KPMG

STICHTING TO PROMOTE WOMEN'S WORLD BANKING AND SUBSIDIARIES

Consolidated Financial Statements and Schedules

December 31, 2017

(With comparative financial information as of December 31, 2016)

(With Independent Auditors' Report Thereon)

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

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Stichting To Promote Women's World Banking and subsidiaries (the Organization), which comprise the consolidated balance sheet as of December 31, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Stichting To Promote Women's World Banking and subsidiaries as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 16, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Emphasis of Matter

As further discussed in Note 1 to the consolidated financial statements, effective January 1, 2018 the operations of the Organization were merged with the operations of Friends of WWB/USA, Inc. (FWWB) and reconstituted into a new entity, Women's World Banking, Inc. Accordingly, the primary operations of the Organization and FWWB ceased on December 31, 2017. Our opinion is not modified with respect to this matter.

Other Matter

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

KPMG LLP

May 16, 2018

STICHTING TO PROMOTE WOMEN'S
WORLD BANKING AND SUBSIDIARIES

Consolidated Balance Sheet (note 1)

December 31, 2017
(With comparative financial information as of December 31, 2016)

Assets		**2017**	**2016**
Cash and cash equivalents	$	16,188,860	10,593,760
Restricted cash (notes 2(d) and 6(e))		1,459,504	1,624,129
Due from FWWB		—	33,757
Grants and contributions receivable, net (note 3)		537,092	1,831,125
Grants receivable from FWWB (note 3)		166,963	—
Investments (note 6)		18,342,831	16,692,579
Accounts receivable and other assets (note 8)		515,992	418,030
Interest in net assets of supporting organization (note 11)		—	851,677
Furniture, equipment, and leasehold improvements, net (note 5)		595,341	562,640
Total assets	$	37,806,583	32,607,697
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	477,934	429,219
Deferred revenue		25,000	63,722
Deferred rent credit (note 8)		304,921	243,469
Deferred liability WWBCP LP distribution subject to clawback (notes 2(d) and 6(e))		1,458,504	1,623,129
Total liabilities		2,266,359	2,359,539
Commitments (notes 6, 8, and 10)			
Net assets:			
Unrestricted		8,517,770	7,490,286
Temporarily restricted (note 7)		26,329,378	22,064,796
Permanently restricted capital fund (note 7)		693,076	693,076
Total net assets		35,540,224	30,248,158
Total liabilities and net assets	$	37,806,583	32,607,697

See accompanying notes to consolidated financial statements.

STICHTING TO PROMOTE WOMEN'S
WORLD BANKING AND SUBSIDIARIES

Consolidated Statement of Activities (note 1)

Year ended December 31, 2017
(With summarized comparative financial information for the year ended December 31, 2016)

	Unrestricted	Temporarily restricted	Permanently restricted	Total 2017	Total 2016
Operating activities:					
Revenue and support:					
Grants and contributions (notes 2(i) and 11)	$ 1,152,247	13,402,805	—	14,555,052	9,684,941
In-kind contributions (note 9)	488,968	47,750	—	536,718	259,152
Investment return, net of fees (note 6)	—	2,336,240	—	2,336,240	689,401
Change in interest in supporting organization (note 11)	—	(851,677)	—	(851,677)	(1,032,672)
Foreign currency translation gain	—	75,119	—	75,119	9,061
Fee for services	1,109,913	—	—	1,109,913	1,294,403
Carried interest income (note 6(e))	164,625	—	—	164,625	—
Other income	245,314	3,745	—	249,059	162,534
Net assets released from restrictions	10,749,400	(10,749,400)	—	—	—
Total revenue and support	13,910,467	4,264,582	—	18,175,049	11,066,820
Expenses, losses and distributions:					
Program services:					
Institutional development programs	4,051,948	—	—	4,051,948	4,356,358
Functional products and services	4,712,993	—	—	4,712,993	3,700,701
Knowledge and influence	1,913,190	—	—	1,913,190	1,676,433
Total program services	10,678,131	—	—	10,678,131	9,733,492
General and administrative	1,027,305	—	—	1,027,305	986,136
Fund-raising	1,012,922	—	—	1,012,922	728,023
Total expenses	12,718,358	—	—	12,718,358	11,447,651
Distribution to members (note 6(e))	164,625	—	—	164,625	—
Loss on uncollectible receivables	—	—	—	—	37,611
Total expenses, losses and distributions	12,882,983	—	—	12,882,983	11,485,262
Increase (decrease) in net assets	1,027,484	4,264,582	—	5,292,066	(418,442)
Net assets at beginning of year	7,490,286	22,064,796	693,076	30,248,158	30,666,600
Net assets at end of year	$ 8,517,770	26,329,378	693,076	35,540,224	30,248,158

See accompanying notes to consolidated financial statements.

STICHTING TO PROMOTE WOMEN'S WORLD BANKING AND SUBSIDIARIES

Consolidated Statement of Cash Flows (note 1)

Year ended December 31, 2017
(With comparative financial information for the year ended December 31, 2016)

		2017	2016
Cash flows from operating and nonoperating activities:			
Increase (decrease) in net assets	$	5,292,066	(418,442)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:			
Depreciation and amortization		198,689	135,804
Donated software		(55,746)	(34,460)
Change in interest in net assets of supporting organization		851,677	1,032,672
Loss on uncollectible receivables		—	37,611
Realized and unrealized gains		(2,005,311)	(369,962)
Decrease (increase) in due from FWWB		33,757	(2,579)
Decrease (increase) in grants and contributions receivable		1,294,033	(1,823,843)
(Increase) decrease in grants receivable from FWWB		(166,963)	7,000
Increase in accounts receivable and other assets		(97,962)	(4,678)
Increase in accounts payable and accrued expenses		48,715	20,730
(Decrease) increase in deferred revenue		(38,722)	29,508
Increase in deferred rent credit		61,452	68,784
Net cash provided by (used in) operating activities		5,415,685	(1,321,855)
Cash flows from investing activities:			
Purchases of furniture, equipment, and leasehold improvements		(175,644)	(122,139)
Proceeds from distribution from WWBCP LP (subject to clawback)		—	1,623,129
Distribution to members		(164,625)	—
Purchases of investments		(9,253,611)	(16,983,296)
Proceeds from sale of investments		9,608,670	17,347,968
Net cash provided by investing activities		14,790	1,865,662
Net increase in cash, cash equivalents, and restricted cash		5,430,475	543,807
Cash, cash equivalents, and restricted cash at beginning of year		12,217,889	11,674,082
Cash, cash equivalents, and restricted cash at end of year	$	17,648,364	12,217,889
Supplemental cash flow information:			
Donated software	$	55,746	34,460
Disposal of equipment, fully depreciated		96,297	700

See accompanying notes to consolidated financial statements.

(1) Organization

Stichting To Promote Women's World Banking (SWWB) is an international, independent organization incorporated in the Netherlands for the purpose of expanding the economic assets, participation and power of low-income women and their households by helping them access financial services, knowledge, and markets. SWWB is headquartered in New York City. SWWB has been classified as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code.

The accompanying consolidated financial statements include the accounts of Stichting to Promote Women's World Banking and its subsidiaries, WWB Asset Management, LLC (WAM) and WWB Investments, LLC (the LLC), collectively, the Organization. All intercompany balances and transactions have been eliminated upon consolidation. The accompanying consolidated financial statements do not include the accounts of SWWB's network members, which are independent and unrelated organizations.

WAM, a for-profit Delaware limited liability company, is a wholly owned subsidiary of SWWB. The entity was established to conduct the operations of SWWB's WAM activity. WAM directs and manages private equity investments in high-performing, women-focused financial institutions worldwide and works to achieve objectives of demonstrating the investment case for conscientious, women-focused financial institutions while also achieving positive economic returns. WAM began operations on February 15, 2012. WAM is one of two investment managers of Women's World Banking Capital Partners, L.P. (WWBCP), a Delaware limited partnership, formed in August 2010 to act as a socially responsible private equity fund. WAM's members' equity, which is reflected within unrestricted net assets on the accompanying consolidated financial statements, as of December 31, 2017 and 2016 was $551,933 and $541,413, respectively.

The LLC, a for-profit Delaware limited liability company, was a wholly owned subsidiary of SWWB until December 22, 2015. On that date, SWWB amended the LLC agreement so that three related parties would receive a combined total of 30% of the LLC's equity. The LLC is the general partner of WWBCP. The activity of WWBCP is not consolidated within these financial statements as the general partner can be removed without cause through certain actions of the limited partners. As of December 31, 2017 and 2016, the LLC's general partner position in WWBCP has no financial value (note 6e). The LLC's members' deficit, which is reflected within unrestricted net assets on the accompanying consolidated financial statements, as of December 31, 2017 and 2016 was $(10,170) and $(5,566), respectively. In addition, SWWB has a limited partner interest in WWBCP (note 6d), which it obtained through capital contributions. The investment in WWBCP by SWWB is reflected in these consolidated financial statements under the equity method.

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

The Organization's programs are organized into three functional classifications:

(a) Institutional Development Programs (IDP) consists of technical support and strategy development for the SWWB network. Under this program, SWWB offers leadership development trainings as well as services in building gender diversity in financial institutions. IDP provides strategic advice to the network, organizes workshops and exchanges, and is charged with monitoring existing and cultivating new network members. In addition, SWWB conducts research to better inform audiences on best practices in serving the women's market well with financial products and services. IDP also includes the expenses of WAM and the LLC.

(b) Functional Products and Services (FPS) support the network and associates in expanding financial services to low-income women and in forging partnerships with banks and other financial institutions. The products and services include marketing and market research, financial education, introduction of new products such as savings, micro-insurance, individual lending, and rural lending.

(c) Knowledge and Influence (K&I) is the third programmatic element of SWWB and is designed to serve as the amplifier of the work of the Organization. It takes the lessons learned and best practices from IDP and FPS and shares this work more broadly through social media, conferences, speaking engagements, roundtables, publications, influencer outreach, media relations, peer learning, and learning communities. K&I's objective is to share the importance of financial inclusion for women to drive other organizations to serve women well with financial products and services.

Effective January 1, 2018, the operations of SWWB and FWWB were merged and reconstituted into a new entity, Women's World Banking, Inc. (WWB), a U.S. nonprofit corporation classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the primary operations of SWWB and FWWB ceased on December 31, 2017. SWWB had no activity and FWWB had minor activity as of May 16, 2018. Any net assets held by FWWB as of December 31, 2018 will be granted in full to WWB by December 31, 2018.

(2) Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Presentation

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

(i) Unrestricted net assets

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

(ii) Temporarily restricted net assets

Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time.

(iii) Permanently restricted net assets

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

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions or by law. 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 or published net asset value for alternative investments with characteristics similar to a mutual fund.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the Organization's valuation methodologies at December 31, 2017 and 2016.

(Continued)

(d) Cash, Cash Equivalents, and Restricted Cash

The Organization considers all highly liquid debt instruments with original maturities of three months or less at the time of purchase to be cash equivalents, except for those held for long-term investment purposes. Restricted cash consists of the LLC's capital contributions of $1,000 and a general partner distribution from WWBCP in the amount of $1,458,504, which is subject to a clawback as of December 31, 2017 (see note 6e).

(e) Grants and Contributions

Grants and contributions, which include unconditional promises to give, are recognized as revenue in the period received. Unconditional promises to give are recognized initially at fair value as grants and contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discount is recorded as additional grants and contributions revenue.

The Organization often receives multiyear grants denominated in foreign currency amounts, which are subject to future currency fluctuations. As a result, the Organization 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. In addition, grants and contributions receivable at year end that are denominated in foreign currency are converted to U.S. currency as of the balance sheet date.

(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 or published net asset value for alternative investments with characteristics similar to a mutual fund.

For limited partnerships, the fair value is estimated using, as a practical expedient, net asset value per share or its equivalent as reported by the fund managers. The estimated fair values may differ significantly from values that would have been used had a ready market for these securities existed. These values are reviewed and evaluated by management for reasonableness.

(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 their estimated useful lives of three to seven years. Amortization of leasehold improvements is computed on a straight-line basis over the life of the lease or the estimated useful life of the improvement, whichever is shorter.

(h) Use of Estimates

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

(i) Concentration of Revenues

In 2017 and 2016, three funding sources accounted for approximately 64% and 57%, respectively, of grant and contribution revenue. Included in the grant and contribution revenue are grants received from FWWB, an affiliated organization (note 11). In 2017 and 2016, FWWB provided approximately 9% and 15%, respectively, of total grant and contribution revenue.

As of December 31, 2017 and 2016, grants receivable is due primarily from one donor.

(j) Prior Year Information

The consolidated statement of activities is presented with certain prior year summarized financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2016 from which the summarized information was derived.

(k) Tax Status

The Organization recognizes the effects of income tax positions only if those positions are more likely than not to be sustained. The Organization has evaluated its tax positions at December 31, 2017 and 2016, and has determined that there are no significant uncertain tax positions and that it will continue to be exempt from income taxes.

(3) Grants and Contributions Receivable

Grants and contributions receivable, including grants receivable from FWWB, at December 31, 2017 and 2016 were $704,055 and $1,831,125, respectively, and are collectible within one year.

(4) Conditional Grants

The Organization has been awarded several multiyear conditional grants, which will be recognized as revenue as the conditions are met. These grants have not been recognized as revenue and are not reflected in the Organization's consolidated financial statements. As of December 31, 2017, conditional grants totaled $22,956,646 and are currently expected to be recognized as revenue as follows:

		2018	2019	2020	2021	Total
Argidius Foundation	$	113,160	—	—	—	113,160
Australia Department of Foreign Affairs and Trade		2,341,460	1,560,974	—	—	3,902,434
Bill & Melinda Gates Foundation		1,420,122	347,745	—	—	1,767,867
Financial Sector Deepening Africa		758,803	—	—	—	758,803
Visa Foundation		5,640,366	4,587,894	3,523,627	1,375,795	15,127,682
Danish Ministry of Foreign Affairs (a)		428,900	428,900	428,900	—	1,286,700
Total conditional grants receivable	$	10,702,811	6,925,513	3,952,527	1,375,795	22,956,646

(a) In December 2017, the Organization received notification from the Danish Ministry of Foreign Affairs that the Organization had been awarded a grant valued up to approximately $1,286,700 as of December 31, 2017. As a condition of the grant, the Organization is required to develop a full proposal for the grant in early 2018. The official grant period is expected to start in late 2018 and end three years from the start date. As of April 2018, the Organization was still in the process of developing the full proposal. The chart above reflects the maximum grant value possible and the distributions have been allocated equally over three years; the actual amount and distribution allocation are subject to changes.

Amounts due from the Australia Department of Foreign Affairs and Trade and the Danish Ministry of Foreign Affairs are due in Australian dollars and Danish Krone, respectively. The anticipated amounts reflected above were converted to U.S. dollars based on the conversation rate as of December 31, 2017.

(5) Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements consist of the following as of December 31, 2017 and 2016:

	Life		2017	2016
Equipment	3	$	396,423	285,439
Furniture	7		328,875	304,766
Leasehold improvements	15		244,015	244,015
			969,313	834,220
Less accumulated depreciation and amortization			(373,972)	(271,580)
Total property and equipment		$	595,341	562,640

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 was $198,689 and $135,804, respectively.

(6) Investments

(a) Principles of Investment

The Women's World Banking Capital Fund (the Capital Fund) represents assets intended to provide long-term fiscal security to the Organization through investment income. The Capital Fund is primarily invested by the Organization through two investment vehicles that have been established to support the Organization's mission and are aligned with the Organization's investment strategy.

(b) Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for the Capital Fund intended 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 donor-restricted assets that are temporarily and permanently restricted (note 7).

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).

(c) Spending Policy

In 2017 and 2016, the Organization appropriated $685,987 and $679,943, respectively, of investment return to be spent to support the general operations of the Organization. The Organization utilizes funds for expenditure based on the Organization's spending policy, which is reviewed and approved annually by the Organization's Finance Committee. This appropriation was made based on the average of the prior five-year net assets of the Capital Fund (note 7a). The spending rate for 2017 and 2016 was 4%.

(Continued)

(d) Fair Value Hierarchy

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2017:

	Fair value	Level 1
Cash and cash equivalents	$ 873,841	873,841
Domestic and non-U.S. equities	4,074,623	4,074,623
Exchange traded funds	4,648,179	4,648,179
Fixed income:		
Mutual funds	3,233,455	3,233,455
Corporate bonds	3,720,254	3,720,254
U.S. Treasuries	1,425,841	1,425,841
	17,976,193	$ 17,976,193
Investments reported at net assets value or its equivalent:		
Limited partnerships	366,638	
Total investments	$ 18,342,831	

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2016:

	Fair value	Level 1
Cash and cash equivalents	$ 837,930	837,930
Domestic and non-U.S. equities	3,756,246	3,756,246
Exchange traded funds	4,117,314	4,117,314
Fixed income:		
Mutual funds	2,791,346	2,791,346
Corporate bonds	2,484,572	2,484,572
U.S. Treasuries	2,372,174	2,372,174
	16,359,582	$ 16,359,582
Investments reported at net assets value or its equivalent:		
Limited partnerships	332,997	
Total investments	$ 16,692,579	

The Organization's limited partnership balance at December 31, 2017 and 2016 is the Organization's investment in WWBCP (note 1). The estimated fair value of this investment was $366,638 and $332,997 as of December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, the Organization had an unfunded commitment of approximately $134,780 and $172,939, respectively, to WWBCP. The total commitment represents a 1% interest in WWBCP.

Investment return includes the following for the years ended December 31, 2017 and 2016:

		2017	2016
Interest and dividends	$	385,142	391,013
Realized and unrealized gains		2,005,311	369,962
Fees and taxes		(54,213)	(71,574)
	$	2,336,240	689,401

(e) WWB Investments, LLC

As discussed in note 1, the Organization holds a controlling interest in the LLC, which is the general partner of WWBCP. The LLC received $300 in capital contributions in 2016. The $300, along with the Organization's capital contribution of $700, is reflected as restricted cash in the accompanying financial statements.

During the year ended December 31, 2016, WWBCP distributed carried interest of $1,623,129 to the LLC. In accordance with WWBCP's LP agreement, the distribution is subject to a clawback until certain conditions are met and, therefore, was not recognized as revenue in 2016. Management estimates that the clawback status will be resolved no later than 2022, at which point the distribution will either be partially or fully recognized as revenue and/or partially or fully returned to WWBCP. During the year ended December 31, 2017, the LLC was allowed to recognize carried interest income of $164,625, which it further distributed to the Members of the LLC to cover their 2016 tax obligations related to the 2016 carried interest distribution of $1,623,129. The remaining balance of $1,458,504 continues to be reflected as a deferred liability and restricted cash in the accompanying consolidated financial statements as of December 31, 2017.

(7) Restricted Net Assets

(a) Temporarily Restricted Net Assets

At December 31, 2017 and 2016, temporarily restricted net assets are available for the following purposes:

		2017	2016
Institutional development programs	$	2,470,472	1,574,662
Functional products and services		4,562,181	1,975,323
Knowledge and influence		1,328,418	400,691
Core funding, subgrants and operations		318,552	1,262,940
Interest in supporting organization (note 11)		—	851,677
Temporarily restricted donor Capital Fund		17,598,440	15,979,994
Accumulated gains on permanently restricted capital fund (note 7b)		51,315	19,509
	$	26,329,378	22,064,796

In October 2013, the Organization received clarifying communications from its four largest donors of the Capital Fund who represent 97% or $15,248,169 of the Fund. The donors acknowledged that their gifts would be reclassified from a permanently restricted endowment to an expendable restricted gift and would continue to remain invested under the direction of the Organization's Board of Directors. The funds will be utilized for the following purposes: (1) support the general operations of the Organization; (2) support a loan guarantee program; and (3) support the capitalization of Microfinance institutions. Spending will be based on an established spending rate as directed by the Board in a manner consistent with the gift purpose. As a result, the Organization reclassified the funds in 2013 from a permanently restricted endowment fund to a temporarily restricted donor capital fund.

(b) Permanently Restricted Net Assets

The Organization's Capital Fund contains a certain portion of permanently restricted assets. 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. At December 31, 2017 and 2016, permanently restricted donor funds were $693,076.

Gains and losses on permanently restricted assets are recorded as temporarily restricted assets until they are appropriated for expenditure in accordance with the Capital Fund Spending Policy. At December 31, 2017 and 2016, accumulated gains not yet appropriated for spending related to the permanently restricted capital fund were $51,315 and $19,509, respectively.

(i) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are to be reported in unrestricted net assets as of year-end. There were no deficiencies in the donor-restricted funds as of December 31, 2017 or 2016.

(ii) Interpretation of Relevant Law

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, as a result of the New York Prudent Management of Institutional Funds Act, that 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 by the board of directors.

(8) Lease Commitment

On April 29, 2014, the Organization executed a facilities lease agreement, which expires on March 31, 2030 and made a security deposit of $100,476 that is included in other assets on the consolidated balance sheet as of December 31, 2017 and 2016. Renovations of the space started during the 4th quarter of 2014 and occupancy occurred on January 5, 2015. The Organization records the lease expense on a straight-line basis. The rent was abated until April 1, 2015. The lease contains a termination provision, at the option of the Organization, on March 31, 2025 with proper notice and a lease termination payment. The lease also contains escalation clauses that provide for increased payments resulting from increases in real estate taxes and certain other building expenses.

Total rent, utilities, and maintenance expense in 2017 and 2016 amounted to $510,569 and $502,485, respectively.

Future lease payments, including base rent and escalation increases, as of December 31, 2017 are as follows:

2018	$	422,126
2019		429,724
2020		456,637
2021		471,249
2022		479,732
Thereafter		3,877,842
Total	$	6,137,310

(9) In-Kind Contributions

The fair value of in-kind contributions has been recorded in the accompanying consolidated financial statements as support, expense, and fixed assets. During the years ended December 31, 2017 and 2016, in-kind contributions consisted of $480,972 and $186,047, respectively, for legal and other services. In addition, donated software valued at $55,746 and $73,105 was subgranted from FWWB in 2017 and 2016, respectively, of which $55,746 and $34,460 was capitalized, respectively.

(10) Pension Benefits

SWWB and WAM sponsor a 401(k) retirement plan for its eligible employees with benefits up to 3.5% of eligible compensation. In addition, effective January 1, 2016, eligible employees receive a matching employer contribution up to 1.5% of eligible compensation. Total SWWB and WAM retirement expense in 2017 and 2016 was $262,491 and $230,182, respectively. In addition, SWWB allocates a portion of the retirement costs to FWWB (note 11). Retirement expense reported by FWWB in 2017 and 2016 was $10,417 and $10,160, respectively.

(11) Interest in Net Assets of Supporting Organization

The Organization acts in cooperation with FWWB and in compliance with an operating agreement. FWWB has a separate board of directors and maintains its legal and financial independence, although management of Organization and FWWB is shared. The principal activity of FWWB is the solicitation, receipt, and administration of grants and contributions on behalf of SWWB. From time to time, FWWB will grant funds to the Organization for certain programs in compliance with all 501(c)(3) activities. SWWB regularly reports back to FWWB's board of directors on the progress of projects and the utilization of funds granted. The primary operations of SWWB and FWWB ceased on December 31, 2017, and any net assets held by FWWB as of December 31, 2018 will be granted in full to WWB by December 31, 2018 (see note 1).

In accordance with Financial Accounting Standards Board Accounting Standards Codification 958-20, *Financially Interrelated Entities*, the Organization's consolidated balance sheet includes its interest in the net assets of FWWB. The decrease in the Organization's interest in the net assets of the supporting organization during 2017 and 2016 of $(851,677) and $(1,032,672), respectively, was recorded as change in interest in supporting organization.

Expenses allocated to FWWB include amounts for personnel, travel, and overhead of $487,489 and $415,341 in 2017 and 2016, respectively. The Organization received grants, contributions and in-kind from FWWB of $1,349,909 and $1,529,300 in 2017 and 2016, respectively.

(12) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events after the consolidated balance sheet date of December 31, 2017 through May 16, 2018, the date the consolidated financial statements were available to be issued, and noted no additional items that would require adjustment to, or disclosure in, the 2017 consolidated financial statements.

Schedule 1

STICHTING TO PROMOTE WOMEN'S WORLD BANKING AND SUBSIDIARIES

Grants and Contributions Receivable Rollforward

December 31, 2017

		Net receivable balance at December 31, 2016	New grants and contributions, 2017	Foreign currency translation, 2017	Cash receipts, 2017	Net receivable balance at December 31, 2017
Argidius Foundation	$	—	235,750	—	(235,750)	—
Australia Department of Foreign Affairs and Trade (DFAT)		1,799,280	2,363,372	68,220	(4,230,872)	—
Bill & Melinda Gates Foundation		—	2,109,473	—	(2,109,473)	—
Credit Suisse Foundation		—	505,218	6,899	—	512,117
Diamond Bank PLC		8,165	68,000	—	(76,165)	—
Financial Sector Deepening Africa (FSDA)		—	1,542,163	—	(1,542,163)	—
FINCA Microfinance Fund B.V.		—	80,885	—	(80,885)	—
Standard Chartered Bank		—	200,000	—	(200,000)	—
Swedish International Development Cooperation Agency (SIDA)		—	1,154,418	—	(1,154,418)	—
Visa Foundation		—	4,872,318	—	(4,872,318)	—
Others		23,680	129,292	—	(127,997)	24,975
Friends of WWB/USA, Inc.		—	1,294,163	—	(1,127,200)	166,963
	$	1,831,125	14,555,052	75,119	(15,757,241)	704,055

See accompanying independent auditors' report.

Schedule 2

STICHTING TO PROMOTE WOMEN'S
WORLD BANKING AND SUBSIDIARIES

Schedule of Functional Expenses

Year ended December 31, 2017
(With summarized comparative financial information for the year ended December 31, 2016)

	Institutional development programs, excluding WAM and LLC	WWB Asset Management (WAM)	WWB Investments (LLC)	Total institutional development programs	Functional products and services	Knowledge and influence	Total program services	General and administrative	Fund-raising	Total 2017	Total 2016
Personnel costs	$ 1,724,755	426,448	—	2,151,203	2,690,618	1,034,853	5,876,674	758,892	689,902	7,325,468	6,066,242
Consultants	723,053	37,453	514	761,020	706,989	244,328	1,712,337	24,764	25,007	1,762,108	2,413,370
Legal, accounting, and auditing	181,738	2,000	5,950	189,688	283,237	109,043	581,968	87,090	93,250	762,308	298,272
Travel, workshops, and meetings	375,273	14,605	(1,860)	388,018	609,531	338,115	1,335,664	38,705	93,978	1,468,347	1,255,433
Printing, production, and video	13,179	—	—	13,179	7,412	7,606	28,197	1,809	1,644	31,650	24,376
Rent and utilities	127,642	—	—	127,642	199,122	76,585	403,349	56,163	51,057	510,569	502,485
Telephone and cable	27,248	2,349	—	29,597	45,332	16,693	91,622	11,869	11,213	114,704	121,634
Office expenses	126,033	10,131	—	136,164	109,860	62,547	308,571	30,838	31,258	370,667	341,686
Project initiatives – contributions to network institutions	173,848	—	—	173,848	—	—	173,848	—	—	173,848	288,349
Depreciation and amortization	81,589	—	—	81,589	60,892	23,420	165,901	17,175	15,613	198,689	135,804
	$ 3,554,358	492,986	4,604	4,051,948	4,712,993	1,913,190	10,678,131	1,027,305	1,012,922	12,718,358	11,447,651
Distribution to members										164,625	—
Loss on uncollectible receivables										—	37,611
Total expenses, losses and distributions										$ 12,882,983	11,485,262

See accompanying independent auditors' report.

Schedule 3

STICHTING TO PROMOTE WOMEN'S WORLD BANKING AND SUBSIDIARIES

Schedule of Core Funding

Year ended December 31, 2017

	Swedish International Development Cooperation Agency	Australia Department of Foreign Affairs and Trade	Total
Temporarily restricted at beginning of year	$ —	1,079,570	1,079,570
Support and revenue:			
Grants, foreign currency translation gain and interest income	1,154,418	1,222,869	2,377,287
Expenses:			
Personnel costs	1,019,123	2,032,599	3,051,722
Rent and utilities	135,295	269,840	405,135
Total expenses	1,154,418	2,302,439	3,456,857
Temporarily restricted at end of year	$ —	—	—

Core funders are a grouping of donors who have agreed to support the SWWB's strategic plan. All donors have provided guidance on the results framework and expected outcomes of the strategic period. These funds support strategic outcomes of the Organization toward the advancement of financial inclusion for low-income women and are not earmarked for a specific region or work product.

See accompanying independent auditors' report.