



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

Consolidated Financial Statements and Schedules

December 31, 2023

(With Summarized Comparative Financial Information
as of and for the Year Ended December 31, 2022)

(With Independent Auditors' Report Thereon)



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

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Women's World Banking, Inc. and its subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

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 GAAS. 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 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year then ended December 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

New York, New York
May 10, 2024

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

Consolidated Statement of Financial Position

December 31, 2023

(With comparative amounts as of December 31, 2022)

Assets	2023	2022
Cash and cash equivalents	\$ 19,680,438	15,737,049
Restricted cash (notes 2d and 6e)	413,095	413,095
Grants and contributions receivable, net (note 3)	389,107	280,251
Investments (note 6)	20,605,725	18,620,498
Accounts receivable and other assets	677,648	928,988
Operating lease right-of-use asset (notes 2m and 8)	2,712,299	3,176,881
Furniture, equipment, and leasehold improvements, net (note 5)	206,278	281,652
Total assets	\$ 44,684,590	39,438,414
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 901,337	790,108
Due to members of LLC (notes 2d and 6e)	412,095	412,095
Operating lease liability (notes 2m and 8)	3,126,065	3,602,901
Deferred revenue	102,289	128,070
Total liabilities	4,541,786	4,933,174
Commitments (notes 6, 8, and 12)		
Net assets:		
Without donor restrictions	9,771,142	9,976,599
With donor restrictions (note 7)	30,371,662	24,528,641
Total net assets	40,142,804	34,505,240
Total liabilities and net assets	\$ 44,684,590	39,438,414

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.
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Consolidated Statement of Activities

Year ended December 31, 2023

(With summarized comparative totals for the year ended December 31, 2022)

	Without donor restrictions	With donor restrictions	Total	
			2023	2022
Operating activities:				
Revenues and support:				
Grants and contributions (note 2i)	\$ 409,105	19,750,933	20,160,038	8,348,461
In-kind contributed services (note 10)	259,132	—	259,132	393,409
Investment gain (loss), net of expenses (note 6)	30,227	2,714,661	2,744,888	(3,444,810)
Foreign currency translation loss	(23,717)	—	(23,717)	(18,195)
Fees for services	2,551,417	—	2,551,417	3,038,220
Carried interest income (notes 6e)	—	—	—	1,460,653
Other income	407,358	45,294	452,652	198,651
Net assets released from restrictions	16,667,867	(16,667,867)	—	—
Total revenues and support	20,301,389	5,843,021	26,144,410	9,976,389
Expenses (note 2k):				
Program services:				
WWB Programs (WWB)	13,620,371	—	13,620,371	12,401,240
WWB Asset Management LLC (WAM)	2,285,175	—	2,285,175	1,962,490
WWB Investments LLC (LLC)	7,898	—	7,898	9,813
WWB Investments II LLC (LLC2)	16,644	—	16,644	17,364
Total program services	15,930,088	—	15,930,088	14,390,907
General and administrative	1,792,787	—	1,792,787	1,966,650
Fund-raising	2,783,971	—	2,783,971	2,467,349
Total expenses	20,506,846	—	20,506,846	18,824,906
(Decrease) increase in net assets	(205,457)	5,843,021	5,637,564	(8,848,517)
Net assets at beginning of year	9,976,599	24,528,641	34,505,240	43,353,757
Net assets at end of year	\$ 9,771,142	30,371,662	40,142,804	34,505,240

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.
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Consolidated Statement of Functional Expenses

Year ended December 31, 2023

(With summarized comparative totals for the year ended December 31, 2022)

	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	
								2023	2022
Personnel costs	\$ 7,937,416	1,970,063	—	—	9,907,479	1,148,660	2,034,691	13,090,830	12,876,048
Consultants	3,140,401	170,517	602	252	3,311,772	64,261	342,416	3,718,449	2,813,809
Legal, accounting, and auditing	113,870	8,496	7,296	15,692	145,354	113,556	7,500	266,410	297,573
In-kind contributed services (note 10)	—	—	—	—	—	259,132	—	259,132	393,409
Travel, workshops, and meetings	1,264,294	56,080	—	—	1,320,374	27,342	89,437	1,437,153	699,272
Printing, production, and video	18,095	—	—	—	18,095	1,122	38,548	57,765	21,966
Rent and utilities	353,065	—	—	—	353,065	51,094	90,505	494,664	494,546
Telephone, internet, and cable	39,244	1,732	—	—	40,976	4,653	8,248	53,877	55,968
Office expenses, insurance, dues, licenses, and filing fees	485,971	74,940	—	700	561,611	48,347	153,766	763,724	656,513
Bad debt	—	—	—	—	—	—	—	—	20,390
Taxes	—	—	—	—	—	63,973	—	63,973	40,383
Project initiatives – contributions to unrelated institutions	194,441	—	—	—	194,441	—	—	194,441	359,789
Depreciation and amortization	73,574	3,347	—	—	76,921	10,647	18,860	106,428	95,240
Total expenses	\$ <u>13,620,371</u>	<u>2,285,175</u>	<u>7,898</u>	<u>16,644</u>	<u>15,930,088</u>	<u>1,792,787</u>	<u>2,783,971</u>	<u>20,506,846</u>	<u>18,824,906</u>

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.
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Consolidated Statements of Cash Flows

Year ended December 31, 2023

(with comparative amounts for the year ended December 31, 2022)

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 5,637,564	(8,848,517)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	106,428	95,240
Amortization of operating lease right-of-use asset	464,582	472,097
Realized and unrealized (gains) losses, net	(2,451,062)	3,681,148
(Increase) decrease in grants and contributions receivable	(108,856)	129,844
Decrease (increase) in accounts receivable and other assets	251,340	(227,049)
Increase in accounts payable and accrued expenses	111,229	44,998
Increase in due to Members of LLC	—	412,095
Decrease in operating lease liability	(476,836)	(475,716)
(Decrease) increase in deferred revenue	(25,781)	124,519
Net cash provided by (used in) operating activities	3,508,608	(4,591,341)
Cash flows from investing activities:		
Purchases of furniture, equipment, and leasehold improvements	(31,054)	(136,354)
Recognition of carried interest income	—	(1,458,504)
Purchases of investments	(12,475,215)	(10,778,732)
Proceeds from sale of investments	12,941,050	11,161,428
Net cash provided by (used in) investing activities	434,781	(1,212,162)
Net increase (decrease) in cash, cash equivalents, and restricted cash	3,943,389	(5,803,503)
Cash, cash equivalents, and restricted cash at beginning of year	16,150,144	21,953,647
Cash, cash equivalents, and restricted cash at end of year	\$ 20,093,533	16,150,144
Supplemental cash flow information:		
Disposal of equipment, fully depreciated	\$ 62,887	71,231
Cash paid for amounts included in the measurement of operating lease liability	—	479,732
Recognition of operating ROU asset	—	3,176,881

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

December 31, 2023

(With comparative amounts as of and for the year ended December 31, 2022)

(1) Organization

Women's World Banking, Inc. (WWB or the Organization) 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), PT WWB Services Indonesia (WWBINDO), 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 (99.98%), WAM (.01%) and WWBSEA (.01%). Capital contributions totaled INR 7,250,725 (USD \$100,465). 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. Capital contributions totaled SGD 100,000 (USD \$76,046). The entity was established to conduct operations in Southeast Asia. WWBSEA began official operations in July 2021. The financial activity of WWBSEA has been consolidated within the accompanying consolidated financial statements.

WWBINDO, a for-profit Indonesia private company, was formed on September 3, 2021. WWBINDO is owned by WWB (99.9%) and WWBSEA (.1%). Capital contributions totaled IDR 10,000,000,000 (USD \$694,457). The entity was established to conduct operations in Indonesia. WWBINDO began official operations in June 2022. The financial activity of WWBINDO has been consolidated within the accompanying consolidated financial statements.

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

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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, 2023 and 2022, was \$1,198,954 and \$1,379,869, 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 (3) 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 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, 2023 and 2022, was \$(54,035) and \$(46,137), 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 the accompanying consolidated financial statements under the equity method.

The LLC2, a for-profit Mauritius limited liability company, 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, 2023 and 2022, was \$(72,045) and \$(55,401), respectively. In addition, WWB has a limited partnership interest in WWBCP2 (note 6(d)), which it obtained through capital contributions. The investment in WWBCP by WWB is reflected in the accompanying 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

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(With comparative amounts as of and for the year ended December 31, 2022)

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

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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 or published 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 (3) 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;

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, 2023 or 2022.

(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, 2023 and 2022 consists of the LLC's capital contributions of \$1,000 and a general partner distribution from WWBCP in the amount of \$412,095, payable to Members of the LLC (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 grant or 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

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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 date of the consolidated statement of financial position.

(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 values 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 and 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 the 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 estimates made in the preparation of these consolidated financial statements include the valuation of investments. Actual results could differ from those estimates.

(i) Concentration of Revenues

In 2023 and 2022, three (3) funding sources accounted for approximately 61% and 56%, respectively, of grants and contributions revenue.

As of December 31, 2023 and 2022, grants and contributions receivable is due primarily from one (1) donor.

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(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, 2023 and 2022, and has determined that there are no significant uncertain tax positions and 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 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.

(l) In-kind Contributed Services

The Organization recognizes revenue for in-kind contributed services (principally legal services) at its estimated fair value on the date of receipt and reported as expense when utilized (Note 10 – In-kind Contributed Services).

(m) Leases – WWB as a Lessee

The Organization has entered into a variety of leases for office space and equipment. The obligations associated with these leases have been recognized as a liability in the consolidated statement of financial position based on future lease payments, discounted by risk-free rate.

Lease terms may include options to extend or terminate certain leases. The value of a lease is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease. Disclosures about the Organization's leasing activities are presented in Note 8 – Leases.

(n) New Accounting Pronouncement

In 2023, the Organization adopted ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, related to the impairment of financial instruments. This guidance, commonly referred to as current expected credit loss (CECL), changes impairment recognition to a model that is based on expected losses rather than incurred losses. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade receivables. The Organization evaluated the impact of this new standard for the year ended December 31, 2023 and noted that there is no impact.

(3) Grants and Contributions Receivable

Grants and contributions receivable at December 31, 2023 and 2022 are expected to be received within the following year.

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(With comparative amounts as of and for the year ended December 31, 2022)

(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, 2022, conditional grants totaled \$13,805,122. As of December 31, 2023, conditional grants totaled \$12,893,471 and are currently expected to be recognized as revenue as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
Bill & Melinda Gates Foundation	\$ 2,066,420	1,080,000	641,757	—	3,788,177
European Investment Bank (EIB)	26,469	—	—	—	26,469
LSEG Foundation (LSEG)	—	318,258	—	—	318,258
State Secretariat for Economic Affairs (SECO)	950,376	59,399	—	—	1,009,775
Stichting Impact-Linked Finance Fund (ILFF)	439,482	100,000	—	—	539,482
Swedish International Development Cooperation Agency (SIDA)	1,189,279	1,189,279	1,189,279	1,189,279	4,757,116
Swiss Capacity Building Facility (SCBF)	30,882	—	—	—	30,882
Swiss Re Foundation	20,173	—	—	—	20,173
Visa Foundation	1,200,000	1,200,000	—	—	2,400,000
Women's World Banking Technical Assistance Program Trust	3,139	—	—	—	3,139
Total conditional grants	<u>\$ 5,926,220</u>	<u>3,946,936</u>	<u>1,831,036</u>	<u>1,189,279</u>	<u>12,893,471</u>

Amounts from EIB, LSEG, SECO, SCBF and SIDA are due in Euro (EIB), Great British Pound (LSEG), Swiss Franc (SECO and SCBF) and Swedish Krona (SIDA). The anticipated amounts reflected above were converted to U.S. dollars based on the conversation rate as of December 31, 2023.

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

Furniture, equipment, and leasehold improvements, net consist of the following as of December 31, 2023 and 2022:

	Life	2023	2022
Equipment	3	\$ 667,071	689,595
Furniture	7	318,784	328,876
Leasehold improvements	3-15	249,153	249,153
		1,235,008	1,267,624
Less accumulated depreciation and amortization		(1,028,730)	(985,972)
Total furniture, equipment, and leasehold improvements, net		\$ 206,278	281,652

Depreciation and amortization expense for the year ended December 31, 2023 and 2022 was \$106,428 and \$95,240, 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 (2) 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 2023 and 2022, the Organization utilized \$781,209 and \$781,643 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 Audit and 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 2023 and 2022 was 4%.

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(d) Fair Value Hierarchy

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2023 and 2022:

	2023		2022	
	Fair value	Level 1	Fair value	Level 1
Cash equivalents	\$ 320,843	320,843	320,262	320,262
Domestic and non-U.S. equities	13,120,020	13,120,020	11,713,826	11,713,826
Fixed income:				
International bonds	90,034	90,034	206,382	206,382
Corporate bonds	1,554,488	1,554,488	1,195,679	1,195,679
U.S. Treasuries	3,913,955	3,913,955	3,939,608	3,939,608
	<u>18,999,340</u>	<u>\$ 18,999,340</u>	<u>17,375,757</u>	<u>17,375,757</u>
Investments reported at net assets value or its equivalent:				
Limited partnerships	<u>1,606,385</u>		<u>1,244,741</u>	
Total investments	<u>\$ 20,605,725</u>		<u>18,620,498</u>	

The Organization's limited partnerships balance at December 31, 2023 and 2022 is the sum of the Organization's investments in WWBCP and WWBCP2 (note 1). As of December 31, 2023 and 2022, the estimated fair value of the WWBCP investment was \$354,574 and \$324,325, respectively. As of December 31, 2023, and 2022, the Organization had an unfunded commitment of approximately \$7,746 and \$10,501, respectively, to WWBCP. The total WWBCP commitment represents a 1% interest in WWBCP in both years. As of December 31, 2023 and 2022, the estimated fair value of the WWBCP2 investment was \$1,251,811 and \$920,416, respectively. As of December 31, 2023 and 2022, the Organization had an unfunded commitment of approximately \$333,437 and \$503,947, respectively, to WWBCP2. As of December 31, 2023, the total WWBCP2 commitment represents a 1.5% interest in WWBCP2, of which 0.5% of the commitment was established by WWB as a nominee shareholder of the United States Agency for International Development (USAID).

Investment (loss) gain, net of expenses includes the following for the years ended December 31, 2023 and 2022:

	2023	2022
Interest and dividends	\$ 382,027	325,113
Realized and unrealized gain (loss), net	2,451,062	(3,681,148)
Investment expenses	<u>(88,201)</u>	<u>(88,775)</u>
	<u>\$ 2,744,888</u>	<u>(3,444,810)</u>

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(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 was subject to a clawback until certain conditions were met and, therefore, was not recognized as revenue in 2016. 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 was reflected as a deferred liability and restricted cash in the consolidated statement of financial position as of December 31, 2021. During the years ended December 31, 2023 and 2022, WWBCP distributed carried interest of \$64,168 and \$399,350 to the LLC, respectively. The 2023 distribution is reflected as receivable at December 31, 2022.

For the year ended December 31, 2022, WWB's share of the carried interest income was \$1,460,653. During the year ended December 31, 2022, the LLC distributed \$49,274 to the other Members of the LLC to cover their 2022 tax obligations. The remaining balance of \$412,095, which is due to other Members of the LLC is reflected as Due to Members of the LLC and restricted cash in the consolidated statement of financial position as of December 31, 2023 and 2022. .

As of December 31, 2023 and 2022, the LLC's general partner capital was \$1,972,595 and \$1,189,253, 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 portion of the carried interest is subject to a clawback 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, 2023 and 2022, net assets with donor restrictions are available for the following purposes:

	<u>2023</u>	<u>2022</u>
WWB program services	\$ 10,149,679	6,240,110
Nonendowment capital fund	19,359,500	17,508,449
Perpetual endowment capital fund	693,076	693,076
Accumulated net gains on perpetual endowment capital fund	<u>169,407</u>	<u>87,006</u>
	<u>\$ 30,371,662</u>	<u>24,528,641</u>

In October 2013, SWWB received clarifying communications from its four (4) 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

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remain invested under the direction of the Organization's Board of Directors. The funds may 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, 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, 2023 and 2022, accumulated gains not yet appropriated for spending related to the perpetual endowment capital fund were \$169,407 and \$87,006, 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, 2023 or 2022.

(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 – WWB as a Lessee

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 statement of financial position as of December 31, 2023 and 2022. 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. As of December 31, 2023, Management had assessed that it is reasonably certain that WWB will not terminate the lease on March 31, 2025. The lease also contains escalation clauses that provide for increased payments resulting from increases in real estate taxes and certain other building expenses. WWB has remaining lease term and discount rate used associated with its operating lease of 7 years and 1.55%, respectively.

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Total rent, utilities, and maintenance expense in 2023 and 2022 amounted to \$494,664 and \$494,546, respectively.

A summary of changes in operating lease liabilities follows:

December 31, 2022	Additions	Amortization	December 31, 2023
\$ 3602901	—	(476,836)	(476,836)

A summary of changes in ROU assets follows:

December 1, 2022	Additions	Amortization	December 31, 2023
\$ 3,176,881	—	(464,582)	2,712,299

The future payments due under operating leases as of December 31, 2023 is as follows:

2024		\$	497,158
2025			525,285
2026			541,133
2027			550,873
2028			560,789
Thereafter			714,238
Subtotal			3,389,476
Less effect of discounting			(263,411)
Total		\$	3,126,065

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The future payments due under operating leases as of December 31, 2022 is as follows:

2023	\$	488,367
2024		497,158
2025		525,285
2026		541,133
2027		550,873
Thereafter		1,275,027
Subtotal		3,877,843
Less effect of discounting		(274,942)
Total	\$	3,602,901

(9) 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.

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. As of December 31, 2023, the Trust had received \$5,209,650 in funding to be used for TAP activities. TAP activities officially began on February 15, 2021.

(10) In-Kind Contributed Services

The Organization receives donated professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value based on current market rates for similar services and expensed when the services are rendered. In-kind contributed services were \$259,132 and \$393,409 for the years ended December 31, 2023 and 2022, respectively.

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(11) 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 2023 and 2022 was \$434,517 and \$478,595, respectively.

(12) Liquidity and Availability

Financial assets available for general expenditures within one (1) year of December 31, 2023 and 2022, respectively, are as follows:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	\$ 19,680,438	15,737,049
Restricted cash	413,095	413,095
Grants and contributions receivable, net	389,107	280,251
Investments	20,605,725	18,620,498
Accounts receivable	136,075	341,029
Total financial assets at year-end	41,224,440	35,391,922
Less amounts not available to meet general expenditures within one year:		
Restricted cash	413,095	413,095
Future expendable nonendowment capital fund	18,720,540 *	16,814,247 *
Portion of donor-restricted endowment to be retained in perpetuity	693,076	693,076
Financial assets available to meet general expenditures within one year	\$ 21,397,729	17,471,504

* At the discretion of the Board, nonendowment capital funds are available to meet unexpected liquidity challenges. The Organization currently estimates that \$808,367 in nonendowment capital funds will be utilized for general expenditure in 2024. The Organization utilized \$781,209 and \$781,643 in 2023 and 2022, respectively.

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

(13) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events from the date consolidated statement of financial position through May 10, 2024, 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 2023 consolidated financial statements.

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Schedule of Grants and Contributions Receivable Rollforward

December 31, 2023

	Net receivable balance at December 31, 2022	New grants and contributions, 2023	Advances 2022	Cash receipts 2023	Net receivable balance at December 31, 2023
Algorand Foundation Ltd	\$ 5,000	—	—	(5,000)	—
Australia Department of Foreign Affairs and Trade (DFAT)	—	3,839,031	—	(3,839,031)	—
Bill & Melinda Gates Foundation	—	4,889,522	—	(4,889,522)	—
Credit Suisse Foundation	—	990,265	—	(990,265)	—
Credit Suisse APAC Foundation	—	150,000	—	(150,000)	—
Ernst & Young U.S. LLP	—	75,000	(50,000)	(25,000)	—
European Investment Bank	—	154,644	(20,650)	(110,834)	23,160
Google LLC	—	75,000	—	(75,000)	—
LSEG Foundation	—	612,375	—	(612,375)	—
MetLife Foundation	—	625,000	(25,000)	(600,000)	—
Moody's Foundation, The	—	360,000	—	(360,000)	—
PayPal, Inc.	—	850,000	—	(850,000)	—
Stichting Impact-Linked Finance Fund (ILFF)	—	655,518	—	(550,000)	105,518
Swedish International Development Cooperation Agency (SIDA)	—	1,092,399	—	(1,092,399)	—
Swiss State Secretariat for Economic Affairs (SECO)	—	1,460,193	—	(1,460,193)	—
Swiss Capacity Building Facility (SCBF)	31,651	71,570	—	(98,464)	4,757
United Nations Capital Development Fund (UNCDF)	—	—	—	—	—
Swiss Re Foundation	—	29,827	—	—	29,827
Visa Foundation	—	3,600,000	—	(3,600,000)	—
Women's World Banking Technical Assistance Program Trust	217,442	337,240	—	(399,745)	154,937
Other foundations	5,500	88,799	(10,000)	(66,961)	17,338
Other corporations and organizations	10,000	67,599	(10,000)	(67,599)	—
Other individuals	10,658	136,056	—	(93,144)	53,570
	<u>\$ 280,251</u>	<u>20,160,038</u>	<u>(115,650)</u>	<u>(19,935,532)</u>	<u>389,107</u>

See accompanying independent auditors' report.

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Schedule of Core Funding

Year ended December 31, 2023

	Australia Department of Foreign Affairs and Trade	Swedish International Development Cooperation Agency	Visa Foundation	Total
Net assets with donor restrictions at the beginning of the year	\$ —	—	—	—
Support and revenue:				
Grants	2,709,180	1,092,399	3,000,000	6,801,579
Expenses:				
Personnel costs	<u>(1,402,990)</u>	<u>(1,092,399)</u>	<u>(2,288,171)</u>	<u>(4,783,560)</u>
Net assets with donor restrictions at end of year	<u>\$ 1,306,190</u>	<u>—</u>	<u>711,829</u>	<u>2,018,019</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.