KPMG

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Financial Statements and Schedules

December 31, 2010

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

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

We have audited the accompanying balance sheet of Stichting To Promote Women's World Banking (the Organization) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements, and, in our report dated May 11, 2010, we expressed an unqualified opinion on those financial statements.

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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stichting To Promote Women's World Banking as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules 1, 2, and 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2010 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2010 basic financial statements taken as a whole.

KPMG LLP

May 23, 2011

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Balance Sheet

December 31, 2010
(with comparative financial information as of December 31, 2009)

Assets		2010	2009
Cash and cash equivalents	$	3,665,784	8,470,551
Grants and contributions receivable, net (note 3)		5,300,051	5,577,237
Investments (note 5)		12,918,655	17,915,715
Loan receivables (note 4)		4,151,717	—
Other assets		106,519	200,089
Interest in net assets of supporting organization (note 11)		421,000	1,192,333
Furniture, equipment, and leasehold improvements, net of accumulated depreciation and amortization of $327,674 and $297,463 in 2010 and 2009, respectively		19,471	36,256
Total assets	$	26,583,197	33,392,181
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	564,110	967,254
Other liabilities		595,675	530,500
Total liabilities		1,159,785	1,497,754
Net assets:			
Unrestricted		226,088	1,890,492
Temporarily restricted (note 7)		8,602,068	13,408,679
Permanently restricted capital fund (note 7)		16,595,256	16,595,256
Total net assets		25,423,412	31,894,427
Total liabilities and net assets	$	26,583,197	33,392,181

See accompanying notes to financial statements.

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Statement of Activities

Year ended December 31, 2010
(with summarized financial information for the year ended December 31, 2009)

	Unrestricted	Temporarily restricted	Permanently restricted	Total 2010	Total 2009
Operating activities:					
Revenue and support:					
Grants and contributions (note 2 (i) and 11)	$ 43,218	4,792,334	—	4,835,552	15,051,608
In-kind contributions (note 9)	596,699	—	—	596,699	619,585
Interest and dividends, net of investment expenses of $159 and $23,228 in 2010 and 2009	—	73,005	—	73,005	148,126
Net realized and unrealized gains (losses) in fair value of investments	21,931	221,335	—	243,266	(170,057)
Change in interest in supporting organization (note 11)	—	(771,333)	—	(771,333)	(893,830)
Foreign currency translation (loss) gain	(45,910)	(97,408)	—	(143,318)	35,950
Fee for services	1,003,591	—	—	1,003,591	759,107
Other income	144,862	—	—	144,862	136,236
Net assets released from restrictions	9,024,544	(9,024,544)	—	—	—
Total revenue and support	10,788,935	(4,806,611)	—	5,982,324	15,686,725
Expenses and loss :					
Program services:					
Institutional development programs	4,020,806	—	—	4,020,806	3,757,080
Functional products and services	3,556,930	—	—	3,556,930	2,809,212
Total program services	7,577,736	—	—	7,577,736	6,566,292
General and administrative	1,272,841	—	—	1,272,841	1,013,698
Fund-raising	972,086	—	—	972,086	431,878
Total expenses	9,822,663	—	—	9,822,663	8,011,868
Loss on uncollectible grants receivable	234,026	—	—	234,026	—
Total expenses and loss	10,056,689	—	—	10,056,689	8,011,868
Increase (decrease) in net assets from operating activities	732,246	(4,806,611)	—	(4,074,365)	7,674,857
Nonoperating activities:					
Contributions to network members	(2,396,650)	—	—	(2,396,650)	(120,000)
Total nonoperating activities	(2,396,650)	—	—	(2,396,650)	(120,000)
(Decrease) increase in net assets	(1,664,404)	(4,806,611)	—	(6,471,015)	7,554,857
Net assets at beginning of year	1,890,492	13,408,679	16,595,256	31,894,427	24,339,570
Net assets at end of year	$ 226,088	8,602,068	16,595,256	25,423,412	31,894,427

See accompanying notes to financial statements.

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Statement of Cash Flows

Year ended December 31, 2010
(with comparative financial information for the year ended December 31, 2009)

		2010	2009
Cash flows from operating activities:			
(Decrease) increase in net assets	$	(6,471,015)	7,554,857
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:			
Depreciation and amortization		30,211	31,749
Provision for uncollectible grants receivable		234,026	—
Net depreciation in fair value of investments		220,660	170,057
Decrease in interest in net assets of supporting organization		771,333	893,830
Decrease (increase) in grants and contributions receivable, net		43,160	(1,810,370)
Decrease (increase) in other assets		93,570	(57,818)
(Decrease) increase in accounts payable and accrued expenses		(403,144)	220,492
Increase in other liabilities		65,175	494,778
Net cash (used in) provided by operating activities		(5,416,024)	7,497,575
Cash flows from investing activities:			
Purchases of furniture, equipment, and leasehold improvements		(13,426)	—
Purchases of investments		(15,320,053)	(15,709,328)
Proceeds from sale of investments		20,096,453	16,171,965
Loan receivable		(4,151,717)	—
Net cash provided by investing activities		611,257	462,637
Net (decrease) increase in cash and cash equivalents		(4,804,767)	7,960,212
Cash and cash equivalents at beginning of year		8,470,551	510,339
Cash and cash equivalents at end of year	$	3,665,784	8,470,551

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 financial statements do not include the financial position or the changes in net assets of WWB's network members (NMs), which are separately incorporated organizations.

WWB's programs are organized into four areas: technical services, financial products and services, network management, 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 in areas that include loan guarantees, brokering, and advisory services on securing borrowings and other financing. Under this program, WWB also develops toolkits in areas like financial risk management and equity valuation and conducts trainings with NMs on these areas. IDP also includes services in building gender diversity in microfinance institutions as well as leadership development. Under Network management, WWB provides strategic advice to NMs, organizes best practice workshops, exchanges, and innovation partnerships with NMs.

(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.

WWB GP LLC, a Delaware limited liability company, is a wholly owned subsidiary of the Organization. WWB GP LLC is the General Partner for WWB Microfinance Equity Fund, L.P. (WMEF). Although WWB GP LLC is wholly owned by the Organization, and WWB GP LLC is the general partner of WMEF, the two are separate legal entities. WMEF was formed to act as a private equity fund to facilitate interest in micro-financing entities. WWB's financial statements include the activities of WMEF since WWB became the sole investor in 2009.

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.

During 2010, the WWB adopted a new 2011 to 2013 Strategic Plan, which calls for improved efficiency in its operations. Management is also working to expand the Organization's donor base and to closely monitor and control expenses.

(Continued)

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying 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 capital funds, which are intended to be the permanent capital base of the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned, including realized and unrealized gains and losses on investments, for general purposes.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. 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 measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

(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. The fair value of alternative investments, which are not readily marketable, is based upon net asset values provided by the fund managers, which are reviewed by management for reasonableness.

The Organization follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2009-12, *Fair Value Measurements and Disclosures* (Topic 820): *Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, pertaining to certain investments in funds that do not have readily determinable fair values including private equity and limited partnership with fund of funds. This guidance allows, as a practical expedient, for the estimation of fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent as reported by the investment managers.

In addition, because 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 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 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 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 2010 and 2009, three funding sources accounted for 97% and 93% of contribution and grant revenue, respectively. Included in the funding sources is Friends of WWB (USA), Inc. (Friends), an affiliated organization (note 11). In 2010 and 2009, Friends had approximately 30% and 69%, respectively, of total grant and contribution revenue generated from three top donors.

In 2010 and 2009, contributions receivable was concentrated to three and four donors, which accounted for 88% and 85%, 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 financial statements for the year ended December 31, 2009 from which the summarized information was derived.

(k) Tax Status

The Organization has evaluated its tax positions in 2010 and noted that there were no significant uncertain tax positions and that it will continue to be exempt from income taxes.

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(l) Reclassification

Certain reclassifications have been made to the 2009 amounts to conform to the 2010 presentation.

(3) Grants and Contributions Receivable

Grants and contributions receivable at December 31, 2010 and 2009 are scheduled to be collected as follows:

		2010	2009
Less than one year	$	3,772,276	2,147,441
One to five years		1,590,210	3,463,969
		5,362,486	5,611,410
Less discount to present value (at discount rates ranging from 1.00% to 3.5%)		(62,435)	(34,173)
	$	5,300,051	5,577,237

(4) Loans Receivable

In 2010, the Organization authorized the use of a portion of its permanently restricted funds to make a convertible loan to Fundacion WWB Colombia (Fundacion), a network member, to secure an interest in the first investment of WWB Isis Fund, L.P. (the Fund). The loan was structured through WWB Investments LLC, which is the general partner of the Fund. The loan is guaranteed through a put agreement with a third-party investor with an expiry past the loan maturity.

Since inception until present, the loan was extended and maintained with the understanding that there are three potential repayment outcomes:

a. WWB Investments, LLC raises money from third-party investors and repays the loan to the Organization upon first closing of the Fund before August 31, 2011.

b. Fundacion will pay cash to redeem the convertible loan on or before May 30, 2011.

c. The Organization, through WWB Investments, LLC, exercises the third party put option, which will pay back the loan principal in exchange for the equity position within the convertible loan agreement held by WWB Investments LLC.

(5) Investments

The following table presents the Organization's fair value hierarchy for investments measured as of December 31, 2010:

	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Cash	$ 69,593	69,593	—	—
Certificates of deposit	3,770,543	3,770,543	—	—
Alternative investment:				
Limited partnership	8,488,736	—	—	8,488,736
Private equity	589,783	—	—	589,783
Total investments	$ 12,918,655	3,840,136	—	9,078,519

The following table presents the Organization's fair value hierarchy for investments measured at fair value as of December 31, 2009:

	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Certificates of deposit	$ 15,818,230	15,818,230	—	—
Money market funds	1,287,042	1,287,042	—	—
Private equity	810,443	—	—	810,443
Total investments	$ 17,915,715	17,105,272	—	810,443

At December 31, 2010 and 2009, Level 1 assets comprised 30% and 95% of the Organization's total investment fair value.

The following table reconciles Level 3 investments measured at fair value for the year ended December 31, 2010 and 2009:

	Level 3 investments	
	2010	2009
Beginning balance	$ 810,443	—
Purchases	8,024,810	980,500
Net appreciation (depreciation)	243,266	(170,057)
Ending balance	$ 9,078,519	810,443

In May 2009, WWB capitalized WWB GP LLC, a wholly owned subsidiary of WWB to purchase a 100% interest in WMEF, which in turn holds a 10% equity interest in Kashf Microfinance Bank (Kashf). The cost of the investment in Kashf was $980,500. At December 31, 2010 and 2009, this investment is estimated to have a fair value of $589,783 and $810,443, respectively.

As of December 31, 2010, the estimated fair value of the Organization's limited partnership totaled $8,488,736. This balance is invested with a lock up period of 2 years, after which, the investment can be redeemed quarterly with 60 days notice.

(6) Loan Guarantees

WWB provides 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 are secured by certificates of deposits (CDs) funded by permanently restricted funds. As of December 31, 2010, WWB partially guaranteed up to $500,000 of each of the two NM's outstanding loans. The NM's loans may individually exceed $500,000 at any given time but WWB's potential exposure will never exceed $1,000,000 in total and $500,000 individually. As of December 31, 2010 and 2009, the two outstanding loan guarantees totaled $1,000,000. The organization maintains a 5% reserve for these outstanding guarantees and has never experienced a default in several years of providing guarantees of similar structure.

(7) Restricted Net Assets

(a) Temporarily Restricted Net Assets

At December 31, 2010 and 2009, temporarily restricted net assets are available for the following purposes:

		2010	2009
Institutional development programs	$	3,163,989	11,695,812
Functional products and services		5,017,079	520,534
Interest in supporting organization (note 11)		421,000	1,192,333
	$	8,602,068	13,408,679

(b) Permanently Restricted Net Assets

The Organization's Capital Fund (the fund) consists of approximately 5 funds that have been established to support the Organization's mission. These funds are invested by the Organization. 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

During 2010, WWB management adopted 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 individual donor-restricted funds may fall below the initial level of contribution due to net losses from investments. In 2009, deficiencies of this nature were reported in unrestricted net assets as of year-end and amounted to $21,931. There were no funds with deficiencies at December 31, 2010.

Spending Policy

In 2010, the Board authorized the release of all investment gains, net of investment losses, to be released from temporary restrictions. In 2011, the Organization intends to continue to restructure its investment policy and investment vehicles, which will result in a new overall spending policy.

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 Organization has no board-designated endowment funds. The following represents the net asset classes of the Organization's donor-restricted funds at December 31, 2010:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted capital fund	$ —	—	16,595,256	16,595,256
Total	$ —	—	16,595,256	16,595,256

The following represents the net asset classes of the Organization's donor-restricted funds at December 31, 2009:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted capital fund	$ (21,931)	—	16,595,256	16,573,325
Total	$ (21,931)	—	16,595,256	16,573,325

Changes in the Organization's donor-restricted funds for the year ended December 31, 2010 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Capital fund, beginning of year	$ (21,931)	—	16,595,256	16,573,325
Investment return:				
Interest and dividend income	—	73,005	—	73,005
Net realized and unrealized gains	21,931	221,335	—	243,266
Total investment return	21,931	294,340	—	316,271
Appropriation of endowment assets for expenditure	—	(294,340)	—	(294,340)
Net capital fund, end of year	$ —	—	16,595,256	16,595,256

Changes in the Organization's donor-restricted funds for the year ended December 31, 2009 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Capital fund, beginning of year	$ —	—	16,595,256	16,595,256
Investment return:				
Investment/interest income, net	148,126	—	—	148,126
Net depreciation	(170,057)	—	—	(170,057)
Total investment return	(21,931)	—	—	(21,931)
Appropriation for expenditure	—	—	—	—
Net capital fund, end of year	$ (21,931)	—	16,595,256	16,573,325

(Continued)

(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:		
2011	$	603,000
2012		635,000
2013		643,000
2014		651,000
	$	2,532,000

Total rent utilities and maintenance expense in 2010 and 2009 amounted to $698,330 and $675,536, respectively.

(9) In-Kind Contributions

In-kind contributions are recorded where there is an objective basis upon which to value these contributions and where these services are an essential part of WWB's activities. These amounts are recognized as both support and expense in the accompanying financial statements. During the years ended December 31, 2010 and 2009, in-kind contributions consisted of $596,699 and $619,585, respectively, for legal and other services.

(10) Pension Benefits

In 2009, WWB sponsored an employee pension-individual retirement plan covering substantially all of its employees. Discretionary contributions were funded annually up to a maximum of 3.5% of compensation. The plan was funded annually up to the total obligation relative to annual compensation.

In 2010, WWB funded retirement benefits up to 3.5% of compensation. During 2010, some retirement contributions were made to employee pension-individual retirement as in 2009, although the majority of contributions were made to the organization's sponsored 401(k) plan. Total retirement expense relating to 2010 and 2009 was approximately $101,000 and $115,087, 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.

(Continued)

In accordance with FASB ASC 958-20, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, WWB recorded its interest in the net assets of Friends. The decrease in WWB's interest in the net assets of the supporting organization during 2010 and 2009 of $(771,333) and $(893,830), respectively, was recorded as change in interest in supporting organization.

Expenses allocated to Friends include amounts for personnel, travel, and overhead of $352,329 and $287,488 in 2010 and 2009, respectively. WWB received grants and contributions from Friends of $1,674,421 and $2,400,530 in 2010 and 2009, respectively.

(12) Subsequent Events

In 2010, the Organization began to formulate an alternative business model, which shifts the organization away from a wholly grant dependent funding base and toward a global enterprise platform which offers the WWB Isis Fund L.P. (the Fund) and WWB Holding Management No. 1, LLC (WWB Holding). These entities and their related affiliates are anticipated to be fully formed and begin financial activity in 2011.

(a) The Fund

The Fund will invest in socially responsible, women focused, mature microfinance institutions. The Fund and all related entities formed and in process of being formed will be wholly owned by the Organization. The Fund is expected to close in August 2011 at which time the Organization will hold a managing interest through the related management entity, WWB Asset Management, LLC, which was formed in 2011, had no significant financial activity distinct from the Organization at the issuance of these financial statements.

(b) WWB Holding

In February 2011, Friends established WWB Holding, a limited partnership in Canada. WWB Holding and its related entities will provide equity capital and management expertise to establish new microfinance institutions (MFIs) or acquire a controlling position in very small, high-potential MFIs in emerging countries with underserved markets.

In connection with the preparation of the financial statements, the Organization evaluated subsequent events after the balance sheet date of December 31, 2010 and through May 23, 2011, the date the financial statements were available to be issued and noted no additional items that would require adjustment to, or disclosure, in the 2010 financial statements.

Schedule 1

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Grants and Contributions Receivable Rollforward

December 31, 2010

	Net receivable balance at December 31, 2009	New grants 2010	Cash receipts 2010	Discount adjustments	Foreign currency translation and other adjustments	Net receivable balance at December 31, 2010
Agencia Espanola de Cooperation International	$ 1,268,447	—	—	12,560	(95,650)	1,185,357
Corporation Andina de Fomento CAF	140,000	—	—	—	—	140,000
Department for Environment and Private Sector Development – NORAD	172,065	—	167,727	—	(4,338)	—
Dutch Ministry Sustainable Economic Development Department	903,615	—	677,790	—	—	225,825
Inter-American Development Bank Multilateral Investment Fund	306,046	—	72,020	—	(234,026)	—
Gates Foundation	2,151,448	—	—	21,514	—	2,172,962
International Labor Office – ILO	19,603	—	—	99	—	19,702
International Finance Corp – IFC	55,384	—	26,954	—	—	28,430
Irish Aid	143,322	—	121,522	—	(21,800)	—
Swedish International Develop. Coop – (SIDA)	417,307	—	397,535	—	(19,772)	—
Hivos Foundation	—	384,453	128,765	(17,624)	9,372	247,436
Triodos Bank–WWB Nederlands	—	33,218	33,218	—	—	—
Govt. of Luxemburg	—	2,636,280	1,300,000	(44,811)	(11,130)	1,280,339
Moody's	—	125,442	125,442	—	—	—
Others	—	10,000	10,000	—	—	—
Friends of WWB/USA, Inc.	—	1,674,421	1,674,421	—	—	—
	$ 5,577,237	4,863,814	4,735,394	(28,262)	(377,344)	5,300,051

See accompanying independent auditors' report.

Schedule 2

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Schedule of Functional Expenses

Year ended December 31, 2010
(with summarized financial information for the year ended December 31, 2009)

	Institutional development programs	Functional products and services	Total program services	General and administrative	Fund-raising	Total 2010	Total 2009
Personnel costs	$ 1,615,107	1,277,863	2,892,970	651,305	558,628	4,102,903	3,930,354
Technical service consultants	1,255,719	1,361,947	2,617,666	219,246	16,172	2,853,084	1,442,544
Legal, accounting, and auditing	246,461	181,112	427,573	153,105	119,496	700,174	685,209
Travel, workshops, and meetings	512,462	439,538	952,000	952	70,996	1,023,948	759,900
Printing, production, and video	12,939	18,610	31,549	13,342	23,463	68,354	64,516
Rent and utilities	245,812	180,635	426,447	152,701	119,182	698,330	675,536
Telephone and cable	28,646	21,050	49,696	17,795	13,889	81,380	63,054
Office expenses	93,026	68,360	161,386	57,789	45,104	264,279	224,567
WWB Microfinance Equity Fund expenses	—	—	—	—	—	—	134,439
Depreciation and amortization	10,634	7,815	18,449	6,606	5,156	30,211	31,749
	$ 4,020,806	3,556,930	7,577,736	1,272,841	972,086	9,822,663	8,011,868
Project initiatives – contributions to affiliates						2,396,650	120,000
Provision for uncollectible grants receivable						234,026	—
Total expenses						$ 12,453,339	8,131,868

See accompanying independent auditors' report.

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Agencia Espanola de Cooperation International (AECID) Grant Expenses

Year ended December 31, 2010

		AECID strategy	GAWFA	CMG	Senegal feasibility	M&E gender indicators	CML/MDP trainings	Total 2010
Salaries	$	20,850	101,250	85,500	3,750	17,250	4,500	233,100
Consultant fees		201,000	53,600	7,740	—	—	—	262,340
Translators		—	—	—	—	—	345	345
Travel: airfare, lodging, meals, etc.		—	33,149	2,038	—	66	—	35,253
Conference facilities and equipment rentals		—	—	1,331	—	—	—	1,331
Printing and production		—	—	251	—	—	—	251
Office supplies (including telephone)		—	323	—	—	—	—	323
Subtotal expenses (AECID)	$	221,850	188,322	96,860	3,750	17,316	4,845	532,943
Indirect costs								58,624
Total expenses (AECID)							$	591,567

See accompanying independent auditors' report.

Schedule 3

STICHTING TO PROMOTE WOMEN'S WORLD BANKING

Notes to AECID Grant Expenses

Year ended December 31, 2010

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

These 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.

GAWFA:

Strengthen the management of a microfinance institution from WWB's network in Gambia (GAWFA) and to put into place a new strategic plan and implementation team.

CMG:

Improved 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, 2010 and December 31, 2011.