



**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements and Schedules

December 31, 2020

(With Summarized Comparative Financial Information
as of and for the Year Ended December 31, 2019)

(With Independent Auditors' Report Thereon)



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

Independent Auditors' Report

The Board of Directors
Women's World Banking, Inc.:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Women's World Banking, Inc. and subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses 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 Women's World Banking, Inc. and subsidiaries as of December 31, 2020, 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.



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 and 2 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated audited financial statements in our report dated May 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

May 13, 2021

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Consolidated Statements of Financial Position

December 31, 2020

(With comparative amounts as of December 31, 2019)

Assets	2020	2019
Cash and cash equivalents	\$ 14,452,622	15,715,804
Restricted cash (notes 2(d) and 6(e))	1,459,504	1,459,504
Grants and contributions receivable, net (note 3)	199,155	351,930
Investments (note 6)	20,751,471	19,326,546
Accounts receivable and other assets (note 8)	431,567	681,308
Furniture, equipment, and leasehold improvements, net (note 5)	344,962	473,374
Total assets	\$ 37,639,281	38,008,466
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 601,822	657,557
Deferred revenue	63,798	90,241
Deferred rent credit (note 8)	424,775	405,298
Paycheck Protection Program refundable advance (note 9)	1,236,000	—
Deferred liability WWBCP LP distribution subject to clawback (notes 2(d) and 6(e))	1,458,504	1,458,504
Total liabilities	3,784,899	2,611,600
Commitments (notes 6, 8, 9 and 12)		
Net assets:		
Without donor restrictions	9,204,485	8,490,084
With donor restrictions (note 7)	24,649,897	26,906,782
Total net assets	33,854,382	35,396,866
Total liabilities and net assets	\$ 37,639,281	38,008,466

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Consolidated Statement of Activities

Year ended December 31, 2020
(With comparative totals for the year ended December 31, 2019)

	Without donor restrictions	With donor restrictions	Total	
			2020	2019
Operating activities:				
Revenue and support:				
Grants and contributions (note 2(i))	\$ 2,776,851	5,448,338	8,225,189	10,311,010
In-kind contributions (note 11)	886,115	—	886,115	907,249
Investment (loss) gain, net of fees (note 6)	(12,661)	2,075,119	2,062,458	3,188,499
Foreign currency translation gain	(1,788)	(12,013)	(13,801)	4,422
Fee for services	2,033,801	—	2,033,801	747,665
Other income	305,138	4,345	309,483	443,642
Net assets released from restrictions	9,772,674	(9,772,674)	—	—
Total revenue and support	<u>15,760,130</u>	<u>(2,256,885)</u>	<u>13,503,245</u>	<u>15,602,487</u>
Expenses (note 2(k)):				
Program services:				
WWB Programs	9,610,962	—	9,610,962	10,511,976
WWB Asset Management LLC	1,057,099	—	1,057,099	706,179
WWB Investments LLC	9,055	—	9,055	4,729
WWB Investments II LLC	13,057	—	13,057	4,167
Total program services	<u>10,690,173</u>	<u>—</u>	<u>10,690,173</u>	<u>11,227,051</u>
General and administrative	2,163,443	—	2,163,443	2,091,804
Fund-raising	2,192,113	—	2,192,113	2,412,740
Total expenses	<u>15,045,729</u>	<u>—</u>	<u>15,045,729</u>	<u>15,731,595</u>
Increase (decrease) in net assets	714,401	(2,256,885)	(1,542,484)	(129,108)
Net assets at beginning of year	<u>8,490,084</u>	<u>26,906,782</u>	<u>35,396,866</u>	<u>35,525,974</u>
Net assets at end of year	<u>\$ 9,204,485</u>	<u>24,649,897</u>	<u>33,854,382</u>	<u>35,396,866</u>

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses

Year ended December 31, 2020

(With comparative totals for the year ended December 31, 2019)

	WWB Programs (WWB)	WWB Asset Management (WAM)	WWB Investments LLC (LLC)	WWB Investments II LLC (LLC2)	Total program services	General and administrative	Fund-raising	Total	
								2020	2019
Personnel costs	\$ 6,294,249	1,011,294	—	—	7,305,543	1,008,560	1,843,048	10,157,151	9,030,580
Consultants	2,125,531	15,137	355	507	2,141,530	22,874	86,977	2,251,381	2,746,763
Legal, accounting, and auditing	117,675	5,935	8,700	—	132,310	959,228	7,500	1,099,038	1,084,086
Travel, workshops, and meetings	220,544	2,905	—	—	223,449	5,214	23,241	251,904	1,509,551
Printing, production, and video	11,777	—	—	—	11,777	1,718	3,600	17,095	43,264
Rent and utilities	356,087	—	—	—	356,087	57,058	104,267	517,412	527,940
Telephone, internet, and cable	40,694	2,953	—	—	43,647	5,573	10,183	59,403	69,407
Office expenses, insurance, dues, licenses, and filing fees	343,718	18,875	—	12,550	375,143	35,175	83,814	494,132	481,484
Bad debt	—	—	—	—	—	51,910	—	51,910	11,203
Project initiatives – contributions to partner institutions	—	—	—	—	—	—	—	—	41,000
Depreciation and amortization	100,687	—	—	—	100,687	16,133	29,483	146,303	186,317
Total expenses	\$ <u>9,610,962</u>	<u>1,057,099</u>	<u>9,055</u>	<u>13,057</u>	<u>10,690,173</u>	<u>2,163,443</u>	<u>2,192,113</u>	<u>15,045,729</u>	<u>15,731,595</u>

See accompanying independent auditors' report.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Year ended December 31, 2020

(with comparative amounts for the year ended December 31, 2019)

	2020	2019
Cash flows from operating activities:		
Decrease in net assets	\$ (1,542,484)	(129,108)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	146,303	186,317
Realized and unrealized gains, net	(1,874,458)	(2,830,269)
Decrease in grants and contributions receivable	152,775	316,264
Decrease in accounts receivable and other assets	249,741	31,185
Decrease in accounts payable and accrued expenses	(55,735)	(303,574)
(Decrease) Increase in deferred revenue	(26,443)	46,691
Increase in deferred rent credit	19,477	46,390
Net cash used in operating activities	(2,930,824)	(2,636,104)
Cash flows from investing activities:		
Purchases of furniture, equipment, and leasehold improvements	(17,891)	(61,168)
Purchases of investments	(20,797,067)	(24,973,707)
Proceeds from sale of investments	21,246,600	25,304,623
Net cash provided by investing activities	431,642	269,748
Cash flows from financing activities:		
Paycheck Protection Program refundable advance	1,236,000	—
Net cash provided by financing activities	1,236,000	—
Net decrease in cash, cash equivalents, and restricted cash	(1,263,182)	(2,366,356)
Cash, cash equivalents, and restricted cash at beginning of year	17,175,308	19,541,664
Cash, cash equivalents, and restricted cash at end of year	\$ 15,912,126	17,175,308
Supplemental cash flow information:		
Disposal of software, fully depreciated	\$ 15,485	89,200

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

(1) Organization

Women's World Banking, Inc. (WWB) is an international nonprofit organization that designs and invests in market-driven financial solutions, institutions, and policy environments in emerging markets to create greater economic stability and prosperity for women, their families, and their communities. WWB was formed in the United States on August 17, 2017 and began operations on January 1, 2018. WWB is the merged entity of Stichting to Promote Women's World Banking Inc. (SWWB) and Friends of WWB/USA, Inc. (FWWB). WWB is a U.S. nonprofit corporation classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. WWB is headquartered in New York City.

The accompanying consolidated financial statements include the accounts of Women's World Banking Inc. and its subsidiaries, WWB Management Services LLP (WWBMS), WWB Southeast Asia Holdings PTE. LTD. (WWBSEA), WWB Asset Management, LLC (WAM), WWB Investments, LLC (the LLC), and WWB Investments II, LLC (the LLC2), collectively, the Organization. All intercompany balances and transactions have been eliminated upon consolidation. The accompanying consolidated financial statements do not include the accounts of WWB's network members, which are independent and unrelated organizations.

WWBMS, a for-profit India limited liability partnership was formed on March 13, 2020. WWBMS is owned by WWB (99.99%) and WAM (.01%). Capital contributions totaled INR 7,250,000 (USD \$100,455). The entity was established to conduct operations in India. WWBMS began official operations in September 2020. The financial activity of WWBMS has been consolidated within the accompanying consolidated financial statements.

WWBSEA, a for-profit Singapore private company, was incorporated on July 12, 2020. WWBSEA is a wholly owned subsidiary of WWB. The entity was established to conduct operations in Southeast Asia. As of December 31, 2020, WWBSEA had no financial activity and had not begun official operations.

WAM, a for-profit Delaware limited liability company, was formed on January 5, 2011. WAM is a wholly owned subsidiary of WWB. The entity was established to conduct the operations of WWB'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. In 2018, WAM became the general manager of Women's World Banking Capital Partners II, L.P. (WWBCP2), a Mauritius limited partnership, formed to act as a second socially responsible private equity fund. In 2020, WAM became the trust manager of Women's World Banking Technical Assistance Program Trust (Trust) (note (10)). WAM's members' equity, which is reflected within net assets without donor restrictions on the accompanying consolidated financial statements as of December 31, 2020 and 2019 was \$1,038,080 and \$380,814, respectively.

The LLC, a for-profit Delaware limited liability company, was a wholly owned subsidiary of WWB until December 22, 2015. On that date, WWB amended the LLC agreement so that three related parties would receive a combined total of 30% of the LLC's equity. The balance of 70% remains with WWB. The LLC is the general partner of WWBCP. The activity of WWBCP is not consolidated within these financial

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

statements as the general partner can be removed without cause through certain actions of the limited partners. The LLC's members' deficit, excluding carried interest (note 6(e)), which is reflected within net assets without donor restrictions on the accompanying consolidated financial statements, as of December 31, 2020 and 2019 was \$(29,349) and \$(20,294), respectively. In addition, WWB has a limited partner interest in WWBCP (note 6(d)), which it obtained through capital contributions. The investment in WWBCP by WWB is reflected in these consolidated financial statements under the equity method.

The LLC2, a for-profit Mauritius limited liability company, was formed on August 20, 2019. As of December 31, 2020, LLC2 is wholly owned by WWB. LLC2 is the general partner of WWBCP2. The LLC2's members' deficit, which is reflected within net assets without donor restrictions on the accompanying consolidated financial statements, as of December 31, 2020 and 2019 was \$(17,224) and \$(4,167), respectively. In addition, WWB has a limited partner interest in WWBCP2 (note 6(d)), which it obtained through capital contributions. The investment in WWBCP by WWB is reflected in these consolidated financial statements under the equity method.

For purposes of the statement of functional expenses, the Organization classifies its program activities into four functional categories:

- (1) Women's World Banking's programs, which holds the Organization's primary programmatic activities. Within WWB's programming, the organization has three primary focus areas:
 - (a) **Develop Market-Driven Financial Solutions:** Leveraging rigorous research and intelligence in key markets, the Organization identifies barriers to women's financial inclusion. The Organization then works with critical partners within priority markets (including policymakers, regulators, and financial service providers) to overcome these barriers by developing policy strategies and commercially-viable solutions to help bring financial services to underbanked women.
 - (b) **Deliver Leadership & Diversity Programs:** The Organization delivers a variety of global, regional, and customized training programs for regulatory bodies and financial service providers to build stronger, more gender-diverse teams and drive increased focus on serving the women's market.
 - (c) **Action for Influence:** The Organization takes the insights and best practices from its market-driven financial solutions, leadership & diversity programs, and its global research initiatives, and shares these lessons more broadly through targeted influencer outreach, conferences, speaking engagements, roundtables, publications, social media, and peer learning. The goal for sharing knowledge more broadly is to influence others to increase focus on women's financial inclusion.
- (2) WWB Asset Management LLC, which holds the activity of WAM. WAM 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.
- (3) WWB Investments LLC, which has been presented as a separate program activity on the statement of functional expenses for administration purposes.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

- (4) WWB Investments II LLC, which has been presented as a separate program activity on the statement of functional expenses for administration purposes.

(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) Without donor restrictions

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

(ii) With donor restrictions

Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. 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 net assets without donor restrictions unless their use is limited by donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor 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 or published prices in active markets for identical assets or liabilities or published net asset value for alternative investments with characteristics similar to a mutual fund;

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

Level 2: Inputs other than quoted prices or published 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, 2020 or 2019.

(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 as of December 31, 2020 and 2019 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 (see note 6(e)).

(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.

A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred asset or a right of release of the promisor's obligation to the transferred assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met.

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.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

(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, Net

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 and allocation of functional expenses. Actual results could differ from those estimates.

(i) Concentration of Revenues

In 2020 and 2019, three and four funding sources, respectively, accounted for approximately 76% and 67%, respectively, of grant and contribution revenue.

As of December 31, 2020 and 2019, grants and contributions receivable is due primarily from two donors.

(j) 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, 2020 and 2019 and has determined that there are no significant uncertain tax positions and that it will continue to be exempt from income taxes.

(k) Functional Allocation of Expenses

The Organization presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. If expenses benefit multiple functional areas, they have been allocated using cost

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

allocation techniques, such as square footage and time and effort. Natural expenses are accounted for on a direct cost basis to the program or function upon which the expense is incurred.

(3) Grants and Contributions Receivable

Grants and contributions receivable at December 31, 2019 and 2020 are expected to be received within the following 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, 2019, conditional grants totaled \$10,650,675. As of December 31, 2020, conditional grants totaled \$11,509,395 and are currently expected to be recognized as revenue as follows:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Australia Department of Foreign Affairs and Trade (DFAT)	\$ 1,272,590	1,272,590	1,272,590	3,817,770
Bill & Melinda Gates Foundation	750,000	—	—	750,000
Credit Suisse APAC Foundation	150,000	150,000	—	300,000
DAI Global LLC	250,000	—	—	250,000
Swedish International Development Cooperation Agency (SIDA)	1,219,120	—	—	1,219,120
Swiss Capacity Building Facility	41,711	31,372	—	73,083
Swiss Re Foundation	150,000	—	50,000	200,000
Visa Foundation	4,899,422	—	—	4,899,422
Total conditional grants receivable	\$ <u>8,732,843</u>	<u>1,453,962</u>	<u>1,322,590</u>	<u>11,509,395</u>

Amounts due from the Australia Department of Foreign Affairs and Trade (DFAT), Swedish International Development Cooperation Agency (SIDA), and Swiss Capacity Building Facility are due in Australian Dollar, Swedish Krona, and Swiss Francs, respectively. The anticipated amounts reflected above were converted to U.S. dollars based on the conversation rate as of December 31, 2020.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

(5) Furniture, Equipment, and Leasehold Improvements, net

Furniture, equipment, and leasehold improvements, net consist of the following as of December 31, 2020 and 2019:

	Life	2020	2019
Equipment	3	\$ 608,426	606,020
Furniture	7	328,876	328,876
Leasehold improvements	15	244,015	244,015
		1,181,317	1,178,911
Less accumulated depreciation and amortization		(836,355)	(705,537)
Total furniture, equipment, and leasehold improvements, net		\$ 344,962	473,374

Depreciation and amortization expense for the year ended December 31, 2020 and 2019 was \$146,303 and \$186,317, 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 assets with donor restrictions (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 2020 and 2019, the Organization appropriated \$702,984 and \$689,202 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 7). The spending rate for 2020 and 2019 was 4%.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

(d) Fair Value Hierarchy

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2020 and 2019:

	2020		2019	
	<u>Fair value</u>	<u>Level 1</u>	<u>Fair value</u>	<u>Level 1</u>
Cash equivalents	\$ 1,022,496	1,022,496	205,986	205,986
Domestic and non-U.S. equities	13,510,554	13,510,554	3,602,257	3,602,257
Exchange traded funds	—	—	6,886,195	6,886,195
Fixed income:				
Mutual funds	—	—	2,699,088	2,699,088
Corporate bonds	2,575,013	2,575,013	2,695,485	2,695,485
U.S. Treasuries	3,096,936	3,096,936	2,770,916	2,770,916
	<u>20,204,999</u>	<u>\$ 20,204,999</u>	<u>18,859,927</u>	<u>\$ 18,859,927</u>
Investments reported at net assets value or its equivalent:				
Limited partnerships	<u>546,472</u>		<u>466,619</u>	
Total investments	<u>\$ 20,751,471</u>		<u>19,326,546</u>	

The Organization's limited partnerships balance at December 31, 2020 is the Organization's investments in WWBCP and WWBCP2 (note 1). The estimated fair value of the WWBCP investment was \$388,104 as of December 31, 2020 and \$466,619 as of December 31, 2019. As of December 31, 2020, and 2019, the Organization had an unfunded commitment of approximately \$25,542 and \$37,098, respectively, to WWBCP. The total WWBCP commitment represents a 1% interest in WWBCP in both years. The estimated fair value of the WWBCP2 investment was \$158,368 as of December 31, 2020. As of December 31, 2020, the Organization had an unfunded commitment of approximately \$1,303,000 to WWBCP2. The total WWBCP2 commitment represents a 2.003% interest in WWBCP2, of which 0.668% of the commitment was established by WWB as a nominee shareholder of the United States Agency for International Development (USAID).

Investment gain (loss), net of fees includes the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 264,058	431,409
Realized and unrealized gains	1,874,458	2,830,269
Investment expenses	<u>(76,058)</u>	<u>(73,179)</u>
	<u>\$ 2,062,458</u>	<u>3,188,499</u>

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

(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 consolidated 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 \$1,458,804 continues to be reflected as a deferred liability and restricted cash in the accompanying consolidated financial statements as of December 31, 2020 and 2019.

As of December 31, 2020, and 2019, the LLC's general partner capital was \$407,250 and \$2,135,892, respectively, which represents carried interest to the LLC as if WWBCP had realized all assets, settled all liabilities, allocated all gains and losses, and distributed all net assets to the partners. Since this carried interest is subject to a clawback (note 6(e)) the LLC's undistributed share of capital has not been recorded within the accompanying consolidated financial statements.

(7) Net Assets With Donor Restrictions

At December 31, 2020 and 2019, net assets with donor restrictions are available for the following purposes:

	<u>2020</u>	<u>2019</u>
WWB program services	\$ 3,951,216	7,580,236
Nonendowment capital fund	19,821,187	18,514,199
Perpetual endowment capital fund	693,076	693,076
Accumulated gains on perpetual endowment capital fund	<u>184,418</u>	<u>119,271</u>
	<u>\$ 24,649,897</u>	<u>26,906,782</u>

In October 2013, SWWB received clarifying communications from its four largest donors of the Capital Fund (the Fund) who represent 97% or \$15,248,169 of the Fund. The donors acknowledged that their gifts would be reclassified from a 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

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

result, SWWB reclassified the funds in 2013 from a restricted endowment fund to a restricted donor capital fund.

The Organization's Capital Fund contains a certain portion of net assets with permanent donor restrictions. As required by GAAP, net assets associated with the perpetual endowment Capital Fund are classified and reported based upon the existence or absence of donor-imposed restrictions.

Gains and losses on net assets with perpetual endowment donor restrictions are recorded as net assets with donor restrictions until they are appropriated for expenditure in accordance with the Capital Fund Spending Policy. At December 31, 2020 and 2019, accumulated gains not yet appropriated for spending related to the perpetual endowment capital fund were \$184,418 and \$119,271, 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. There were no deficiencies in the donor-restricted funds as of December 31, 2020 or 2019.

(ii) Interpretation of Relevant Law

The Organization classifies as restricted net assets (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the 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 to be classified as net assets with donor restrictions until appropriated for expenditure by the board of directors.

(8) Lease Commitment

On April 29, 2014, SWWB 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 statements of financial position as of December 31, 2020 and 2019. Renovations of the space started during the fourth quarter of 2014 and occupancy occurred on January 5, 2015. The rent was abated until April 1, 2015. SWWB transferred the lease agreement to WWB on January 1, 2018. The Organization records the lease expense on a straight-line basis. 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 2020 and 2019 amounted to \$517,412 and \$527,940, respectively.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

Future lease payments, including base rent and escalation increases, as of December 31, 2020 are as follows:

2021	\$	471,249
2022		479,732
2023		488,367
2024		497,158
2025		525,284
Thereafter		2,367,033
Total	\$	4,828,823

(9) Paycheck Protection Program Refundable Advance

In April 2020, the Organization applied for, and received, a Small Business Administration loan of \$1,236,000 through the Paycheck Protection Program of the CARES Act. The loan has an interest rate of 0.98% per annum and a maturity date of April 5, 2022. The loan (plus interest) will be forgiven if certain conditions are met, which is management's expectation. As of April 2021, the loan is under review for forgiveness. An official decision is expected by December 31, 2021. Accrued interest for the year ended December 31, 2020 has been deemed immaterial and therefore not reflected in the accompanying consolidated financial statements.

(10) Women's World Banking Technical Assistance Program Trust

In November 2019, LLC2 consented to act as enforcer of Women's World Banking Technical Assistance Program Trust (Trust). The Trust is a non-charitable purpose trust formed on November 13, 2019 under the laws of Mauritius. An independent party, Axis Fiduciary Ltd, performs the role of Trustee. The purpose of the Trust is to implement Women's World Banking Technical Assistance Program (TAP) that accompanies the activities of WWBCP2. The objective of TAP is to provide technical assistance to portfolio companies in order to accomplish the investment objectives of WWBCP2. As the enforcer, LLC2 is responsible for enforcing the Trust in accordance with its terms and purposes. The LLC has been named as successor to the enforcer, if the need for a successor should arise. For the year ended December 31, 2020, the Trust had received \$3,365,400 in funding to be used for TAP activities. TAP activities officially began on February 15, 2021.

In March 2020, WAM entered into an agreement with the Trust to perform the role of Trust Manager. As Trust Manager, WAM is responsible for managing the affairs of the Trust, including but not limited to management of the Trust's assets on a day-to-day basis, identification of technical assistance needs of portfolio companies, negotiating the terms and conditions of TAP agreements, and monitoring and overseeing the technical assistance projects. In exchange for this service, WAM receives an annual management fee of 1% of the total donations committed to the Trust.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

(11) 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, 2020 and 2019, in-kind contributions consisted of \$886,115 and \$907,249, respectively, for legal services.

(12) Pension Benefits

WWB and WAM sponsor a 401(k)-retirement plan for its eligible employees with benefits up to 3.5% of eligible compensation. Eligible employees receive a matching employer contribution up to 1.5% of eligible compensation. WWB also contributes to various international retirement plans for eligible employees. Total WWB and WAM retirement expense in 2020 and 2019 was \$330,128 and \$291,398, respectively.

(13) Liquidity and Availability

Financial assets available for general expenditure within one years of December 31, 2020 and 2019 are as follows:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 14,452,622	15,715,804
Restricted cash	1,459,504	1,459,504
Grants and contributions receivable, net	199,155	351,930
Investments	20,751,471	19,326,546
Accounts receivable	144,693	359,237
Total financial assets at year-end	37,007,445	37,213,021
Less amounts not available to meet general expenditures within one year:		
Restricted cash subject to clawback	1,459,504	1,459,504
Future expendable nonendowment capital fund	19,270,502	17,930,639
Portion of donor-restricted endowment to be retained in perpetuity	693,076	693,076
Financial assets available to meet general expenditures within one year	\$ 15,584,363	17,129,802

* The Organization currently estimates that \$735,103 in in nonendowment capital fund will be utilized for general expenditure in 2021. The Organization utilized \$702,831 and \$689,202 in 2020 and 2019, respectively.

WWB regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020

(With comparative amounts as of and for the year ended December 31, 2019)

(14) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events after the consolidated statement of financial position date of December 31, 2020 through May 13, 2021, 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 2020 consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Grants and Contributions Receivable Rollforward

December 31, 2020

	Net receivable balance at December 31, 2019	New grants and contributions, 2020	Bad debt, wire fees and foreign currency translation, 2020	Cash receipts, 2020	Net receivable balance at December 31, 2020
Argidius Foundation	\$ —	20,040	(18)	(20,022)	—
Australia Department of Foreign Affairs and Trade (DFAT)	—	3,045,011	—	(3,045,011)	—
Bill & Melinda Gates Foundation	—	200,000	—	(200,000)	—
Cloudera Foundation, Inc.	—	76,500	—	(66,500)	10,000
DAI Global LLC	—	250,000	—	(250,000)	—
Credit Suisse APAC Foundation	—	150,000	—	(150,000)	—
Ernst & Young LLC	—	50,000	—	(50,000)	—
ExxonMobil Foundation	—	100,000	—	(100,000)	—
Facebook, Inc.	—	50,000	—	(50,000)	—
Government of Germany (GIZ)	28,415	—	(28,415)	—	—
Government of Luxembourg	201,865	—	(11,623)	(190,242)	—
Kathryn B. McQuade Foundation	—	35,000	—	—	35,000
Mastercard Impact Fund	—	125,100	—	(125,100)	—
Michael & Susan Dell Foundation	—	144,779	—	(144,779)	—
Swedish International Development Corporation Agency (SIDA)	—	1,067,289	—	(1,067,289)	—
Swiss Capacity Building Facility (SCBF)	66,936	136,120	(1,636)	(149,015)	52,405
Swiss Re Foundation	—	100,000	—	(100,000)	—
Visa Foundation	—	2,143,550	—	(2,143,550)	—
Other foundations	13,577	66,830	—	(76,062)	4,345
Other Corporations and Organizations	11,382	315,186	(2,657)	(313,911)	10,000
Other individuals	15,640	129,784	—	(58,019)	87,405
Other government	14,115	20,000	(541)	(33,574)	—
	<u>\$ 351,930</u>	<u>8,225,189</u>	<u>(44,890)</u>	<u>(8,333,074)</u>	<u>199,155</u>

See accompanying independent auditors' report.

**WOMEN'S WORLD BANKING, INC.
AND SUBSIDIARIES**

Schedule of Core Funding

Year ended December 31, 2020

	Swedish International Development Cooperation Agency	Australia Department of Foreign Affairs and Trade	Total
	<u> </u>	<u> </u>	<u> </u>
Support and revenue:			
Grants	\$ 1,067,289	2,246,286	3,313,575
Interest income	<u> —</u>	<u> 521</u>	<u> 521</u>
	1,067,289	2,246,807	3,314,096
Expenses:			
Personnel costs	<u>(1,067,289)</u>	<u>(622,167)</u>	<u>(1,689,456)</u>
Net assets with donor restrictions at end of year	\$ <u> —</u>	<u>1,624,640</u>	<u>1,624,640</u>

Core funders are a grouping of donors who have agreed to support the WWB'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.