

Stichting Bank Information Center

Annual report 2017

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Report of the Auditors

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the board of Stichting Bank Information Center

We have reviewed the accompanying financial statements of Stichting Bank Information Center at gemeente Drimmelen, that comprise the balance sheet as at 31 December 2017, the statement of income and expenditures for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the activity report in accordance with RJ Richtlijn 640 'Organisaties zonder winststreven'. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's responsibility

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with Dutch law, including the Dutch Standard 2400 'Engagements to Review Financial Statements'. This requires that we comply with ethical requirements and that we plan and perform the review to be able to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of financial statements in accordance with the Dutch Standard 2400 is a limited assurance engagement. The performed procedures consisted primarily of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position of Stichting Bank Information Center as at 31 December 2017 and of its result for the year then ended in accordance with RJ Richtlijn 640 'Organisaties zonder winststreven'.



Unaudited and unreviewed corresponding figures

We have not audited or reviewed the financial statements 2016. Consequently, we have not audited or reviewed the corresponding figures included in the statement of income and expenditures and in the related notes.

Amsterdam, September 17, 2018

Peak Audit & Assurance B.V.

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drs R. Postma RA

Activity report from the Board

January – December 2017

Bank Information Center Europe promotes ecological and social justice by ensuring development finance protects and does not harm people and the natural resources they depend upon for their livelihoods.

We are an independent, non-profit, non-governmental organisation that holds International Financial Institutions to account, advocating for:

- Protection of rights
- Participation and transparency
- Public accountability in the operations of multilateral development banks

Through project and policy monitoring, coalition building, advocacy support, information dissemination and capacity building, BIC Europe works in solidarity with local communities and civil society organisations so they have an important voice in decisions that affect them, opening political space around development decision-making. To foster an informed and engaged movement in Europe on the IFIs, BIC Europe plays a facilitating, convening and coordinating role with civil society. BIC Europe engages with European governments and Board members of the World Bank and AIIB, to hold European shareholders accountable.

Project Results

IFC and financial intermediaries

KR Foundation : In June 2017, BIC Europe received a new grant from the KR Foundation (June 2017 – May 2020) to enable work on World Bank Group's private sector lending arm, the International Finance Corporation (IFC), with a particular focus on their funding through financial intermediaries (FIs).

Though development banks have promised to align their lending with the Paris Agreement to keep global warming below 2 degrees Celsius, a massive loophole threatens to undermine effective climate action and lock developing countries into a high-carbon future. This loophole is FI lending: a form of 'hands-off' investment through third parties, like commercial banks and private equity with donors in a time of falling aid budgets as it funds. FI lending is becoming more popular leverages private sector investment. The IFC is leading this trend: over half of its lending is now through FIs.

Activity report from the Board

January – December 2017

This campaign is a spearhead within a wider campaign to ensure development finance supports a low carbon, pro-poor future. Initially the project is focusing on Asia, where research has uncovered links between IFC investment and the coal explosion in the Philippines and India, then Indonesia and Latin America. Our advocacy focus is towards the World Bank's headquarters in Washington DC, and with European governments and Executive Directors (Europe holds an influential 30% of the WBG's shares), as well as supporting local partners in advocacy towards their national governments.

To achieve our goals, BIC Europe is working with our partners to publish four case studies that show IFC's hidden FI carbon footprint and uses this evidence to push the World Bank's Board of Directors to undertake an overhaul of IFCs standards and practices, which in turn will lead to ending fossil fuel lending practices of IFCs FI investments. Additionally, BIC Europe will work with local communities in the four countries to approach IFCs accountability mechanism. Moreover, we will work with partner organizations to submit policy language recommendations to the IFC to close the fossil fuel FI investment loopholes.

During the first seven months of this campaign, BIC Europe implemented all scheduled activities as per the timeline agreed with the funder and within the budget limits foreseen in the grant agreement.

Asian Infrastructure Investment Bank

In 2017, BIC Europe benefitted from two grants from Oxfam Hong Kong (OHK1 Oct 2016-June 2017 and OHK2 August 2017 to July 2018) to enable work on the Asian Infrastructure Investment Bank (AIIB).

Activity report from the Board

January – December 2017

Oxfam Hong Kong 1: Policy Analysis and Building CSOs Engagement for Joint Advocacy on Asian Infrastructure Investment Bank

This project delivered the following results on the five project objectives:

- Helped build capacity and interest among European NGOs to engage with the AIIB;
- Engaged European governments and shared CSO views on AIIB policies and procedures, with a focus on information disclosure, the energy strategy and the accountability mechanism;
- Facilitated collaboration of the ‘like-minded group’ for a progressive voice within the AIIB, Board, with an emphasis on transparency and accountability;
- Held two training workshops in Asia to build capacity and knowledge among CSOs to engage with AIIB’s management, staff, Board and accountability mechanism;
- Researched and shared lessons learned and case studies analyses, issues briefs and recommendations on key AIIB policies and procedures;

Together with other CSOs, BIC Europe produced relevant lessons learned and analyses materials (letters, briefs, blogs) on key policy priorities and investments, including:

- Articles on lessons learned from other IFIs and the AIIB’s energy sector strategy: authored by Kate Geary in china dialogue; republished in The Diplomat, with over 35,000 hits on Chinese media platforms Yidianhao and Caixin;
- Articles on AIIB’s Tarbela 5 project in Pakistan:
Learning hard lessons from the past: the Tarbela 5 HEP project;¹
Published in The Third Pole and The Wire, Indi;²
Blog post published on Huffington Post.³
- Publications: Lessons learned case study on
Financial intermediaries and infrastructure funds;⁴
Publication on the Tarbela hydropower extension project in Pakistan.⁵

¹ <https://thewire.in/133795/learning-hard-lessons-aiib-tarbela-dam-pakistan/>

² <https://www.thethirdpole.net/en/2017/05/09/learning-hard-lessons-aiib-and-the-tarbela-dam-in-pakistan/>

³ http://www.huffingtonpost.com/entry/can-the-worlds-newest-multilateral-banklearn-lessons_us_5922c8c9e4b0e8f558bb2820

⁴ http://bic-europe.org/wp-content/uploads/2017/12/AIIB-India-Infrastructure-Fund_FINAL.pdf

⁵ http://bic-europe.org/wp-content/uploads/2018/01/Tarbela_case_study_FINAL.pdf

Activity report from the Board

January – December 2017

Oxfam Hong Kong 2 : Creating a Green, Accountable and Pro-poor Asian Infrastructure Investment Bank.

The second project supported by Oxfam Hong Kong, entitled Creating a Green, Accountable and Pro-poor Asian Infrastructure Investment Bank, delivered important results in its first five months in 2017 on the five objectives under the grant agreement:

- Influenced key policies at the AIIB to ensure they offer sufficient protection to local communities and promoted pro-poor, sustainable development.
- Ensured communities affected by AIIB's investments have an opportunity to influence their impacts; and influence co-financiers to ensure better project outcomes.
- BIC Europe helps to sustain and build strong engagement from European civil society with AIIB.

Income vs Expense – qualitative analysis

KR Foundation

The expenditure by BIC Europe in the first seven months of the KR Fund campaign was in line with the projected budget in the grant agreement. BIC Europe published its first case study in accordance with the budget proposal and also signed two agreements with its consultants to work on the second and third case studies respectively. Inclusive Development International (IDI) and SOMO were contracted for this work. BIC Europe attended World Bank annual meetings in Washington DC and presented the new case study at these meetings, alongside our partners from IDI and the Philippines. This in accordance with the budget plan as well. Additionally, more meetings with Bank staff and Board were carried out, alongside further meetings with a few government representatives, all in accordance with pre-agreed action plan and budget. KR Fund is a three year grant. This grant was active for seven months in 2017. Within the first grant year, BIC Europe spent just over 30% of the budget, as planned.

Activity report from the Board

January – December 2017

Oxfam Hong Kong 1

The expenditure by BIC Europe of the OHK1 project grant largely matched the projected budget in the grant agreement. There were agreed adjustments to the budget and plans as follows:

- An agreement for use of contingency funding was agreed to extend the Berlin visit in March by two nights for two people (600 euros in total);
- An agreement to change the proposed India capacity building workshop to a CSO strategy meeting held in Jeju, South Korea in June 2017; and to enable BIC Europe staff to travel to the AIIB AGM; and associated budget changes related to this;
- A slight increase in the staff time budget agreed at the end of the project;
- Adjusted contingency and overhead expenditures;
- OHK1 staff time was allocated to specific tasks carried out as agreed under the grant and to budget; funds carried over result from staff salaries supported by BIC's DC office. BIC Europe and BIC were still operating as one in 2017. Due to this fact, most staff costs were paid for by the DC office to cover for initial operations in Europe. Our staff in Europe worked tirelessly to secure first grants, of which OHK and KR were the first ones. Because of this situation, some carryover into reserves fund were created. The billed hours were completed and the work carried out to the satisfaction of donors.

Oxfam Hong Kong 2

BIC Europe received the first tranche of the OHK2 grant in August 2017, to the amount of 29,945 euros. The expenditure by BIC Europe in the first five months of the OHK2 grant was less than anticipated due to agreements with partners taking time to implement. However, these activities have taken place in 2018 with full expenditure of the grant achieved. The workshop in India was held in March 2018; the AIIB AGM took place in June 2018; and two sub-grants to partners in Myanmar and India were made in early 2018.

**Activity report from the Board
January – December 2017**

2018 Forecast

In 2018, BIC Europe has secured a number of grants as follows :

ClimateWorks Foundation grant to support encouraging the AIIB to direct global investments to climate solutions Jan-Dec 2018 (\$150.016). The grant was received in our accounts end of 2017 but no expenditures occurred in 2017;

KR Fund: grant is active from June 2017. In 2018 BIC Europe will receive the second payment from the KR Fund in the amount of around 130,000 euros.

OHK2: from January to July 2018, BIC Europe will realise the remaining funds in this grant (70,024 euros) for the agreed grant objectives.

SSNC: The new grant from SSNC will be active until the end of 2020. In 2018, BIC Europe expects around 39,000 euros for the first year of the project to be disbursed. Some minor costs related to this new grant, which is being transferred from BIC DC to BIC Europe, were also incurred in 2017 as advance payment.

BIC (TMU): BIC Europe expects around 9,000 euros to be granted by TMU (through BIC DC) in 2018 to enable BIC Europe staff and partners' travel needs.

In addition, BIC Europe is working to widen its funding base, intending to secure grants from other funders.

Expenditures relating to OHK2 and KR Fund that were not realised in 2017 are being allocated to project activities under those grants in 2018 (and in the case of the KR Fund for the next two years). As all expenditure is allocated to specific grants and associated activities, realised results are added to the special purpose reserve. OHK1 staff time was allocated to specific tasks carried out as agreed under the grant and to budget; funds carried over result from staff salaries supported by BIC's DC office.

Activity report from the Board

January – December 2017

Staffing

In 2018, the Board of Stichting BIC appointed Nezir Sinani and Kate Geary as Co-Directors of BIC Europe, and is agreeing a number of new or strengthened policies on gender, risk, financial management, salary scale, procurement and several others, as well as agreeing a new employee handbook laying out terms and conditions of service.

In March 2018, BIC Europe took on an additional staff member, Petra Kjell, as Campaigns Manager, and in January 2018 also engaged a Communications Intern, Mari Jeanie Derillo, on a monthly stipend.

BIC Europe continues to share a substantial proportion of its income with partners, both internationally and in the global south, to build collaboration and solidarity in our work.

In September 2018 it is anticipated that the Board will approve changes to BIC Europe's statutes to enable further Board members to be appointed from the global south. This follows the appointment of two new Board members, Kristen Genovese and Pol Vandervoort in September 2017.

At present BIC Europe does not engage volunteers but does actively promote paid internships - starting with our new Communications Intern.

Signed for approval on behalf of the Board.

September 3rd, 2018

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M.E.M. Colchester
Chairman of he Board

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S.L. Ozinga
Board member

.....

S. Breitkopf
Board member

Annual Report 2017
Stichting Bank Information Center

- **Balance sheet**
- **Statement of Income and Expenditures**
- **Notes to the Balance Sheet and Statement of Income and Expenditures**

Review opinion issued

Stichting Bank Information Center

Balance sheet as at 31 december 2017
(after appropriation of result)

	31.12.2017	31.12.2016		31.12.2017	31.12.2016
	€	€		€	€
Assets			Equity and liabilities		
Current Assets			Share holders equity		
Trade and other receivables (1)	8.636	728	Retained earnings (3)	18.179	18.105
Cash and cash equivalents (2)	236.500	19.199	Special purpose reserve: (4)	57.175	18.105
Total assets	<u>245.135</u>	<u>19.927</u>	Current liabilities		
			Creditors (5)		
			Other liabilities, accruals and deferred income (6)	187.960	1.815
			Total equity and liabilities	<u>245.135</u>	<u>19.927</u>
					1.822

Statement of income and expenditures in 2017

	Realisation 2017		Forecasted Budget 2017		Realisation for the period 16-10-15 until 31-12-2016	
	€	%	€	%	€	%
Income from donors (7)	126.528	100,0	126.583	100,0	30.240	100,0
Payroll Expenses (8)	15.852	13	81.469	64	2.000	7
Total travel/selling expenses (9)	6.318	5	10.000	8	900	3
Total Office expenses (10)	10.173	8	11.249	9	514	2
Total General expenses (11)	4.279	3	-	-	1.964	2
Total Commissions and fees (12)	41.200	33	26.000	21	-	-
Other general and administrative expenses (13)	9.635	8	12.693	10	6.757	22
Total expenditures	87.457	69	141.411	112	12.135	35
Balance of income and expenditures	39.071	31	(14.828)	(12)	18.105	65

Notes to the financial statements

General Notes

Composition of the Board of Stichting BIC:

Name	Function
Saskia Luutsche Ozinga	director
Marcus Edward Medhurst Colchester	director/chairman
Susanne Breilkopf	director

Activities

The activities of Stichting BIC (Chamber of Commerce registration number 64363635), with statutory office in Amsterdam, mainly consist of the following:

BIC Europe advocates for social, ecological and economic justice by working in solidarity with communities to amplify local voices and democratise international development finance.

Our work focuses on two themes:

1. Rights and accountability: We support communities in their struggle for their rights to be respected and their voices to be heard, so that they benefit from rather than bear the costs of development.

Our current programme focuses on:

- The Asian Infrastructure Investment Bank and accountability
- Project finance at the Asian Infrastructure Investment Bank

2. Ecological justice: The climate crisis demands urgent action from IFIs: to stop bankrolling fossil fuels, promote renewable energy and energy access and stop forest destruction. But this must happen in a way that supports and does not undermine the livelihoods of local communities, but rather puts them at the centre of development decision-making.

Our current programme focuses on:

- The World Bank and energy access
- Financial intermediary lending and fossil fuels
- World Bank Development Policy Lending
- The Asian Infrastructure Investment Bank: Climate and Energy

Registered address

The registered and actual address of Stichting BIC is Sarphatistraat 30, 1018 GL Amsterdam.

Notes to the financial statements

Comparison with previous year

As per 2017 Stichting Bank Information Center has prepared the financial statements in accordance with RJ 640 'Organisaties zonder winststreven' (Organizations without profit intent). Where the method of accounting and or classification in 2017 deviates from 2016, the comparative figures have been adjusted.

Foreign currencies

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement. Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362, subsection 1, Book 2 of the Dutch Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

General Policies

The financial statements have been prepared in accordance with RJ 640 'Organisaties zonder winststreven' (Organizations without profit intent) as issued by the Dutch Accounting Standards Board. In general, if not specifically stated otherwise, assets and liabilities they are recognised at the amounts at which they were acquired or incurred. Income is allocated to the period in which it is realized. Losses are accounted for in the period in which they are foreseeable. The balance sheet and statement of income and expenditures include references to the notes.

Notes to the financial statements

Principles of Valuation of Assets and liabilities

Trade and other receivables

Upon initial recognition receivables are recognized at fair value and subsequently measured at amortized cost.

If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues using the effective interest method.

Interest gains are recognized. Any provision for doubtful accounts deemed necessary is deducted. These provisions are determined by individual assessment of the receivables. When a trade receivable is uncollectable, it is written off against the provision for trade receivables.

The receivables are due within one year.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than one year. Overdrafts at banks are recognized as part of current liabilities. Cash and cash equivalents are carried at nominal value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Current liabilities

Upon initial recognition current liabilities are recognized at fair value and subsequently valued at amortized cost.

The current liabilities are due within one year.

Equity

Equity that is freely available will be categorized in the balance sheet under retained earnings. Equity that is allocated by the board to specific purposes and projects will be categorized under the special purpose reserves. The special purpose reserves are further disclosed in the "notes to the balance sheet".

Notes to the financial statements

Principles for the determination of the result

Results

The result is determined based upon the difference between income and expenditures taking into account the accounting principles mentioned before.

Income and expenses are accounted for on accrual basis.

Results are realized in the year the corresponding services are performed. Losses originating before the end of the financial year are taken into account if they are foreseeable.

Income

The income is accounted for proportionally to the period in which the underlying services are performed. The costs of these services are accounted for in the same period.

Activity costs & Other expenses

General costs and activity costs are being allocated to the year to which they relate.

Personnel

In 2017 on average 2 staff members (2016: 2) were employed on a full time basis. Staff was paid by DC office for most of the year.

Notes of the balance sheet as at december 31, 2017

Assets

Stichting Bic

Current assets

	<u>31.12.2017</u>	<u>31.12.2016</u>
	€	€
<i>Trade and other receivables (1)</i>		
prepaid expenses N. Sinani	-	172
Prepaid expenses K. Geary	2.124	556
Prepaid SSNC expenses	1.525	
Donations to be received Oxfam 1	4.987	-
	<u>8.636</u>	<u>728</u>
	<u>31.12.2017</u>	<u>31.12.2016</u>
	€	€
<i>Cash and cash equivalents (2)</i>		
Triodosbank	236.500	19.199
	<u>236.500</u>	<u>19.199</u>

Part of the cash that has been accounted for at 31 december is not freely available. The cash is to be used for the realisation of certain projects on behalf of donors as specified in the special purpose reserve. This is disclosed under equity.

Stichting Bank Information Center

Equity and liabilities

	<u>31.12.2017</u>	<u>31.12.2016</u>
	€	€
Share holders equity		
<i>Retained earnings (3)</i>		
Carrying amount as at 1 january	18.105	-
Balance of income and expenditures	39.071	18.105
Allocation to the special purpose reserve	(38.996)	
Carrying amount as at 31 december	<u>18.179</u>	<u>18.105</u>

The retained earnings as per year end relate to the cumulative result on the Oxfam Hong Kong 1 project. For further disclosure referral is made to the notes of the income statement.

<i>Special purpose reserve: (4)</i>		
Addition to special purpose reserve KR Fund	24.001	-
Addition to special purpose reserve Oxfam 2	14.995	-
Carrying amount as at 31 december	<u>38.996</u>	<u>-</u>

The special purpose reserves are not freely available. The cash is to be used for the realisation of certain projects. The retained earnings are freely available

	<u>31.12.2017</u>	<u>31.12.2016</u>
	€	€
Current liabilities		
<i>Creditors (5)</i>	-	7
	<u>-</u>	<u>7</u>
<i>Other liabilities, accruals and deferred income (6)</i>		
Received in advance KR Fund	55.902	
Received in advance Climate Works Foundation	125.667	-
Taxes and social security premiums Payable	1.315	-
Payable accountant costs	5.075	1.815
	<u>187.960</u>	<u>1.815</u>

Notes of the income statement for the year 2017

	Realisation 2017		Forecasted Budget 2017		Realisation 2016	
	€	€	€	€	€	€
Benefits						
Income from donors (7)						
Oxfam Hong Kong 1	18.322		18.322		30.240	
KR Funds	78.261		78.261			
Oxfam Hong Kong 2	29.945		30.000			
Total income		<u>126.528</u>		<u>126.583</u>		<u>30.240</u>
Payroll Expenses (8)						
Total Payroll expenses		15.852		81.469		2.000
Travel expenses - selling expenses (9)						
Total Travel expenses - selling expenses		6.318		10.000		900
Office expenses (10)						
Total Office expenses		10.173		11.249		514
General expenses (11)						
Total General expenses		4.279				1.964
Commissions and fees (12)						
Total Commissions and fees		41.200		26.000		
Other general and administrative expenses (13)						
Total Other general and administrative expenses		9.635		12.693		6.757
Total expenditure **		<u>87.457</u>		<u>141.411</u>		<u>12.135</u>

** All costs are allocated to specific grants.

* The actual payroll expenses are significantly lower than budgeted. This is caused due to the fact that during 2017 these expenses were in part paid for by BIC in Washington DC. In accordance with the communication with donors, some of these salaries paid were not accounted for as expenses under the grant agreements and management expects the remaining budget available to be spent in 2018 by Stichting BIC; other expenses were accounted for as expenses under the grant agreement.

The boardmembers did not receive any compensation in 2017.

Stichting Bank Information Center

Signed for approval on behalf of
the Board

September 3rd, 2018

.....
M.E.M. Colchester
Chairman of he Board

.....
S.L. Ozinga
Board member

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S. Breitkopf
Board member