### THE NETHERLANDS

Triodos Bank

#### RUSSIA

Women's Microfinance Network  
(WMN)\*

#### SWITZERLAND

BlueOrchard Finance

### ASIA

#### BANGLADESH

ASA\*  
Delta Life Insurance Company  
Shakti Foundation for Disadvantaged  
Women\*

#### INDIA

Friends of Women's World Banking  
(FWWB)\*  
ICICI Bank  
SEWA Bank  
SHARE Microfin\*  
Spandana\*

#### INDONESIA

Bank Rakyat Indonesia (BRI)

#### MONGOLIA

XacBank

#### PAKISTAN

Kashf Foundation\*

#### PHILIPPINES

Center for Agriculture and Rural  
Development (CARD)\*  
Negros Women for Tomorrow  
Foundation (NWTF)\*

#### SRI LANKA

Janashakthi\*  
National Development Bank of Sri  
Lanka (NDB)  
Sarvodaya Economic Enterprises  
Development Services (SEEDS)\*

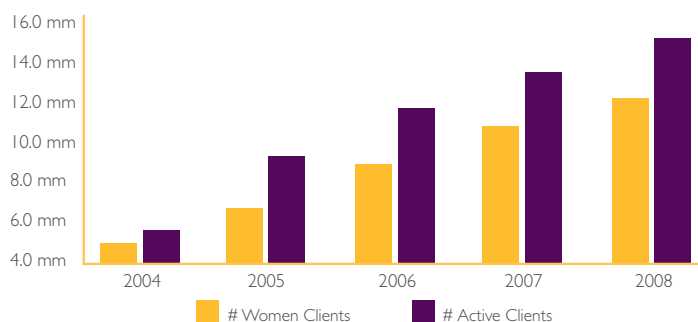
#### THAILAND

Bank for Agriculture and Agricultural  
Cooperatives (BAAC)  
Government Savings Bank of Thailand  
(GSB)

*\* Indicates a WWB core network  
member; the others listed are  
members of the Global Network  
for Banking Innovation*

*\*\*These numbers represent the WWB  
network as of December 2008. The  
composition of the network changed  
in early 2009. The most current  
information about the network can be  
found at [www.womensworldbanking.org](http://www.womensworldbanking.org).*

### Women Clients in the WWB Network





## OUTREACH OF THE WWB CORE NETWORK\*\*

**15 MILLION**

Clients Served

**80%**

Women Clients

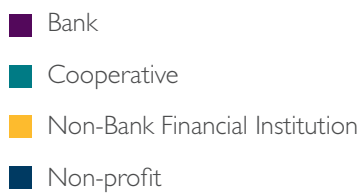
**\$2.2 BILLION**

Outstanding  
Loan Portfolio

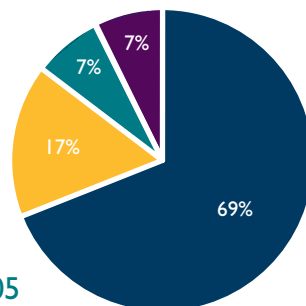
**\$535**

Average Loan Size

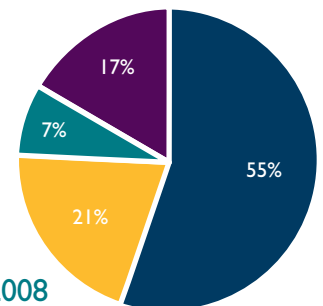
## Types of Institutions in the WWB Network



2005



2008





NEW IN 2008:  
STEMMING  
THE TIDE OF  
MISSION DRIFT

The microfinance industry is expanding at unprecedented speed, due largely to the increased participation of commercialized, for-profit microfinance institutions. This growth spells hope for the millions still unbanked. But what happens to poor women clients when institutions align their interests with those of their profit-seeking investors?



INVESTING

The microfinance sector has historically comprised non-profit organizations that use donor funds to make loans to the poor with the aim of reducing poverty. Those same organizations are now attracting and seeking commercial funding to expand. Many are doing so by transforming (or “formalizing”) into regulated financial institutions that, depending on the regulatory environment, can accept deposits and bring in mainstream capital investment. Within the WWB network, more than a third of the members have transformed from non-profit organizations to regulated financial entities. However, even as we celebrate the astonishing growth and potential afforded by commercialization, we must not lose sight of the industry’s initial clients—poor women entrepreneurs—and their central role in reducing poverty. In 2008, WWB published a paper calling attention to the possibility that as microfinance institutions become regulated entities, there was an inadvertent mission drift. The paper, *Stemming the Tide of Mission Drift: Microfinance Transformations and the Double Bottom Line*, identified the distinct trend of MFIs migrating away from their original mission of serving low-income clients in favor of generating profits for investors by serving higher-income clients or by maintaining high interest rates on client loans. The paper was based on WWB’s examination of 27 formalized MFIs against a control group with similar characteristics that had not formalized.



## TRANSFORMING

The findings of this formalization study reaffirmed the positive effects of microfinance transformations: growth in MFI outreach and product offerings, diversification of funding sources and improved transparency and governance. But the study also revealed an alarming development: a marked decline in the percentage of women clients served by formalized MFIs after transformation. *Stemming the Tide of Mission Drift: Microfinance Transformations and the Double Bottom Line* became the catalyst for widespread discussion in the industry and among the mainstream media about whether poor women are getting lost in the move to commercialization.

All members of the WWB network share an explicit commitment to serving low-income women and advancing women's leadership. WWB plays a critical role in working with network members to find innovative ways to maintain 'mission focus' while growing sustainably. WWB is an industry leader in research on the impact of financial services on low-income women. When designing financial products with MFIs, WWB considers the needs of women as part of a comprehensive strategy for ensuring that its network members become the 'financial services provider of choice for women.'

**NEW IN 2008:**  
**ORGANIZATIONAL  
GENDER  
ASSESSMENT**

By offering equal opportunities for recruitment and promotion to high-performing women and men staff, MFIs increase the likelihood of social and financial returns.



**INVESTING**

WWB's commitment to women's leadership dates to its establishment as a global network in 1979. This commitment is founded in the belief that women leaders make powerful role models for the women clients they serve, and that gender diversity in leadership makes good business sense. Catalyst, a leading research organization advocating for gender diversity in the Fortune 500, finds that gender diversity alone is not a cause for an improved bottom line, but rather a symptom of a healthy, vibrant organization. We believe that similar to the corporations studied by Catalyst, microfinance institutions benefit from diversity.

While WWB has long advocated for leadership diversity, in 2008 we added a service to our offerings—the Organizational Gender Assessment (OGA)—that MFIs can use to improve the recruitment and retention of women. The OGA is designed to diagnose obstacles, challenges and opportunities faced by women staff members and leaders; the assessment results in clear action steps to eliminate those obstacles and create an enabling and inclusive work environment. WWB's OGA focuses on four areas: recruitment, retention, promotion and professional development. WWB is helping MFIs apply cutting-edge techniques from the corporate sector.

The OGA was launched with two network member institutions: Kashf (Pakistan) and ASA (Bangladesh). Both are leading MFIs with strong management teams, consistent growth and sizeable market share, and both are committed to promoting gender diversity as their institutions grow.

ASA is one of the largest microfinance institutions in the world, with more than 7 million clients and 25,000 staff members, but only 11 percent of its field staff is women and there is no female representation in middle or senior management positions. ASA had previously introduced policies designed to address some of the challenges that women faced working in field-based positions in a conservative society, but management realized that to effect greater change, and to employ a team that better reflects the client base, which is 71 percent female, more significant action was needed.





## TRANSFORMING

WWB's OGA uncovered some policies that had an unintentionally negative impact on women working in the organization. For example, in some branches, field staff work long hours, managing loan recovery and overdue payments late into the night. ASA's policy required that all branch staff remain in the branch until the day's loan collections were complete. For many women staff, this poses particular challenges given their family and household responsibilities. Additionally in conservative societies, there are significant restrictions and safety concerns about women traveling at night. As a result of the OGA and WWB's recommendations, the organization reviewed and adjusted branch policies to lessen the incidence of late-night loan collection.

Similarly, ASA uses field staff rotation and transfer as an important mechanism for fraud prevention. Though the transfer policy of female staff historically has been more lenient than that of their male counterparts (women are transferred after four years, men after two years), the results of the OGA indicated that this policy continues to be onerous for women. Whereas many of ASA's male loan officers are unmarried, most of the women loan officers are responsible for school-age children and frequent transfers are very disruptive. Additionally, many of these women's husbands are unwilling to relocate to accommodate their wives' professional development. ASA determined that because rates of fraud were extremely low for women and the policy had such a significant impact on female professional development, the transfer policy could be extended to six years or more for some women staff.

**NEW IN 2008:  
WWB  
NETWORK  
EXPANSION**

Of the more than 10 billion people living on less than \$2 a day, fewer than 10 percent have access to financial services. In 2008, WWB expanded its network to increase its impact on the unbanked poor globally.



**INVESTING**

In considering its first significant expansion in a decade, WWB focused on large, under-penetrated markets with sizeable populations of low-income people and chose sub-Saharan Africa and Middle East and North Africa (MENA).

With over 500 million people in sub-Saharan Africa living on less than \$2 a day, and with less than 15 percent of Africans having access to financial products, Africa presented an obvious opportunity for WWB to expand its operations. In early 2008, WWB developed a rigorous and methodical selection process to analyze potential markets based on several criteria including: population, political and economic environment, and legal and regulatory structure. Based on case studies and field visits, Ethiopia was identified as an immediate prospect for expansion; its microfinance sector is strong with several promising providers, a growing market, and significant unmet demand. Studies indicated a potential market size of 8 to 10 million microfinance clients, with only an estimated two million being served. Nigeria was also selected as a country for expansion in 2009. The same methodology was applied to the MENA region, and Egypt was also chosen for expansion in 2009.

This year we also completed our India expansion strategy. Although more than 1,000 microfinance institutions throughout India make loans of less than US\$ 200—generally using the group loan model—there remain a great number of microentrepreneurs who need larger loans but are unable to obtain them. WWB sought to fill this gap by reaching entrepreneurs seeking loans of US\$ 200 to \$3,000 who are not currently served by banks or MFIs. Deploying our expertise in introducing individual lending programs, WWB's India strategy has forged new partnerships with financial service providers that previously offered only group lending and mainstream financial institutions that are trying to enter the microfinance sector; the goal was to introduce individual lending to as many types of financial institutions as possible. Once the platform for individual loans is developed, MFIs can build on it by introducing housing loans, rural lending and insurance.

NEW NETWORK MEMBERS

WWB GHANA		UJJIVAN		PEACE	
Founded:	1988	Founded:	2004	Founded:	2004
Clients:	86,673; 61% women	Clients:	203,511 100% women	Clients:	19,903 77% women
Savers:	54,067	Average loan size:	\$159	Savers:	21,622
Average loan size:	\$2,528	Staff:	812	Average loan size:	\$203
Staff:	276	Branches:	112, all urban	Staff:	103
Branches:	7 traditional, 3 virtual; 80% urban, 20% rural	Product offerings:	Group, individual loans, insurance	Branches:	14; 76% rural, 24% urban
Product offerings:	Group, individual loans, savings			Product offerings:	Group, individual, rural loans; savings



TRANSFORMING

WWB welcomed PEACE (Poverty Eradication and Community Empowerment) in Ethiopia into the network. PEACE offers both loan and savings products, with a clear focus on women as the target market. Additionally, WWB welcomed an MFI back into the network. Under new management and now meeting WWB’s eligibility criteria, WWB Ghana has had a tremendous turnaround in the past two years. A recent capital injection of fifteen billion cedis, approximately US\$ 1.7 million, allowed the organization to focus on growing its core business in a competitive environment.

In 2008, WWB also expanded in India with the addition of Ujjivan, which is based in Bangalore. Successfully adapting traditional group loan approaches to meet the diverse needs of urban customers—particularly low-income women—Ujjivan, with support from WWB, became one of the few multi-product microfinance institutions in India, with offerings including business loans, family loans, emergency loans, festival loans, housing loans, life insurance and health insurance.

By adding these three new network members—PEACE, WWB Ghana, and Ujjivan—the WWB network is reaching nearly 175,000 new clients, 78 percent of them women.



## CLIENTS OF THE WWB NETWORK



1

### Adisue, client of PEACE

Ethiopia, Africa's oldest independent nation, is steeped in both vibrant culture and antiquity, but the country is also one of the world's poorest. More than 80 percent of Ethiopia's population earns its living from subsistence farming in which families barely eke out enough to eat, let alone generate income.

PEACE client Adisue Ayu lives 30 miles outside of the capital Addis Ababa if measured in distance—and a century away if measured in way of life. Adisue is 30 years old, divorced, and raising four children on her own. The only material possessions her husband left her were the hut the couple had built and four sheep. But Adisue, who has no formal education, has proved herself equal to these

challenges. Using a US\$150 (approximately 1,300 birr) loan from PEACE six years ago, Adisue purchased a single cow. She then turned its milk into butter and cheese to sell at the local market. The impact of that first loan on Adisue's life has been staggering. She now owns five cows, has built a larger house, and has replaced her family's leaky thatched roof with tin. All four of her children are now in school, no small feat for a struggling household. Today Adisue earns a monthly income of 500 to 600 birr—equivalent to the starting salary for a college graduate in Addis Ababa. And as Adisue's resources have expanded, so have her goals. Her current aspiration? To continue getting larger loans so that she can build a cow shed and double her dairy business.

2

### Mohanavalli, client of Ujjivan

Mohanavalli first moved to Kadugodi, outside of Bangalore, 18 years ago when she married her husband, who had opened a restaurant there. She initially took a business loan for Rs. 8,000 (US\$ 170) from Ujjivan three years ago to help finance the restaurant. This was followed by a Top Up loan, Ujjivan's product to provide additional financing of up to 20 percent of the original loan. When individual business loans were introduced in Ujjivan's Whitefield branch, her husband applied to expand his business. Tragically, he never got the chance to complete that process. He was killed in a bus accident, forcing Mohanavalli to take over his restaurant.

Mohanavalli has four daughters to support—ages 18, 16, 14, and 8—and the income from the shop provides for their livelihoods. Ujjivan showed faith in Mohanavalli, giving her an individual business loan of Rs. 50,000 after her husband's death. With her younger brother's help, Mohanavalli expanded the shop by purchasing a showcase, a stove, more inventory and more vessels. She has now hired an employee and also increased the business's profit margin by selling a wider selection of popular items to her customers, like various sweets, snacks and carry-out meals.

## WWB SERVICES: BROKERING AND ADVISORY



*As microfinance moves towards the mainstream, with larger investments and more sophisticated capital structures, investors and MFIs are engaging in a more complex conversation. WWB acts as a broker for the MFIs, advising them on the vast array of funding choices now available.*

## EXPERTISE

WWB is recognized as an industry leader in its ability to bridge the gap between the capital markets and MFIs. With the extensive relationships and industry contacts established over its 30-year history, WWB can connect MFIs with the right investors for their specific needs and bring its expertise to bear in negotiating, structuring and executing transactions.

## APPROACH

In order to help MFIs fully access the capital markets, WWB works with institutions to develop financing options such as direct commercial lending, loan guarantees, and in some areas, structured vehicles. After funding alternatives are identified, WWB assists in the due diligence process and in loan negotiations, reviewing term sheets and legal agreements to ensure that MFIs are getting the most favorable terms possible. WWB's annual *Capital Markets Conference*, a leading industry event, provides MFIs an opportunity to meet investors and to learn about trends in the market. The 2008 conference, sponsored by Morgan Stanley, brought together 300 MFI managers, Morgan Stanley employees and socially responsible investors to discuss capital markets transactions and financing strategies. The conference also examined MFI valuation methodologies and featured an MFI case study competition in which teams of Morgan Stanley employees worked with MFIs to address a specific capital markets issue.

## RESULTS

In 2008, brokering and advisory by WWB directly resulted in the mobilization of US\$ 23 million in funds, US\$ 16.9 million of which was local currency equivalent. With the increase in funding, the six participating MFIs were able to reach more than 28,000 additional clients.

*“The funds we obtained through WWB’s support were very timely; the knowledge from the workshops has strengthened us and the personal meetings they arranged for us have facilitated the negotiation process and created trust with the funders. These tools have helped us to achieve our growth targets and allowed us to provide loans to low-income women and men, enabling them to increase their assets and income, as well as the development of our institutional human capital, contributing to the sustainability of our institution.”*

– Leonor Melo de Velasco, President  
Fundación Mundo Mujer, Popayán



## WWB SERVICES: FORMALIZATION



*The process of transforming from a non-profit into a regulated institution, also known as formalization, is one of the most difficult and important decisions that a microfinance institution will undertake. However, the potential benefits, if done correctly, can enable an MFI to achieve its social mission more effectively and efficiently.*

## EXPERTISE

WWB supports its network members throughout the formalization process, from the decision to transform through shareholder selection to keeping the focus on the social mission. In addition, with approximately one-third of WWB network members already formalized financial institutions, and another third currently in the process, our network members can learn from one another. Since 2003, we have worked with nine institutions in eight countries in various phases of the transition process.

## APPROACH

WWB assists MFIs in conducting feasibility studies to anticipate the impact of formalization, both financially and on the organization's mission. We work with institutions to develop a business plan with financial projections, obtain regulatory approval for the new institution, conduct a high-level equity valuation, and advise on potential investor selection and negotiations. Where appropriate, WWB also helps to articulate the role of the legacy NGO, which is critical because, in many cases, the NGO can be used to advance the social mission of the formalized institution. In 2008, WWB extended its formalization offering to include additional services such as capital markets advisory and branding and marketing.

## RESULTS

When Friends of Women's World Banking India (FWWB India) decided to formalize and move its wholesale lending operation from an NGO to a regulated institution they looked to WWB for guidance in decision making, developing a formalization plan and recruiting investors for the new entity. There were many reasons why formalization was right for the organization, such as the ability to access additional sources of funding to increase outreach and the need to ensure its relevance in a competitive sector. Nevertheless, the decision to formalize also brings many challenges; for FWWB these included managing a complex process, and assuring staff and the Board of the regulated entity's sustainability and continued focus on its social mission.

WWB supported FWWB India throughout the process by outlining a step-by-step formalization plan, assisting in developing strategies and financial projections for the regulated entity, and providing advice each step of the way. Moving forward, WWB will help develop a more detailed business plan and financial projections as well as identify and recruit like-minded investors with the double-bottom line objectives of reaching more poor clients, profitably.

## WWB SERVICES: FINANCIAL RISK MANAGEMENT



*MFIs with a strong financial risk management policy manage capital efficiently and limit potential losses inherent in lending. They also reap benefits by attracting more commercial capital at lower cost, and by preserving and improving their good standing with rating agencies, regulators and depositors.*

### EXPERTISE

As MFIs access a more diverse range of financing, their risk management systems and processes require a new level of sophistication. WWB was one of the first players in the industry to advocate for strong financial risk management (FRM) for all MFIs, regardless of legal structure.

### APPROACH

WWB provides practical guidance for MFIs in implementing financial risk management strategies. We advise on the development of committees to identify and monitor financial risks and we provide reporting templates for MFIs to measure foreign exchange risk, interest rate re-pricing and asset-liability mismatch risks, as well as to understand the adequacy of liquidity sources.

### RESULTS

CECM, an MFI in Burundi, began offering both credit and savings financial services in 1999. Because CECM relies on deposits as its primary source of funding, asset-liability matching is very important for its long-term planning and liquidity position. WWB worked with CECM staff to introduce financial risk management systems and best practices for managing liquidity. For example, WWB and CECM staff conducted asset-liability matching exercises examining trends in savings patterns to mobilize deposits more efficiently, thereby reducing the cost of financing. The team also met with CECM's board to develop risk management committees and policies. As is often the case, the institution needed to upgrade its information technology systems in order to implement the new reporting procedures, and WWB worked with CECM management to determine how best to meet these infrastructure needs. As a result, CECM was better equipped to monitor key financial risks and will continue to upgrade its risk management policies.

CITI has been an important partner for WWB since 1999, first as a founding member of WWB's Global Network for Banking Innovation, and since 2001 providing invaluable funding support. The Citi Foundation has been the primary sponsor of our work in Financial Risk Management, including support in developing WWB's FRM knowledge products, co-creating our FRM toolkit and providing volunteer support to implement FRM trainings and workshops. The Citi Foundation is committed to the economic empowerment of individuals and families, particularly those in need, so that they can improve their standard of living.

Citi Foundation



## WWB SERVICES: CONTINGENCY PLANNING



*By the end of 2008, the microfinance sector was feeling the effects of the worldwide economic crisis. Microfinance institutions need more than ever to plan for higher cost of funding; decreased availability of capital, especially in local currency; and potential declines in portfolio quality.*

## EXPERTISE

WWB works with MFIs to stress test their financial projections for various scenarios, such as slower growth, less availability of funding, higher cost of debt, and increased portfolio at risk. WWB has worked with MFIs to identify potential threats to their businesses and has assisted them in crafting potential solutions to the problems that may arise during a challenging financial cycle.

## APPROACH

In this climate, WWB is supporting its members by facilitating more frequent communication with funders, leveraging its loan guarantee program to protect or develop new local funds, and helping MFIs adjust their plans for growth. Through scenario analyses and strategic advisory, WWB has helped MFIs identify the factors that are the biggest threats to the institution and develop responsive strategies and tools.

## RESULTS

In 2008, WWB worked with Women's Microfinance Network (Russia) to develop contingency plans in the event of decreased availability of funding. WWB looked at the institution's ability to remain profitable under various capitalization scenarios, as well as the steps it would need to take to achieve that profitability under a variety of stress scenarios. WWB also conducted a sensitivity analysis for each scenario, emphasizing that WMN's ability to maintain repayments from its existing client base rather than growth would be the most critical factor in maintaining profitability.

WWB suggested changes in lending terms, credit analysis and loan officer incentive structures to help mitigate identified risks, and helped the institution's board develop a strategic plan for the coming year. As a result of these changes, an equity investor who was impressed with WMN management's preparedness committed to an investment.



## CLIENTS OF THE WWB NETWORK



1

**Safia, client of  
enda inter-arabe**

In 2000, Safia Chettali aspired to become financially independent by starting her own microenterprise using her creativity and knowledge of traditional tapestry. The 20-year-old married woman from Tunisia had only attended primary school, but she would not let a lack of formal education hold her back.

When the government opened a crafts village in her hometown of Le Kef in northwest Tunisia, she saw this as her opportunity to develop her weaving skills and potentially build her business outside of her home. However, after renting a shop in the village, she realized that she needed proper training to improve her business skills and find new opportunities.

Since renting the shop, Safia has received four loans for a

total value of about \$8,000 and says this assistance has “enabled me to stabilize my microenterprise and plan with more confidence. The training and trade fairs have allowed me to improve my income and better manage my business with very little stress.” This confidence has helped Safia achieve increasing success in her tapestry business and the independence she always sought.

Consequently, Safia now has her own house registered in her name; her situation is unique because the male member of the family is typically the registered homeowner in Tunisia.

Although her life and her microenterprise have improved, Safia still has bigger dreams: “My ambition is to train young people in traditional weaving so they can maintain our traditions,”

she says. Eventually, she also wants her products to meet international standards.

2

**Maria, client of  
WWB Colombia**

Maria has been a client of WWB Colombia for more than ten years. Her specialty is producing “scrubbers,” or loofahs. Before beginning her own business, Maria worked at a local department store. When she realized that the company that made the popular loofahs the store sold was going out of business, Maria decided to leave her job and start making and selling the loofahs herself. Her former employer agreed to buy Maria’s products. From that single customer 18 years ago, Maria now sells many products throughout Colombia, and employs four people full-time.

Having been in business for 18 years, Maria has learned to be efficient. She used to rely on various farms on the outskirts of Cali for the loofah plants until her husband had the foresight to buy some land where the family could cultivate their own farm, which now employs three people. Maria was also able to buy a better house and educate her children. Her daughter is an air hostess and her son is studying international business.

Maria says that when she went to regular banks, the employees were rude to her, disrespecting her because she was poor. She likes WWB Colombia’s service and remains grateful and loyal because of their support over the many years she has been a client. Maria’s aspiration: with help from her children, she hopes to expand internationally.

## WWB SERVICES: SAVINGS



*The core vision of microfinance—to help the poor through access to credit—has broadened to the concept of inclusive finance that moves beyond access to credit toward building assets and managing household risks.*

### EXPERTISE

Since its inception, the microfinance movement has been credit-led; however, research indicates that the poor do save in a variety of ways, could save more, and that there is a high demand among the poor for more secure savings options. Although WWB's research in six countries found that the poor save between 10 to 15 percent of net monthly household income, they lack formal savings offerings and often depend on informal mechanisms, which can be unreliable. WWB research also shows that women are the savers in poor households. It is therefore critical that savings products meet the needs of poor women. WWB has worked with MFIs to introduce or modify savings products since 2003 and offers a full-service technical assistance package that assists MFIs in introducing sustainable savings products.

### APPROACH

WWB conducts in-depth market research to determine clients' savings needs and uses this research as the basis to develop savings products and a marketing strategy with microfinance institutions. WWB also assists institutions to make the necessary organizational shifts which are needed to successfully mobilize and manage deposits.

### RESULTS

In 2008, WWB began a program, in conjunction with the Nike Foundation, to design, market and deliver savings products and financial education for girls ages 10 to 24 in Mongolia and the Dominican Republic. WWB is testing the hypothesis that offering a combination of high-quality, low-cost savings accounts and comprehensive financial education will increase savings and lead to lifelong changes in attitudes about the use of money among young women and girls. WWB believes that this early economic empowerment will lead to an increased drive among the more than 600 million adolescent girls living in the developing world to start businesses, achieve higher education or own homes.

In late 2008, WWB kicked off the project by conducting market research of girls, young women and their parents in Mongolia to design a pilot product in conjunction with network member XacBank. The bank plans to reach 30,000 girls by the time the project concludes in three years.



## WWB SERVICES: INDIVIDUAL LENDING



*Introducing individual lending to organizations that have traditionally offered group lending enables MFIs to both reach new clients and better serve existing clients. Individual loans are generally larger, more flexible loans that are well suited for growing businesses.*

## EXPERTISE

WWB has more than eight years of experience introducing individual lending, initially to organizations founded on a group lending model and more recently to a broader range of financial institutions.

## APPROACH

In the traditional group lending model, all members of the group have relatively equal access to a modest-sized loan. Worldwide, however, 10 to 15 percent of the members in any group want larger loans than the group can sustain. WWB has developed a methodology to score an individual's credit risk, based on an evaluation of the person's capacity and willingness to pay. Credit officers conduct a cash flow analysis of the applicant's business and household, complemented by an analysis of how the loan will be invested and a character assessment. WWB works with the MFI to conduct client research, design an appropriate loan product, develop and establish new approval and monitoring processes, and train loan officers.

## RESULTS

WWB has successfully introduced individual lending to one-third of its network, including MFIs in Bosnia and Herzegovina, Morocco, Jordan, Pakistan and India. The result has been the addition of more than 150,000 new borrowers with a portfolio outstanding of more than US\$ 140 million.

The Shakti Foundation for Disadvantaged Women (Bangladesh) began offering loans to groups of women in the slums of Dhaka in 1992. Due to demand from customers and increasing competition, Shakti recently sought WWB's assistance to begin offering individual loans. WWB introduced the new methodology, which included changes to Shakti's management information system. The first individual loan product was piloted in August 2008 in one branch. The loans range from Taka 50,000 (US\$ 725) to Taka 300,000 (US\$ 4,350), compared to the maximum possible group loan of Taka 70,000 (US\$ 1,000). Shakti plans to offer individual lending at all its branches in the next two years.

## WWB SERVICES: RURAL FINANCE



*Rural finance—agricultural lending in particular—is still relatively uncharted territory for microfinance. MFIs interested in targeting small farmers must adopt new practices for assessing cash flow patterns and the repayment capacity of clients, based on the seasonal nature of their work.*

### EXPERTISE

Rural lenders face special challenges related to agricultural risks—seasonal incomes, variable yields, and weather and market risks. WWB has worked across three continents to help MFIs mitigate these risks in order to introduce rural finance.

### APPROACH

WWB assists MFIs to manage rural risks by adjusting their lending methodology to match the seasonal cash flow of farmers, designing cost-effective expansion strategies for rural areas, and mitigating credit risks by collaborating with other value chain players in rural areas. WWB's risk assessment methodology for small farmers includes the risk and cash flow assessment of both farm and non-farm incomes. WWB, uniquely, applies a gender focus to product implementation to ensure access for rural women.

### RESULTS

In the past three years, WWB has helped six MFIs in three countries implement rural finance.

FMM Popayán (Colombia) is headquartered in a medium-sized city in southern Colombia and has 36 branches nationwide with more than 240,000 clients. The MFI has worked in rural areas targeting farmers since 2003 and now has about 24,000 rural clients. In 2008, FMM Popayán asked WWB to assess its rural lending product. WWB found that the risk assessment methodology in place only focused on the agricultural activity for which the farmer was seeking funding, and did not consider all the other income-generating activities typically performed by small farmers and their households. WWB assisted FMM Popayán to design a new process for loan appraisal and trained 16 staff. FMM Popayán chose two branches in regions with high agricultural potential in which to introduce the revised product.

Four months after the pilot, WWB assessed the program's success and trained additional staff. More than 500 loans were disbursed in 2008. FMM Popayán plans to roll out the new product in all its branches in 2009.

## WWB SERVICES: MARKET AND GENDER RESEARCH



*A thorough understanding of clients' needs, motivations and desires is key to successful product design. Market research allows MFIs to modify existing products and service delivery mechanisms, design new products and services, and develop or refine marketing and promotion strategies.*

### EXPERTISE

WWB works with MFIs to conduct quantitative and qualitative market research using state-of-the-art consumer market research techniques. Market research is an integral part of all WWB's product and development work. Additionally, WWB conducts gender baseline studies to help network members understand how to modify the design of their products and service delivery to fit the needs of women clients.

### APPROACH

WWB's gender baseline studies examine how gender identity affects the roles and responsibilities that men and women take on inside the household and how they affect men and women's spending, saving and investment behavior. In-depth interviews are conducted in clients' homes, with men and women interviewed separately, and focus groups are used to ensure the richest data collection possible.

### RESULTS

In 2008, WWB conducted two gender baseline studies: for Kashf (Pakistan) and enda inter-arabe (Tunisia). The Kashf study highlighted the tremendous challenges low-income women in Lahore face when trying to generate income. These include social prejudice, limited mobility, restricted access to markets and the competing demands of domestic and paid work. Gendered wage discrimination compounds this issue; women doing piece work at home are paid significantly less than men doing the same work. The study further found that a significant percentage of Kashf borrowers turned over their loans to either their husbands or sons. The issue of access versus use arises in other countries as well and remains a significant challenge for the microfinance sector.

The Tunisian study found that while women face barriers to growing their businesses, they are significantly less severe than in Pakistan. Both culturally and by legislation, women in Tunisia have a significantly higher status than they do in Pakistan. WWB offered several recommendations to both institutions on how to design current products, delivery mechanisms and marketing strategies to better target and positively affect women.



## WWB SERVICES: WOMEN'S LEADERSHIP



*Investing in the development of women managers is essential for high-performing, mission-driven institutions to foster innovation. These leaders can be powerful role models for the institutions and the low-income women clients they serve.*

### EXPERTISE

The Women's Leadership Development Program was launched in 2005 to respond to the declining numbers of women in the senior ranks of WWB's network members. WWB partners with the internationally renowned Center for Leadership and Change Management at The Wharton School of Business to deliver the program's *Women in Leadership Workshop*.

### APPROACH

The *Women in Leadership Workshop* is a five-day leadership development course for women in mid- and senior-level management at MFIs to develop their leadership skills and position themselves for top jobs in their organizations. During the course, participants develop their own road map to leadership and leave with an individualized action plan, as well as assigned mentors, to help them achieve their goals.

### RESULTS

Since 2006, WWB has hosted three *Women in Leadership Workshops*, training a total of 80 participants from 30 institutions in 21 countries. In 2008, 31 women completed the workshop.

*"Women have been instrumental in growing microfinance into the phenomenon that it is today, and yet... the full potential of women's transformational power in developing economies has yet to be wholly realized. Through initiatives like the Women in Leadership course, WWB is committed to helping our network members increase women's leadership within their organizations."*

– Mary Ellen Iskenderian, President of WWB

### WOMEN IN LEADERSHIP EXCHANGE

Being a global network, WWB has always been a platform for learning and exchange in the microfinance industry. Network members highly value the opportunity to learn from their peers, and WWB exchanges and peer learning events are consistently identified as the most valuable resources offered to network members.

In December, eight graduates of the *Women in Leadership Workshop* gathered in Nairobi, Kenya to meet top women leaders from eight organizations in Kenya and Ethiopia to expand their ideas about effective leadership. The sessions focused on a variety of themes: building support around women's leadership, creating incentives and evaluation processes, and of course, the personal stories of the women who lead these institutions.

## WWB SERVICES: WOMEN'S LEADERSHIP

### ANNE NAKAWUNDE MULINDWA: IN HER OWN WORDS

*The Financial Women's Association annually sponsors a scholarship for a woman leader to attend the WWB Women in Leadership workshop through its Lenore Albom Microfinance Initiative. The 2008 recipient, Anne Nakawunde Mulindwa of Finance Trust (Uganda), shares the way in which the workshop helped her career.*

“The training has greatly contributed to my leadership journey. Since the workshop, my leadership skills have become better and, as a result, management asked me to join their management meetings to advise them on the issues women in the organization face as well as build my leadership skills. Additionally, I have been given an opportunity to grow my career with an appointment as head of the Operations department at Finance Trust. I will act in that position for six months and if I continue demonstrating good leadership skills will be confirmed in the position. With the skills I learnt from the workshop I believe all will go well. My vision before I left the workshop was to be a woman leader who imparts knowledge and inspires women to be better leaders. I must say I have done this well and I intend to do this whenever I get an opportunity.”



## FINANCIAL STATEMENTS



Women's World Banking is registered in the Netherlands as Stichting (Foundation) to Promote Women's World Banking.

### BALANCE SHEET

FOR THE YEAR ENDED  
DECEMBER 31, 2008

*Contains comparable  
financial information as  
of December 31, 2007*

ASSETS	2008	2007
Cash and cash equivalents	510,339	1,333,062
Grants and contributions receivable, net	3,766,867	5,496,982
Investments	18,548,409	31,597,781
Other assets	142,271	49,529
Interest in net assets of supporting organization	2,086,163	321,747
Furniture, equipment, and leasehold improvements, net of accumulated depreciation and amortization of \$265,714 and \$235,044 in 2008 and 2007, respectively	68,005	63,288
<b>Total assets</b>	<b>25,122,054</b>	<b>38,862,389</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	746,762	964,575
Other liabilities	35,722	28,543
<b>Total liabilities</b>	<b>782,484</b>	<b>993,118</b>
Net Assets		
Unrestricted	1,839,570	8,657,170
Temporarily restricted	5,904,744	5,365,139
Permanently restricted capital fund - income generally unrestricted	16,595,256	23,846,962
<b>Total net assets</b>	<b>24,339,570</b>	<b>37,869,271</b>
<b>Total liabilities and net assets</b>	<b>25,122,054</b>	<b>38,862,389</b>



# FINANCIAL STATEMENTS

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED  
DECEMBER 31, 2008

Contains comparable  
financial information as  
of December 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2008	2007
OPERATING ACTIVITIES					
REVENUE AND SUPPORT					
Grants and contributions	3,046,321	2,153,884		5,200,205	4,876,321
In-kind contributions	746,104			746,104	521,419
Investment income, net of investment expenses of \$39,363 in 2008 and \$44,232 in 2007	533,132			533,132	691,370
Change in interest in supporting organization	—	1,764,416		1,764,416	(127,253)
Foreign currency translation gain	(271,746)			(271,746)	100,208
Other income	295,542			295,542	100,692
Net assets releases from restrictions	10,630,401	(3,378,695)		7,251,706	—
Donor-released net assets			(7,251,706)	(7,251,706)	—
Total revenue and support	14,979,754	539,605	(7,251,706)	8,267,653	6,162,757
EXPENSES AND LOSS					
Program services					
Institutional development programs	2,608,638	—	—	2,608,638	2,741,110
Functional products and services	3,917,245	—	—	3,917,245	3,750,499
Total program services	6,525,883	—	—	6,525,883	6,491,609
General and administrative	1,225,339	—	—	1,225,339	1,338,474
Fundraising	783,999	—	—	783,999	519,143
Total expenses	8,535,221	—	—	8,535,221	8,349,226
LOSS					
Provision for uncollectable grants receivable	11,450	—	—	11,450	90,614
Total expenses and loss	8,546,671	—	—	8,546,671	8,439,840
(Decrease) increase in net assets from operating activities	6,433,083	539,605	(7,251,706)	(279,018)	(2,277,083)
NON-OPERATING ACTIVITIES					
Net appreciation in fair value of investments	(13,221,981)	—		(13,221,981)	1,194,070
Contributions to affiliates	(28,702)	—	—	(28,702)	(111,012)
Total nonoperating activities	(13,250,683)	—	—	(13,250,683)	1,083,058
(Decrease) in net assets	(6,817,600)	539,605	(7,251,706)	(13,529,701)	(1,194,025)
Net assets at beginning of year	8,657,170	5,365,139	23,846,962	37,869,27	39,063,296
Net assets at end of year	1,839,570	5,904,744	16,595,256	24,339,570	37,869,271

## WWB BOARD OF TRUSTEES

### CHAIR

Inger Elisabeth Prebensen  
Norway

### VICE CHAIR

Jennifer Riria  
Chief Executive Officer; Kenya Women  
Finance Trust (KWFT), Kenya

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Mary Houghton  
President, ShoreBank Corporation,  
USA

### SECRETARY

Clara Akerman  
President, Fundación WWB Colombia,  
Colombia

### Sonia Dulá

Head of Latin America Corporate and  
Investment Banking, Bank of America,  
USA

### Marilou van Golstein Brouwers

Managing Director, Triodos Investment  
Management, The Netherlands

### Sheila Hooda

Senior Managing Director; Global  
Head of Strategy and Development  
and Senior Leadership Team Member;  
TIAA-CREF, USA

### Humaira Islam

Founder and Executive Director;  
Shakti Foundation for Disadvantaged  
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### Diana Medman

Chair; Women's Microfinance Network  
(WMN), Russia

### Suzanne Nora Johnson

Former Vice Chairman, The Goldman  
Sachs Group, Inc., USA

### Roshaneh Zafar

Founder and Managing Director;  
Kashf Foundation, Pakistan

### HONORARY BOARD MEMBER FOR LIFE

#### Ela Bhatt

Founder; FWWB, SEWA Bank, India

### HONORARY BOARD MEMBER FOR LIFE

#### Michaela Walsh

Founding President, Women's World  
Banking, USA



## BOARD OF TRUSTEES

Women's World Banking is governed by a Board of Trustees, all of whom are recognized leaders in banking, finance, business, law, community organizing, or women's economic participation. WWB's Board has fiduciary responsibility for the organization and is charged with approving WWB's policies, strategies and annual budgets. The board meets quarterly.

## FRIENDS OF WWB/USA, INC.

Friends of WWB/USA, Inc. is a 501(c)(3) tax-exempt organization which raises donations from U.S. foundations, corporations and individuals in support of WWB's global mission. Friends of WWB maintains a separate Board of Directors made up of U.S.-based leaders in law, finance and academia.

## FRIENDS OF WWB/USA, INC. BOARD OF DIRECTORS

### CHAIR

Beth K. Roberts  
Partner, Accenture

### TREASURER

Casey Coffman  
Executive Vice President and General  
Counsel, Hicks Holdings LLC

### SECRETARY

Elizabeth P. Munson  
President, Rockefeller Trust Company

Nicole Gresham Perry  
Executive Director, J. P. Morgan

Lois D. Juliber  
Retired Vice Chair and Chief  
Operating Officer, Colgate Palmolive

Dede Pickering  
Retired Vice President, executive  
recruiting firm

Michael Useem  
Professor of Management and  
Director of the Center for Leadership  
and Change Management, Wharton  
School, University of Pennsylvania



## A SPECIAL THANKYOU

In 2008, WWB reconfigured its Boards, which included the election of new members and Chairs. The reconfiguration is part of a broader effort to adopt governance best practice and to make the WWB Boards more efficient and better positioned to carry out WWB's ambitious strategic plan. WWB would like to thank those who served prior to this restructuring and have contributed greatly to the organization:

### WWB

Fouad Abdelmoumni  
René Azokli  
Patricia Barron  
Mercedes Canalda  
Sylvia Fung Chin  
K. Burke Dillion  
Ranjit Fernando  
Maricielo Glen de Tobón  
Connie I. Roveto  
Jayshree Vyas

### FWWB

Carolee Friedlander  
Gail Harrity  
Ann Kaplan  
Ann Partlow



## FUNDING PARTNERS AND SUPPORTERS



### KEY SUPPORTERS\*

#### CORE FUNDERS

Historically, WWB has relied on our core funders, some for almost 30 years, to make WWB's operations possible. In 2008, WWB welcomed SIDA as a new core funder.

Dutch Ministry of Foreign Affairs

Norwegian Agency for Development Cooperation (NORAD)

Swedish International Development Cooperation Agency (SIDA)

Swiss Agency for Development and Cooperation (SDC)

#### IN-KIND DONATIONS

In 2008 WWB received pro bono legal support valued at \$746,000 from Schulte Roth & Zabel LLP, and White & Case; strategic advice from the global management consultancy, Oliver Wyman; and direct assistance to two network members from the global financial services company, ING.

#### DONOR RECEPTION

On November 13, WWB honored its friends and supporters at a reception featuring stage and television star Cynthia Nixon, shown above.

#### FOUNDATIONS & CORPORATIONS

ABN-AMRO Foundation

Annenberg Foundation

Citi Foundation

Deutsche Bank Americas Foundation

The Frances Alexander Foundation

GoldenTree Asset Management

Halloran Philanthropies

HSBC

MasterCard Foundation

McGraw-Hill Foundation

Morgan Stanley

Nike Foundation

Opera Solutions

Starr Foundation

TD Securities

Triodos Bank

VISA

Western Union Foundation

White & Case

#### BILATERALS & MULTILATERALS

(in addition to our core funders)

Agencia Española de Cooperación Internacional para el

Desarrollo (AECID)

Andean Development Corporation (CAF)

Inter-American Development Bank (IDB)

International Finance Corporation (IFC)

Irish Aid

#### INDIVIDUALS

Anonymous (3)

Dana Auslander

Martin and Theresa Cole

The Suzanne Nora Johnson & David G. Johnson Foundation

Angeli Kolhatkar

Elliott Scott Family

Michael and Elizabeth Useem

The Wagner Family Foundation

#### OTHERS

Appui Au Developpement Autonome (ADA)

\*Gifts of \$5,000 or more

## FUNDING PARTNERS AND SUPPORTERS



**Nike Foundation**

### NEW CORPORATE FUNDERS

WWB has made a concerted effort over the past few years to expand and diversify our funding base to include private foundations and corporations. In 2008, 40 percent of our operating budget came from these new private sources. We would like to highlight two of our corporate partnerships in 2008, which provide important programmatic funding or knowledge and resources to innovate and expand our operations.

#### HSBC

WWB began a partnership with HSBC in 2008 to develop financial products and services designed to expand HSBC's financing capabilities in China's rural communities. HSBC sought WWB's international experience in designing innovative financial products and services to support its rural banking services in China.

Significant progress has already been made and we expect to be able to announce further developments during 2009 whereby WWB will provide technical support to HSBC, train local staff in managing and servicing a portfolio of

farmers and small businesses, and create tailored financial products and services to address the specific needs of these underserved population segments.

#### NIKE FOUNDATION

The Nike Foundation is a non-profit organization supported by NIKE, Inc., that is dedicated to investing in adolescent girls as the most powerful force for change in the developing world. WWB and Nike are partnering to develop innovative savings products and financial education specifically geared toward the needs of young women and girls. This alliance is part of a new movement called The Girl Effect: the powerful social and economic change brought about when girls have the opportunity to participate. There are 600 million adolescent girls living in poverty in the developing world. By giving one of these girls a chance, you start The Girl Effect. When girls have safe places to meet, education, legal protection, health care, and access to training and job skills, they can thrive. And if they thrive, everyone around them thrives, too. To read more about WWB's project with the Nike Foundation, please see page 24.

## WWB LEADers



## LEAD, ENRICH, ADVISE, DO

In 2008 WWB launched a new program for individuals who believe in WWB's vision and mission and seek to support the organization as both advocates and ambassadors. The LEADers support WWB by fundraising and introducing WWB to individuals, foundations and corporations that are interested in a funding partnership. The LEADers also work together to plan and organize WWB's Annual Benefit Dinner. In return for their support, WWB provides the LEADers with opportunities to learn more about microfinance through a variety of events and lectures with leaders in the industry and by engaging the LEADers in the microfinance community.

In April 2008, the LEADers visited Banco ADOPEM, the largest microfinance institution in the Dominican Republic. The group spent extensive time with the Founder and CEO of Banco ADOPEM and met with senior staff to learn about the institution's operations and about the state of the microfinance sector in the Dominican Republic. The group also visited rural branches and was able to meet several clients to hear how microfinance has influenced their lives. The LEADers who participated in this trip believe that it enhanced their commitment to serve as WWB ambassadors by giving them a better understanding of WWB's work.

*The LEADers program has been an opportunity of a lifetime to visit WWB affiliates. Meeting WWB clients and hearing their testimonials and the loyalty they profess to the organization enabled me to see first hand the positive impact that WWB is truly having on the lives of small business entrepreneurs.*

– Nicole Gresham Perry, WWB LEADer

### 2008 LEADers

Neha Bhasin  
Rati Bahadur Madan  
Mirtha Cabral McQuilling  
Nicole Gresham Perry  
Angeli Kolhatkar  
Sona Pancholy  
Reshma Patel  
Dede Pickering





The mission of the Women's World Banking global network is to expand the economic assets, participation and power of low-income women and their households by helping them access financial services, knowledge and markets.

## PHOTO CREDITS

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8 West 40th Street  
New York, New York 10018  
[www.womensworldbanking.org](http://www.womensworldbanking.org)