



ANNUAL REPORT
2012



Child and Youth Finance International

Annual Report 2012

Acknowledgements

Child and Youth Finance International would like to thank all of our sponsors for their generous support in 2012. With the kind and generous support of these organizations, Child and Youth Finance International has been able to undertake the activities listed below during 2012.

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We would like to thank those funders that make the work of the Child and Youth Finance International Secretariat possible. Those listed below have provided us with € 15.000 or more in support during 2012.

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Letter from the Secretariat

Dear Reader,

Welcome to the 2012 Child and Youth Finance International Annual Report. It is our pleasure to highlight the efforts of the network during the past year. 2012 was a busy and productive year for all of us in Amsterdam. In April we held the first ever Annual Summit here in Amsterdam. With 346 participants from 83 countries attending the adult section of the summit and 70 participants from 40 countries attending the youth part of the summit, it was a bigger success than we had initially hoped for. One of the main highlights from the youth summit was that the youth created their own list of demands asking for child and youth friendly banking products and policies, which were presented to the G20 in Mexico and will be used in their indicators for financial inclusion. One of the biggest successes of the adult part of the summit was that this was for the first time a global gathering of stakeholders ready and willing to work on this topic. The Summit was able to highlight the need of child and youth friendly financial education and banking products and set the stage for the creation of regional and national platforms that will take on the topic at these two respective levels.

Emerging from the Summit in April, the network requested the Secretariat to focus some of our efforts on creating these regional platforms where ideas can be shared and relevant stakeholders can coordinate and create their own regional strategy and, further on, national strategies. From October to December 2012, the CYFI Secretariat organized a series of five regional meetings around the world. In total, the Meetings brought together over 800 senior level participants from 105 countries from across the globe, bringing together organizations from a several different industries, sharing the common goal of Economic Citizenship and Financial Access.

Details of these events and many more can be found in the following report. With your help, we look forward to advancing the agenda of economic rights of children and youth around the world in the following year!

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Chapter 1

Introduction to Child and Youth Finance International

Chapter 1

Introduction to Child and Youth Finance International

1.1 About Child and Youth Finance International

Child and Youth Finance International (CYFI) leads the world's largest Movement dedicated to enhancing the financial capabilities of children and youth. Launched in mid-year 2011, the Movement has already spread to over 100 countries and has reached more than 18 million children.

The Movement leverages expertise and innovation from within its network of global organizations. Its partners and supporters include financial authorities and some of the world's leading financial institutions, international NGOs, multilateral foundations, renowned academics, and without a doubt, children and youth.

The Movement has one central objective: increase the economic citizenship of children and youth. This means giving all children and youth aged 8- 18 the knowledge to make wise financial decisions, the opportunity to accumulate savings, and the skills to find employment, earn a livelihood and ultimately break the cycle of poverty.

1.1.1 Rationale

Children and youth are the future economic actors whose financial decisions will dictate the future of world economies. Promoting a positive financial culture in children and youth is essential to ensuring a financially capable population, able to make well-informed decisions.

Communities will benefit, as a new generation of financially capable children and youth grow up to be responsible investors and entrepreneurs. Such important skills and experiences of managing financial resources at an early age can allow for lessened financial vulnerability thereby reducing the risk of poverty caused by debt.

The recent financial crisis has highlighted the need for savings and prudent financial management for all persons. This is especially true for children and youth, who are a particularly vulnerable age group. Promoting a positive financial culture in children and youth is essential to ensuring a financially literate population, capable of making well-informed decisions and of lowering financial vulnerability and risk.

The Mission of Child and Youth Finance

International is to Empower all children and youth across the world, particularly those who are vulnerable and marginalized, by increasing their financial capability, enhancing their awareness of social and economic rights and improving their access to appropriate financial services so as to build their assets and invest in their own futures.

“I strongly support helping young people gain greater financial literacy as well as better access to services that will lead the way to employment, entrepreneurship and investing opportunities.” **UN Secretary General Ban Ki-Moon in his letter to the First Annual Child and Youth Finance International Summit**



1.2 The Movement’s Roadmap

Through a consultative process with the world’s experts in their respective fields, Child and Youth Finance International has created a strategic roadmap to guide it towards fulfilling its goals and achieving its mission. At the core of this roadmap are the different focus areas of the Movement. These reflect the Movement’s combined macro and micro levels focuses: building the necessary financial knowledge, skills on an individual level, and on reshaping systems on the macro level – systems including the financial, regulatory, educational, technological or otherwise.

The focus areas, and the goals of each focus area are as follows:

| Global Platforms | Regional Platforms | Innovations |
|---|---|--|
| <p>Goal Place children and youth’s economic rights and economic citizenship on global agendas.</p> | <p>Goal 100 countries have an action plan for Child and Youth Finance activities in their countries, and celebrate Global Money Week</p> | <p>Goal Ensure the voices of children and youth are heard, and when possible, that their voices are spread through new and existing technologies.</p> |

Economic Citizenship Education and Financial Inclusion
Goal 100 million children and youth have access to Economic Citizenship Education and appropriate financial products by 2015.

To ensure that these goals are achieved, partners of the Child and Youth Finance Movement have committed to create the necessary programs, provide necessary services and/or re-examine policies.

1.2.1 Economic Citizenship Education and Financial Inclusion

Goal: to ensure that 100 million children and youth have access to Economic Citizenship Education appropriate financial products by 2015.

Financial inclusion and Economic Citizenship education are two themes which run across all the activities of CYFI. Financial inclusion refers to the Movement's efforts to increase access to appropriate financial services for children and youth. Economic Citizenship has been defined by Movement partners as an education which combines social, financial and livelihoods components. CYFI places a great emphasis on ensuring that financial education and financial inclusion are simultaneously provided to young individuals in order for them to gain both the knowledge and experience of financial realities.

1.2.1.1 Economic Citizenship Education

As a result of working group input, Economic Citizenship Education is defined by the Child and Youth Finance Movement as an education which combines

- social education
- financial education and
- livelihoods education

The term "Economic Citizenship" emerged as a suggestion from members of the United Nations Committee on the Rights of the Child.

This concept evolved with the active participation of over 50 NGOs and Education Service Providers. Members of the CYFI Education Working Group, chaired by UNICEF and OECD, pooled their knowledge and shared their expertise to create the concept of Economic Citizenship Education. With these efforts, the Movement is ensuring a coordinated collaboration and a unified approach to Economic Citizenship Education globally.

1.2.1.2 Child and Youth Financial Inclusion

Providing access to banking services to children and youth under the age of 18 is a critical component in the overall process of equipping them for financial and social security as adults. Research has shown that only providing children and youth education in financial and social skills without also providing appropriate financial services and inclusion in the financial system is not sufficient. Therefore Child and Youth Finance

International has set up Inclusion as a critical part of its program. Inclusion involves the creation of the legal and regulatory environment as well as the development and delivery of banking services appropriate for children and youth from birth to adulthood. CYFI brought together representatives from financial regulatory authorities and financial institutions to create the criteria for Child and Youth Friendly banking products. From these criteria, a product prototypes can be created, which can be further modified by interested financial institutions. Child and Youth Finance International plans to support use of existing and new technologies such as biometrics and mobile banking by banks. Child and Youth Friendly banking certification will also be implemented.

1.2.2 Global Platforms

Place children and youth's economic rights and economic citizenship on global agendas.

The global platform links global actors and provides a basis for knowledge sharing to accelerate implementation and innovation. The Annual Summit serves as the knowledge sharing platform, where individuals can come together once per year and learn about innovations and best practices occurring throughout the world. The aim is to have Child and Youth Finance become a regular topic of discussion amongst such global bodies as the G20 and the Basel Committee. Apart from this, Child and Youth Finance Day/Week serves to link children and youth around the world in the collective efforts of promoting Economic Citizenship education and financial access. All of this will be spread throughout the network by the Communications Department.

1.2.3 Regional Platform

Goal: To ensure that 100 countries have an action plan for Child and Youth Finance and celebrate Child and Youth Finance day/week.

Child and Youth Finance International has developed a framework for appropriate Child and Youth Finance country platforms at the national level for the delivery of Child and Youth financial education and access to safe and appropriate banking services. The execution of this framework in country will involve a coordinated effort to engage representatives from relevant government ministries, financial service providers/

regulators/associations, corporations, civil society, teachers associations and academia. Each year, CYFI will coordinate regional meetings that will bring together actors in each of the 5 regions (Africa, Americas, Asia, Europe and MENA) in order to share best practices in the region and get as many national platforms started as possible, scaling up when able.

1.2.4 Innovations

Goal: To ensure that the Movement listens to the voices of the children and youth and when possible capitalizes on and is spread through new and existing technologies.

The innovations workstream has a two-fold approach. First and foremost, CYFI is a young and fresh movement led by the voices of the world's children and youth.

Therefore CYFI is committed to engaging with children and youth to ensure that they are constantly being heard. The most visible way this is done at CYFI is through the Youth Summit held yearly, where by children and youth from around the world gather together to share their opinions and thoughts on Economic Citizenship education and inclusive finance.

The second part of the innovations approach is in keeping with the young and fresh approach by exploring new and existing technologies that can assist in the development and delivery of financial inclusion and Economic Citizenship education.



Chapter 2

Activities Within the Movement

Chapter 2

Activities Within the Movement

Child and Youth Finance International has four main strategic objectives which guide its decision making, activities, partnerships and investments:

Education and Inclusion- The main objective of education and inclusion is to help children and youth under the age of 18 gain access to high quality Economic Citizenship education and safe and reliable banking services. We want to ensure that inclusion is to ensure that 100 million children and youth have access to high quality Economic Citizenship education and appropriate child-friendly financial products by 2015.

Global Platforms- On international level continue to create alliances among policymakers and financial regulators to further increase Economic Citizenship education and access for children and youth at national levels.

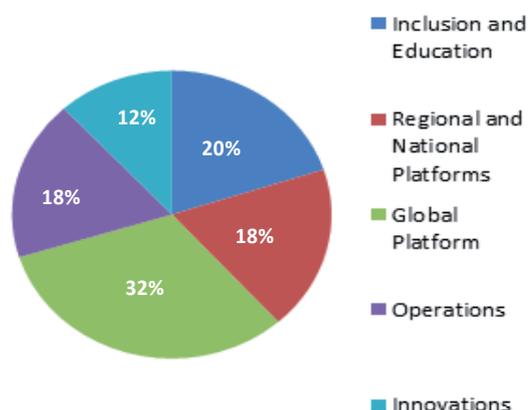
Regional and National Platforms- Building and maintaining national and regional collaborations and networks. We wish to ensure that 100 countries have or are developing national strategies for the inclusion of children and youth in the financial sector by 2015.

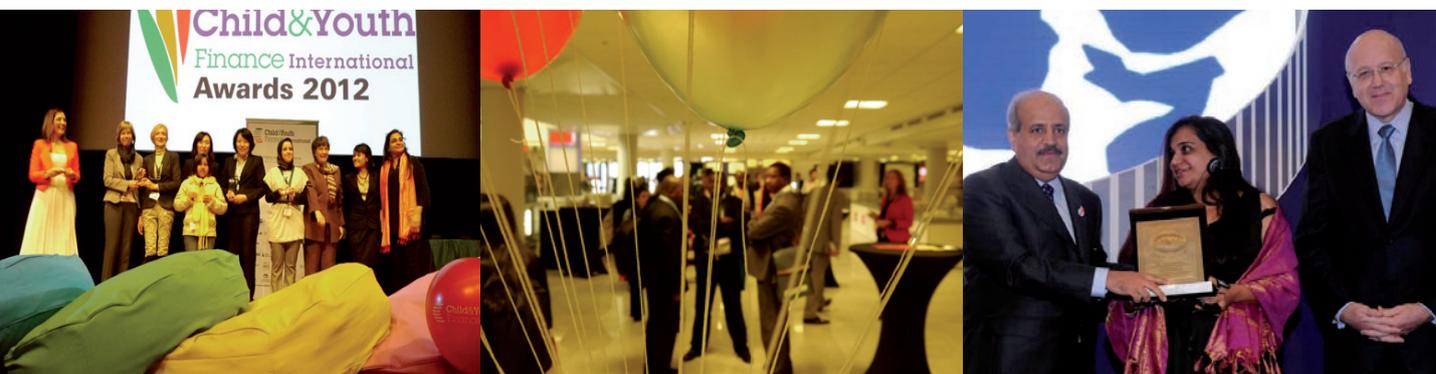
Innovations: Develop and check the feasibility of innovations which can support the goals of the Movement and which are based on the Movements needs.

The major activities during the first full year of Child and Youth Finance International (CYFI) have been focused on all four objectives, with a substantial amount of time and effort dedicated with global and regional platforms as we held our first ever global summit and regional meetings in 2012. Following the Summit in April 2012, CYFI began a rapid growth in the engagement of the key stakeholders from regulatory authorities, private financial institutions, NGOs, bilaterals and multilaterals and academia.

Euro spent on Strategic Objectives in 2012

| Objectives | % of cost | Euro amount |
|-------------------------|-----------|-------------|
| Inclusion and Education | 20% | 180.385 |
| Regional Platforms | 18% | 166.933 |
| Global Platforms | 32% | 287.918 |
| Innovations | 12% | 106.951 |
| Operations | 18% | 162.477 |





2.1 Strategic Objective 1- Education and Inclusion

2.1.1 Economic Citizenship education framework

In April of 2012 the Secretariat launched the Economic Citizenship Education Framework. Through its expert council composed of education professionals, CYFI has over the course of a year developed an education document for organizations looking to implement an educational programme that adheres to the principles of Child and Youth Finance education. This document details key learning outcomes that should be seen in various lifestages of children and youth and is the direct result of input from over 50 NGOs, multilaterals and bilaterals. While this document went through a very lengthy creation and review process, it will be a living document, one that will continually integrate learnings coming from our partners in the field in an effort to ensure we are providing the highest quality document to our network.

2.1.2 White Paper

In April of 2012 the Secretariat launched the academics-led review of literature examining the links between economic citizenship education and inclusion and how these impact empowerment of children and youth and their financial capability. The results of the review were encouraging, but also showed us that there is still much work to do in the field in order to reach our goals by 2015.

2.1.3 Children, Youth and Finance

Children Youth and Finance is the organization's annual flagship document. It compiles data gathered from within the network to document the state of the Movement and provides an analysis of current trends and gaps which need to be addressed. In its first edition for 2011, the document provided the baseline upon which the Movement's outreach and impact will be measured in future years. In this first ever compilation, the data gathered showed that the Child and Youth Finance Movement had reached 18 million children in 2011.

2.1.4 Network Growth

During 2012 CYFI spent a lot of its efforts in engaging new potential providers of economic citizenship education and those giving financial access to children and youth. Through these outreach efforts we are able to bring more organizations into the network.

2.1.5 Certification Guide

In April of 2012 CYFI launched the Certification Guide. In the first quarter of 2012 an extensive public consultation, with over 50 organizations taking part was undertaken to ensure that the highest quality publication was extended to the network. The initial document was created thanks to the efforts of our pro-bono partners Deloitte, Houthoff Buruma and KPMG.

2.1.6 Certification

In the 3rd quarter of 2012 with the assistance of KPMG and Deloitte, an online certification tool was launched which will allow the Secretariat to begin conducting certifications of the products of partnering financial institutions. By the end of 2012 three financial institutions had begun the process of certifying their products, with results expected in the second quarter of 2013.

2.1.7 Partnership Process

In the second half of 2012 the Secretariat was able to formally launch the partnership process for organizations wishing to join the CYFI network. By the end of the year dozens of organizations had joined the CYFI movement, with many others saying that they would join the movement formally in 2013 and give their commitment to helping ensure the network reaches its targets by 2015.

2.1.8 Whats ahead in 2013

In 2013 CYFI plans to have partnerships with at least 50 organizations and certification complete for 5 financial institutions.



2.2 Strategic Objective 2 - Global Platforms

On an international level continue to create alliances among policymakers and financial regulators to further increase Economic Citizenship education and access for children and youth at national levels.

2.2.1 The First Annual Summit

The First Annual Child and Youth Finance Summit & Awards Ceremony was held in the Netherlands and saw the launch of the Child and Youth Finance Movement. 346 participants from 83 countries attended the Summit. The Summit had the following objectives:

- To share insights and experience from expert in different fields
- To share innovations and best practices in delivering financial education and financial inclusion for youngsters
- To create partnerships and strengthen collaborations for Child and Youth Finance activities
- To share the voices of children and youth on the financial issues that most affect them

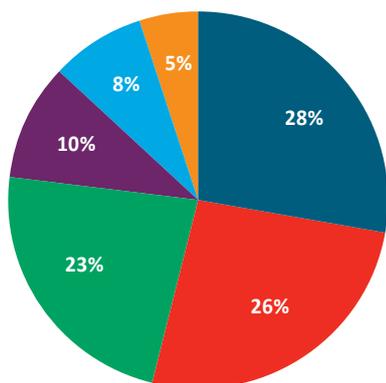
The Summit served as an important platform for gaining inputs from the CYFI Network into the strategic direction of the Movement and the needs for the Movement Partners.

The Summit enjoyed a number of highlights, including a letter of support from the United Nations Secretary General, a commitment from the Mexican G20 Secretariat to take on the issues of financial inclusion for youth, and direct interaction between children, youth and adult participants. Summit outcomes included:

- Declarations of commitment by meeting participants on their contribution to the Child and Youth Finance Movement.
- Documentation of innovations and sharing through online platforms and other media
- Creation of regional platforms and actions plans for undertaking Child and Youth Finance activities at national and international levels
- Joint efforts to carry out Global Money Week events
- Forming of alliances between organizations and individuals in similar and/or different sectors
- Documenting the top recommendations by children and youth for policy reform for increasing financial capabilities of youth

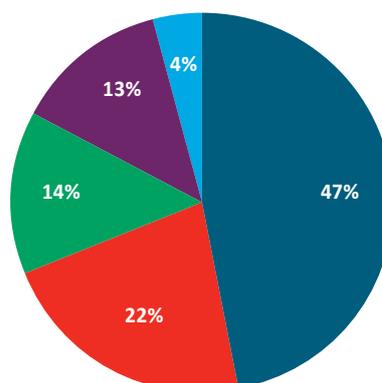
A specific request to emerge from the participants of the Summit was for Child and Youth Finance Meetings to take place at the regional level. This resulted in 5 Regional Meetings in the second half of the year.

**CYFI Summit 2012
Representation by Sector**



- Financial Institutions/Banking Associations&Networks
- (I)NGOs
- National Authorities
- Bi- or Multilateral Institutions
- Researchers and Academics
- Other

**CYFI Summit 2012
Representation by Region**



- Europe and Central Asia
- Americas and the Caribbean
- Africa
- Asia and the Pacific
- Middle East and North Africa

2.2.2 Child and Youth Finance Day/Week

In March of 2012, the Secretariat held the first ever Child and Youth Finance Day/Week in collaboration with its network partners. The week was officially kicked off with the Managing Director of CYFI, Jeroo Billimoria, in New York ringing the bell at Nasdaq. During the week 33.000 children and youth from 21 countries undertook activities designed to increase their knowledge and awareness of the topics.

Examples of activities that took place across the world during Global Money Week are described below:

- Ringing of the NASDAQ stock exchange: Child and Youth Finance International was twice invited to ring the NASDAQ opening bell to celebrate Global Money Week in 2012 and 2013.
- Visits to banks –Children and youth visited banks and other financial institutions to learn about how they work!
- Workshops and lessons in schools and centers – Children and youth enjoyed financial education lessons in schools and universities.
- Global web chat- Youngsters connected via web chats to share their experiences.

2.2.3 Advocacy

Advocacy travel has been very important for the organization throughout the year with much of the travel being done by the Managing Director. It was actually hoped that the Managing Director would not need to travel as much, but speaking opportunities with some of the global “changemakers” have kept presenting themselves giving CYFI a chance to really put the economic rights of children and youth on the agenda of organizations such as OECD, the G20 and the UNCRF. Staff have been doing most of the lower level conference travel only when speaking opportunities are available. As a result of this, the Secretariat has been able to gain multiple new stakeholders into the movement thus creating more linkages between the potential funders, implementers and policymakers. During the latter part of the 3rd quarter and most of the 4th quarter of the year, at least one person from the Secretariat was at a regional or global conference every week. All of this travel has led the CYFI network to grow by roughly 300% in 2012, and getting endorsements from such key organizations as the UN and the G20

2.2.3.1 Support from the UN Secretary General

The Child and Youth Finance Movement has enjoyed the support of the UN Secretary General. In his letter to the CYFI Annual Summit 2012, the UN Secretary General wrote: “I strongly support helping young people gain greater financial literacy as well as better access to services that will lead the way to employment, entrepreneurship and investing opportunities.”

2.2.3.2 Working with the G-20

The Movement has also worked closely with the Mexican G20 Presidency on emphasizing the importance of financial access for children and youth. Paragraph 53 of the G-20 leaders declaration states “*We recognize the need for women and youth to gain access to financial services and financial education*”.

CYFI also played a facilitative role at the Y20 event in which children and youth also expressed their desire for increased financial education and financial inclusion.

- Child and Youth Finance International spread the messages of the Movement by ringing the NASDAQ opening bell to mark Global Money Week. This year’s bell-ringing ceremony was celebrated in collaboration with UNCDF.

- Child and Youth Finance International’s Managing Director Jeroo Billimoria was awarded by the Union of Arab Banks for the achievements of the Child and Youth Finance Movement. Among the other awardees was Managing Director of the IMF Christine Lagarde.

- CYFI was a semi-finalist of the Mexico G2012 Financial Inclusion Challenge: Innovative Solutions for Unlocking Access in the G20 competition. CYFI’s proposal, Schoolbank, was among the top 12 of 257 entries from 62 countries. As a semi-finalist, CYFI was invited to attend the high-level delegation meeting organized by G20 to mark the conclusion of Mexico’s Presidency of the G20.

2.2.4 Whats ahead in 2013

- In April of 2013 CYFI will again hold its Child and Youth Finance Day/Week. CYFI is expecting to surpass the total number of organizations and children and youth participating, with events at financial institutions, special school lessons, and live video chats between children and youth around the globe.
- The Annual Summit for 2013 is being held in Istanbul, Turkey under the patronage of the Capital Markets Board of Turkey in collaboration with the Istanbul Stock Exchange and the Central Bank of Turkey. CYFI is expecting over 400 participants from 100 countries at this event.

2.3 Strategic Objective 3- Regional Platforms

The objective of Regional Platforms is to build and maintain national and regional collaborations and networks. We wish to ensure that 100 countries have or are developing national strategies for the inclusion of children and youth in the financial sector by 2015.

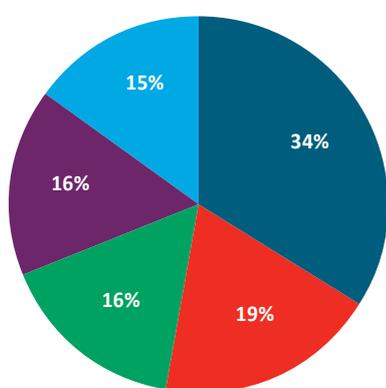
2.3.1 Implementation Guide

Launched in April 2012, the Country Implementation Guide outlines proposed strategies for implementing Child and Youth Finance activities in countries. The guide also gives practical suggestions on things that have been done or could be done to achieve maximum outreach and impact.

2.3.2 Regional Meetings

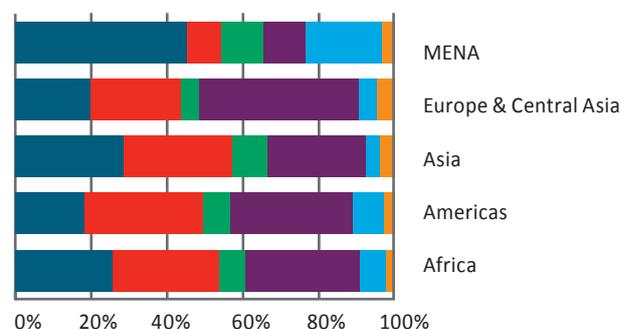
From October to December 2012, Regional Meetings were held at the requests of participants of the Child and Youth Finance Annual Summit. Five meetings were held for each of the five regions in which the Movement works. In total, the Regional Meetings brought together over 800 senior level participants from 105 countries in the different areas of the world. The Meetings took place in Mexico, Belgium, Nigeria, Lebanon and the Philippines. Youth representatives were present at all the meetings and shared their feedback directly with the participants.

Regional Breakdown at CYFI Regional Meetings



- Europe and Central Asia
- Asia and the Pacific
- Americas and the Caribbean
- Africa
- Middle East and North Africa

Industry Representation at CYFI Regional Meetings



- (I)NGOs
- Financial Institutions/Banking Associations
- Bi- or Multilateral Institution & Foundations
- National Authorities
- Other
- Researchers and Academics



Americas and the Caribbean

Europe and Central Asia

Africa

Americas and the Caribbean

This meeting for the Americas and the Caribbean took place in **Mexico** in October 2012 as one of the activities within the framework of the Mexican G20 presidency. It brought together 132 participants from 17 countries. The Meeting was inaugurated by *Mexican Minister for Youth Mr. Miguel Ángel Carreón* and the *Mexican Minister of Education Mr. José Angel Córdova Villalobos*.

Key issues for the region included: Financial education for out-of-school children, the role of civil society in disseminating financial education, strategies for increasing financial access for children and youth and undertaking research and impact assessment on these issues.

Europe and Central Asia

The meeting was held in **Belgium** in November 2012 and was hosted by the Financial Services Regulatory Authority of Belgium (FSMA). It brought together 130 participants from 36 countries. The meeting was inaugurated by *HRH Princess Mathilde of Belgium*. Giving introductory addresses were The Vice-Prime Minister and Minister of Finance of Belgium *Mr. Steven*

Vanackere, and the *Chairman of the Belgian Financial Services and Markets Authority, Mr. Jean-Paul Servais*. *President of the European Council, Mr. Herman van Rompuy*, shared a video message in which he highlighted his support for the Movement.

Key issues for the region included: Tackling youth unemployment, integrating financial education into national curricula and creating pan-European strategies for financial inclusion and education for youngsters.

Africa

The first CYFI Regional Meeting for Africa took place in **Nigeria** in October 2012, under the patronage of Mr Mallam Sanusi Lamido Sanusi, the Governor of the Central Bank of Nigeria. CYFI's Meeting was inaugurated by *Deputy Governor of the Central Bank of Nigeria, Mr Tunde Lemo*. The CYFI regional meeting brought 145 participants from 17 African countries.

Key issues for the region included: promoting youth entrepreneurship, increasing financial literacy in formal and informal education centers and stimulating increased financial inclusion for youngsters.



Mena



Asia and the Pacific

MENA

The first Child and Youth Finance Regional Meeting for the Middle East & North Africa took place in **Lebanon** on November 2012, . The meeting was held as an integrated agenda with the Annual Summit of the Union of Arab Banks. The Regional Meeting was inaugurated by the *Lebanese Prime Minister Mr. Najib Mikati and Minister of Justice in Lebanon, Mr. Shakib Kortbawi*. The meeting brought together 350 participants from 15 countries to focus on expanding the Child and Youth Finance Movement in the region.

Key issues for the region included: spurring economic growth and stability through tackling youth unemployment and increasing financial literacy at secondary schools, primary schools and universities.

Asia and the Pacific

The Meeting for Asia and Pacific took place in the **Philippines** in December 2012 at the offices of the Central Bank of Philippines, where it was inaugurated by *Mr. Amando M. Tetangco, Jr., Governor of Bangko Sentral ng Pilipinas*. 90 Representatives from 20 countries were present at the meeting.

Key issues for the region included: An emphasis on financial access through formal and informal banking, a desire for technological solutions to overcoming financial barriers and a focus on creating the necessary regulation for facilitating these efforts.

2.3.3. What Ahead in 2013

In 2013, CYFI is planning on holding 5 regional meetings in Europe, the Americas, Africa, Asia and MENA. The exact locations are to be determined in consultation with governmental partners in each of the regions.

“Let me start by congratulating the Child and Youth Movement with its achievements so far. In a short amount of time, the Movement has grown significantly.” **Herman Van Rompuy, President of the European Council**



2.4 Strategic Objective 4- Innovations

2.4.1 Child and Youth Engagement

As a Movement dedicated to children and youth, CYFI ensures that youth are offered a platform through which they can offer their inputs on the strategic direction and priorities of the Movement. The participation of children and youth is ensured through their attendance at the Annual Summits, as well as through CYFI's dedicated platform financanadme.org. Through this, they are able to share their stories on entrepreneurship, employment and the other manners in which finance affects their day to day life. Through social media platforms, they are also invited to share their opinions and thoughts, through direct interaction, polls and surveys. In 2012, children and youth offered feedback to the Basel Committee's Core Principles on Banking Supervision through the online consultation process. This involved youth from 12 countries.

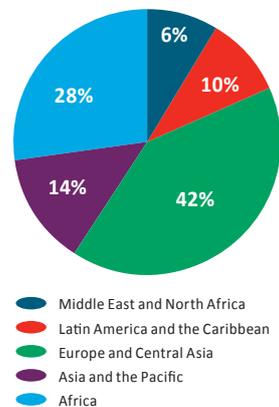
Linked to the annual Summit in 2012 was the Children's and Youth's Meeting, which brought together 70 young people aged 8 to 18 from over 40 countries. Through a series of games and activities, they were able to share about the financial issues that most mattered to them. They also had the opportunity to share their own financial policy recommendations with policymakers. The recommendations are outlined below:

1. Provide financial literacy education
2. Create child friendly banks
3. Encourage youth led enterprises
4. Create more equitable trade between developed and developing countries
5. Create awareness of youth finance
6. Support mobile and web-based banking

2.4.2 Technology

Through technology, CYFI is examining how existing, new and innovative technology can be used to disseminate Economic Citizenship Education and facilitate financial access for children and youth. One such initiative is CYFI's SchoolBank project. The project aims to provide safe, low cost and structured ways of saving for children and youth. It advocates applying mobile banking technology or branchless banking technology in creating access to formal channels of saving and using schools (or community centers, non-formal education organizations, etc.) in facilitating the provision of financial access and financial education.

CYFI Children and Youth Summit 2012
Representation by Region



2.4.3 What's ahead in 2013

CYFI will further ensure the participation of children and youth through a dedicated website and further social media outreach. We will work closely with mobile operators and other technology providers to explore mobile-based banking solutions.

“What some of us don't notice is that some parents aren't even trying to teach us about money. I think 8 is the right age for a child to have money. If a bank teaches a child to save that will grow our economy.” **Child aged 16, participant at the Child and Youth Finance Annual Summit**

Chapter 3

Governance, Supervisory Board and Secretariat Team

Chapter 3

Governance, Supervisory Board and Secretariat Team

3.1 Supervisory Board

Child and Youth Finance International has been established as a not-for-profit Dutch foundation with a two-tier board governance structure. The Supervisory Board is comprised of representatives from banking networks, NGOs, development foundations, multilaterals, academic institutions and corporations. The Supervisory Board is primarily responsible for strategy and selection and oversight of the Managing Board members who will be responsible for the daily operation of activities coordinated through the Child and Youth Finance International Secretariat.

Members of the Supervisory Board are appointed to two year terms and can be reappointed. Members of the Supervisory Board are appointed by the Supervisory Board in accordance with a profile drawn up by the Nominations Committee and confirmed by the Supervisory Board.

The directors of the Supervisory Board do not receive a salary or any other compensation for their work. During 2012 the Supervisory Board met in-person twice and twice telephonically. The Supervisory Board met in April and November in person and held a telephonic call in May and again in December. The purpose of these meetings was to review the overall progress and achievements of the organization and review the strategy following the International Summit held in 2012. The Supervisory Board was made up of the following members in 2012:

3.1.1 General Supervisory Board

***Andre LaBoul** – André Laboul is the Head of the Financial Affairs Division at the “Organisation for Economic Co-operation and Development” (OECD); This Division is responsible for financial markets, private insurance and private pensions issues and is servicing the eight OECD related financial Committees and Groups.

***Beth Porter** – Beth Porter is Policy Advisor at UNCDF where she provides policy guidance and support to the global team on financial inclusion. Beth previously launched and directed the YFS-Link initiative at Making Cents International to build the capabilities of financial services providers and youth-serving organizations in youth-inclusive financial services.

Bob Friedman – Bob Friedman is general counsel, founder and chair of the board of CFED, based in San Francisco, United States. A recognized leader in economic development innovation, Bob has contributed to the development of the U.S. microenterprise field, flexible business networks, state and federal entrepreneurial policy, and innovative benchmarking tools, like CFED’s Assets and Opportunity Scorecard.

Chris de Noose – Chris de Noose is the Managing Director of the World Savings Bank Institute and, the network leader of savings banks based in Brussels, Belgium.

Fiona Macaulay – Fiona Macaulay is the Founder and Chief Executive Officer at Making Cents International, a social enterprise dedicated to equipping youth and adults with the vision, confidence, and skills to find quality employment or to create and grow their own businesses, based in Washington D.C., United States.

Henrik Naujoks – Henrik Naujoks is a Director and Partner at Bain & Company in Germany. He is heading the EMA Financial Services Practice. Henrik has also been instrumental in the World Economic Forum’s Young Global Leaders Programme.



Herve Guider – Herve Guider is the Secretary General of the European Association of Cooperative Banks, the network leader of cooperative banks in Europe based in Brussels, Belgium.

Jaap Doek – Professor Jaap Doek is a global authority in the field of Child Rights and was formally the Chairperson of the UN Committee on the Rights of the Child. Jaap is the Chair of the Board of Aflatoun, based in The Netherlands.

Jacques Buith – Jacques Buith is the Managing Partner of Deloitte Enterprise Risk Services in The Netherlands. Jacques has committed his firm’s resources to strengthening internal controls in Child and Youth Finance and also perform the internal audit.

Koen Vermeltfoort – Koen Vermeltfoort is a Partner at McKinsey & Company in The Netherlands. Koen began working with Jeroo a few years ago and has since that point provided much assistance in strategic consultancy.

Lew Mandell – Lew Mandell is a Professor Emeritus of Finance and Managerial Economics at the University of Buffalo in the United States. Lew has published 21 books on consumer finance and is considered one of the authorities in the academic study of financial education.

Luis Felipe Derteano – Luis Felipe Derteano is the President of Grupo ACP. Grupo ACP is a financial institution developing a range of complementary activities that provide entrepreneurs in small and micro businesses and emerging segments with the tools and access ways they need to successfully overcome their social and economic exclusions.

Mary Hagerty – Mary Hagerty is the First Senior Vice President and Global Chief of Financial Literacy at Operation Hope, an NGO working to expand economic opportunity in underserved communities through economic education and empowerment located in California, The United States.

Michael Sherraden – Michael Sherraden is the Founder of the Center for Social Development at the University of Washington at St. Louis located in Missouri, the United States. Michael is considered the authority in asset building and has been named one of Time Magazine’s 100 most influential people.

Michiel Wesseling – Michiel Wesseling is a Partner at Houthoff Buruma law firm and is highly specialized in corporate law. Michiel has committed his firm’s resources to assist the organization with any and all legal matters. In 2011 Houthoff led CYFI’s legal foundation.

***Mmantsetsa Marope** – Mmantsetsa Marope is the Director of Basic Education based in the UNESCO Headquarters in Paris, France. She is an educationist with 30 years of practice. Her experience covers school teaching, school management team, ministry of education, university teaching, managing regional research networks.

Monique Cohen – Monique Cohen is the Founder and President of Microfinance Opportunities, a non-profit that supports an agenda for market-led microfinance. Monique is currently focused on microinsurance and financial education for low income individuals.

Nigel Chapman – Nigel Chapman is the Chief Executive Officer of Plan International, located in London, United Kingdom.

Sean Rush – Sean Rush is the President and CEO of JA Worldwide and is based in Colorado Spring, United States. Junior Achievement become known as the world’s largest organization dedicated to teaching students about entrepreneurship, workforce readiness and financial literacy.

Wissam Fattouh – Wissam Fattouh is the Secretary General of the Union of Arab Banks, a main referral center for the Arab financial and banking community based in Beirut, Lebanon.

***special representatives**



3.1.2 Committees of the Supervisory Board

The Supervisory Board created the following committees to assist the Secretariat and provide greater oversight:

Executive Committee

The Executive Committee has been delegated the day-to-day tasks from the Supervisory Board in assisting the Secretariat with running the organization. The committee is composed of the following members:

- Henrik Naujoks
- Jacques Buith
- Koen Vermeltfoort
- Michiel Wesseling

Nominations Committee

The Nominations Committee has been tasked with looking at board succession planning and as well as assisting with the development of key organizational documents. The committee is composed of the following members:

- Beth Porter
- Bob Friedman
- Monique Cohen

Audit Committee

The Audit Committee has been tasked with approving the annual accounts of the organization as well as assisting with the internal and external audit process. The committee is composed of the following members:

- Jacques Buith
- Lew Mandell
- Mary Hagerty

3.2 Personnel

The Child and Youth Finance International Secretariat is staffed by a mix of persons with expertise in education, finance, research, communications and other areas. The listing in this annual report only includes staff working with Child and Youth Finance at the end of 2012. We would like to thank those staff that have left during the year and all volunteers and interns that have helped Child and Youth Finance International on its way to success throughout 2012.

3.2.1 Management Board

CYFI is managed by the Management Board, acting under the supervision of the Supervisory Board. Members of the Management Board are appointed by the Supervisory Board in accordance with a profile drawn up by the Supervisory Board.

Jeroo Billimoria, Managing Director and Founder of Child and Youth Finance International

Jeroo is the founder and inspirational leader behind Child and Youth Finance International. Jeroo volunteers her time as Managing Director and does not accept a salary. She is a serial social entrepreneur who was named an Ashoka Innovator in 1999 and received the Schwab Fellowship for Social Entrepreneurs in 2001 among many other awards for her work. She was featured in David Bornstein's book 'How to Change the World'. She consults with the Indian Government on issues related to child protection and has written several educational books for children and published academic literature on the management of non-profit organizations.

The Managing Director does not receive a salary for her work and provides her time pro-bono to the organization. In 2012 she held the following positions with other organizations: Member of the General Board: Stichting Child Savings International (Aflatoun); Chair of the Supervisory Board: Stichting Child Helpline International, The Netherlands; President of the Board of Directors: MelJol, India; Founder Trustee: Childline India Foundation, India.

3.2.2 The Team

As CYFI is an international movement coordinating and triggering activities around the world, it believes that the Team, a mix of staff and interns, should reflect that global diversity in its composition. To that end, CYFI had representation in its office from 28 countries across 5 continents. As a major global educational hub, CYFI was able to benefit from students coming from around the world to study in Amsterdam.

Staff

The team operates all our day-to-day activities in maintaining our network, reaching out to new stakeholders, developing our financial inclusion and education strategies and all materials, as well as all operational support. Child and Youth Finance International could not have achieved the above without strong help from the board, the Managing Director and the commitment of the staff. As CYFI is an international movement the following listing are employees as of 31 December, 2012.

3.2.2.1 Inclusion and Education

Ignacio Bianco – Banking, Certification and Partnerships Coordinator, 1.0 FTE.

Floor Knoote – Research Coordinator, 1.0 FTE.

Jared Penner – Education Manager, 1.0 FTE.

Bram Stoffele – Banking, Certification and Partnerships Manager, 0.8 FTE.

3.2.2.2 Regional Platforms

Farah Habbah – MENA Regional Coordinator, 1.0 FTE.

Bianca Isaincu – Europe Regional Coordinator, 1.0 FTE.

Sofia Ortega – Americas Regional Coordinator, 1.0 FTE.

Akwasi Osei – Africa Regional Coordinator, 1.0 FTE.

Daniele Scauso – Regional Platforms Manager, 1.0 FTE.

Karan Sharma – Asia Regional Coordinator, 1.0 FTE.

3.2.2.3 Innovations

Lubna Shaban – Communications Manager, 1.0 FTE.

Jie Xue – Innovations Coordinator, 1.0 FTE.

3.2.2.4 Operations

Bram van Eijk – Operations Manager, 1.0 FTE.

Corey Au Young – Financial Administrator, 0.4 FTE.

Mano Delea – Office Manager, 0.6 FTE.

Karin van Wassenaar – Personal Assistant, 0.6 FTE.



3.2.3 Interns

During 2012 Child and Youth Finance International benefitted greatly from the assistance and hard work of interns. Thanks to these mostly students, Child and Youth Finance International was able to accomplish much more than the staff otherwise would have been able to. The students were required by their universities to do an internship for the completion of their studies and clear goals and plans were created with them to help aid in their personal and professional growth. The Secretariat would like to wish a warm thank you to everyone that has interned at Child and Youth Finance International.

Bianca Isaincu (Italy) – University of , Italy.
Ana Montaner (Spain) – University of Valencia, Spain.
Arafo Jama (Somalia) – HBO Nederland University.
Fiona Wong (Netherlands) – Hogeschool van Amsterdam, Netherlands.
Christopher Dowling (United Kingdom) – London School of Economics, England.
Giulio Ferraresi (Italy) – University College London , England.
Julija Gimbutaite (Lithuania) – De Haagse Hogeschool, Netherlands.
Liina Liblik (Estonia).
Marina Riveron (France) – University of Angers, France.
Natalia Kavourinou (Greece).
Nathan Potter (United States) – University of Amsterdam.
Nils Andersson (Sweden).
Noelle Meijer (Netherlands).
Nuria Cervera (Spain) – University of Valencia, Spain.
Rosanna Martucci (Italy).
Sergio Garcia (Spain).
Tereza Krasteva (Bulgaria) – Erasmus University, Netherlands.
Van Tran (Vietnam).
Valentina Lindi (Italy).
Becky Li (China) – University of Amsterdam, Netherlands.
Xiaowei Zhang (China) – University of Amsterdam, Netherlands.
Yansong Chen (China) – De Haagse Hogeschool, Netherlands.
Amanda Beugeling (Netherlands).
Ananda Nacher, University of Valencia, Spain.
Berta Kutz (Spain) – IE Business School, Spain.
Enric Macarron (Spain) – IE Business School, Spain.
Hakim Husnul (Indonesia) – De Haagse Hogeschool, Netherlands.
Ignacio Maiz (Spain) – IE Business School, Spain.
Iris van der Heijden (Netherlands) – IE Business School, Spain.
Karin van Wassenaar (Netherlands) – Hogeschool van Amsterdam, Netherlands.

Lu Liu (China) – Duisenberg School of Finance, Netherlands.
Malte Werner (Germany) – University of Amsterdam, Netherlands.
Maya Novarini (Indonesia).
Macey Zeng (China) – University of Amsterdam, Netherlands.
Mengjie Bu (China) – University of Amsterdam, Netherlands.
Nan Gao (China) – University of Amsterdam, Netherlands.
Nima Shahmalekpur (Sweden) – St. Andrews University, Scotland.
Sha Taha (Malaysia).
Elaine Liu (Singapore) – Wharton School of Business, United States.
Jay Song (South Korea) – Wharton School of Business, United States.
Homme Delea (Netherlands).
Olga Saweri (Papua New Guinea) – University of Utrecht, Netherlands.

3.3 Communication with Third parties and Donors

On a yearly basis CYFI produces an annual report outlining the activities of the previous year. Within this report the audited annual financial statements are also presented. Furthermore, an annual state of the movement document, “Children Youth and Finance” is also produced. This document outlines the progress of the movement on a yearly basis. Reports to donors are made as per contract requirements.

3.4 Financial reserves and Investments

In accordance with the Wijffels Code, CYFI maintains as a policy the desire to build at the minimum, a 6 month operational reserve. All funds held by CYFI are deposited between a current account and savings accounts. The organization does not invest in stocks or any other type of potentially risky financial endeavours.

Annexes

Independent auditor's report

To: Stichting Child and Youth Finance International

We have audited the accompanying financial statements 2012 of Stichting Child and Youth Finance International, Amsterdam, which comprise the balance sheet as at December 2012, the statement of revenue and expenditure 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 managing director's report, both in accordance with Dutch Guideline for external reporting RJ 650 "Fondsenwervende instellingen" (Fund Raising Organizations). 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Child and Youth Finance International as at December 31, 2012 and of its result for the year then ended in accordance with Dutch Guideline for external reporting RJ 650 "Fondsenwervende instellingen" (Fund Raising Organizations).

Amsterdam, May 6, 2013

Ernst & Young Accountants LLP

signed by Y.M. Jansen

Stichting Child and Youth Finance International,
Amsterdam

Financial statements for 2012

Stichting Child and Youth Finance International
Sarphatistraat 7
1017 WS AMSTERDAM

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Balance sheet

December 31, 2012

(before proposed appropriation of the balance of income and expenses)

A s s e t s

| | 2012 | 2011 |
|---------------------------------|----------------|----------------|
| | EUR | EUR |
| Fixed assets | | |
| Tangible fixed assets (1) | 16,779 | 15,824 |
| Current assets | | |
| Receivables and prepayments (2) | 105,225 | 55,539 |
| Cash at banks and in hand (3) | 301,963 | 283,457 |
| Total assets | <u>423,967</u> | <u>354,820</u> |

R e s e r v e s , f u n d s a n d l i a b i l i t i e s

Reserves and Funds (4)

| | | |
|---|----------------|----------------|
| Continuity Reserve | 27,814 | - |
| Destination Fund | 34,165 | - |
| Balance of income and expenses for the period | 202,878 | 61,979 |
| Total reserves and funds | <u>264,857</u> | <u>61,979</u> |
| Current liabilities (5) | 159,110 | 292,841 |
| Total reserves, funds and liabilities | <u>423,967</u> | <u>354,820</u> |

Statement of revenue and expenditure for the period ended December 31, 2012

| | Actuals 2012 | Budget 2012 (unaudited) | Actuals 2011 |
|---|-----------------|----------------------------|-----------------|
| | EUR | EUR | EUR |
| Source of income | | | |
| Income from own organizational fundraising (6) | 655,110 | 100,000 | 416,424 |
| Income from government (7) | 604,757 | 815,348 | 2,571 |
| Interest income (8) | 3,103 | - | 1,329 |
| Total income sources | 1,262,970 | 915,348 | 420,324 |
| Expenses | | | |
| Expenses made for Strategic Objectives | | | |
| Objective 1: Education and inclusion: Helping children and youth under the age of 18 gain access to high quality Economic Citizenship education and safe and reliable banking services | 249,230 | 244,413 | 136,363 |
| Objective 2: Global Platform: On international level continue to create alliances, among policymakers and financial regulators to further increase financial education and access for children and youth at national levels. | 287,918 | 293,121 | 47,795 |
| Objective 3: Regional and National Platforms: Building and maintaining national and regional collaborations and networks. | 166,933 | 184,479 | 37,812 |
| Objective 4: Innovations: Develop and check the feasibility of innovations which can support the goals of the Movement and which are based on the Movements needs | 168,951 | 122,259 | - |
| Sub total Objectives 1, 2, 3 & 4 | 873,032 | 844,272 | 221,970 |
| Expenses for fundraising | | | |
| Expenses from own organizational fundraising | - | - | - |
| Operational and administrative expenses | 187,060 | 151,309 | 136,375 |
| Total expenses | 1,060,092 | 995,581 | 358,345 |
| Result | 202,878 | -80,233 | 61,979 |

It is proposed to appropriate the result 2012 as follows:

| | EUR | EUR |
|--|---------|-------------|
| Addition to destination fund: | | |
| - Mastercard Foundation[A-1] | 25,833 | |
| - Citi Foundation[A-2] | 46,094 | |
| | <hr/> | 71,927 |
| Deduction from destination fund [B]: | | |
| - Citi Foundation subcontracted by Aflatoun Child Savings International | -34,165 | |
| | <hr/> | -34,165 |
| Addition to continuity reserve [C]: | | |
| - Partnership fees, contribution meetings, interest income and others | 50,000 | |
| - Mastercard Foundation (10% of income) | 14,257 | |
| | <hr/> | 64,257 |
| Addition to destination reserve | | |
| - Partnership fees and contribution meetings, interest income and others [A-3] | 100,859 | |
| | <hr/> | 100,859 |
| | | <hr/> <hr/> |
| | | 202,878 |

Footnote A-1: The amount as proposed to add to destination fund of EUR 25,833 are concerned with the differences between income recognized in 2012 and expenses recognized in 2012. This amount is supposed to be expensed according to what has been agreed in the contracts of these donors and belong for the majority to the objective global platform. This amount is received for supporting the objectives of the foundation and will be used for expenses in 2013.

Footnote A-2: The amount as proposed to add to destination fund of EUR 46,094 are concerned with the differences between income recognized in 2012 and expenses recognized in 2012. This amount is supposed to be expensed according to what has been agreed in the contracts of these donors and belong to objective regional and national platforms. This amount is received for supporting the objectives of the foundation and will be used for expenses in 2013.

Footnote A-3: The amount as proposed to add to destination reserve of EUR 100,859 are concerned with the differences between income recognized in 2012 and expenses recognized in 2012. The purpose of the proposed reserve is to allow the organization to reach out to the vulnerable children and youth around the world, ensuring that they have access to economic citizenship education and access to financial services. As per Board recommendations, the reserve shall remain locked until 2015 or when it reaches its recommended target value of 1.5 million euros, whichever comes first.

This amount is received for supporting the objectives of the foundation and will be used for expenses as from 2015. According to the current overview of objectives the foundation aims to spend this reserve on objective 1,2,3 and/or 4.

Footnote B: The amount as proposed to deduct from destination fund of EUR 34,165 is concerned with recognized income in 2011 and expenses recognized in 2012. This amount is supposed to be expensed according to what has been agreed in the contracts of these donors and belong to objective regional and national platforms.

Footnote C: The amount of EUR 64,257 is concerned with the difference between income recognized in 2012 and expenses recognized in 2012 relating to various donors for which no agreement is in place where specific requirements for spending are agreed.

| Index numbers | <u>2012</u> | <u>2011</u> |
|---|-------------|-------------|
| -Operational and administrative expenses in % of Total expenses [D] | 17.65 % | 38.05% |
| -Expenses made for strategic objectives in % of Total expenses | 82.35% | 61.95% |
| -Expenses for fundraising in % of income of fundraising | 0% | 0% |
| -Expenses made for strategic objectives in % of Total income | 69.12% | 52.81% |

Footnote D: The operational and administrative cost reached 17.65% of the total expenditure in the financial year 2012. This includes direct and indirect costs as well as pro-bono contribution relating to work at Secretarial level in support of the strategic objectives and work supporting activities directly related to the strategic objectives. The EUR 162,478 in overhead cost allocated to administrative and operational cost represent 17.96% of total cost less pro-bono contributions.

Commentary on actuals versus budget 2012

Actual expenses in 2012 excluding pro-bono of EUR 162k were slightly lower than anticipated, which has led to a slightly higher result, which is explained per objective below. The unspent income coming from grants will thus carry forward into 2013 as restricted funds which is agreed upon with the concerned funders, Citi Foundation and the Mastercard Foundation.

Inclusion and Education-most costs are due to salaries and travel to present and advocate for the Child and Youth Finance Concept to stakeholders. Within the education track, expenses for the working group meetings that were to be held in the 4th quarter were delayed until the 1st quarter of 2013, the income received for this is also to carry forward into 2013. Within the inclusion track, probono expenses account for a significant difference. CYFI requested assistance from Deloitte and KPMG to create a certification tool for the organization as well as a product development guide, as the level of complexity of both of these were too high for the Secretariat.

Regional and National Platforms- the two costs associated with this were salaries of regional coordinators, which was almost on par with expectations and the costs of the regional meetings. The costs for the regional meetings were roughly 15% lower than expected due mainly to the fact that we were able to tie two of our meetings with events of stakeholders occurring in the region, thus lowering the organizing costs.

Global Platforms- The main costs within global platforms were the annual summit held in Amsterdam in 2012, salaries and travel for high level stakeholder engagement and activation, all of which were on budget.

Innovations- expenses related to innovations varied from the budget due to the fact that McKinsey gave CYFI substantial amounts of assistance in developing the Schoolbank concept, a cost that had not initially been accounted for.

The costs for Operations were higher than expected mainly because of pro bono services provided to CYFI with the Internal and External Audits. The internal and external audit costs were not initially accounted for in the budget as the Secretariat was already aware that these would be done pro bono. Salary costs were lower than expected due to the fact that the hiring of a Director was delayed until the new year.

Cash flow statement

Period ended December 31, 2012

| | 2012 | | 2011 (1 Jul – 31 Dec) | |
|--|-----------|-----------|--------------------------|----------|
| | EUR | EUR | EUR | EUR |
| Cash flow from operating activities | | | | |
| Net result | 202,878 | | 61,979 | |
| Depreciation | 6,993 | | 910 | |
| | | 209,871 | | 62,889 |
| <i>Changes in working capital</i> | | | | |
| Receivables and prepayments | (49,686) | | (55,539) | |
| Current liabilities | (133,732) | | 292,841 | |
| | | (183,418) | | 237,302 |
| Cash flow from operating activities | | 26,453 | | 300,191 |
| Cash flow from investing activities | | | | |
| Additions tangible fixed assets | 7,947 | | 16,734 | |
| | | (7,947) | | (16,734) |
| Net cash flow | | 18,506 | | 283,457 |
| Increase/(decrease) cash and cash equivalents | | 18,506 | | 283,457 |
| Movements in cash and cash equivalents | | | | |
| Opening balance cash and cash equivalents | | 283,457 | | - |
| Increase cash and cash equivalents | | 18,506 | | 283,457 |
| Closing balance cash and cash equivalents | | 301,963 | | 283,457 |

Notes to financial statements

General

Activities

Large numbers of vulnerable children and youth are still not able to acquire essential skills provided through social and financial education, nor access financial services that can build their asset base and financial capability. Child and Youth Finance International aims to initiate, leverage and coordinate a global multi-stakeholder approach to these challenges, ultimately building a global consensus on a multifaceted, culturally sensitive, approach to the provision of child friendly banking services and social and financial education for children in all countries of the world.

Stichting Child and Youth Finance International is a foundation located in Amsterdam.

Stichting Child and Youth Finance International was founded in July 2011, its vision is *“That all children and youth realize their full potential as responsible economic citizens”*.

To achieve our mission, strategic objectives are structured along the four pillars of the organization:

- 1 Education and Inclusion: Helping children and youth under the age of 18 gain access to high quality Economic Citizenship education and safe and reliable banking services with the purpose of equipping them with the opportunities for financial and social security needed as they grow older.
- 2 Global Platform: On international level continue to create alliances among policymakers and financial regulators to further increase financial education and access for children and youth at national levels.
- 3 Regional and National Platforms: The core activities in this area relate to building and maintaining national and regional collaborations and networks which have placed Child and Youth Finance topics into their agendas.
- 4 Innovations: Developing and checking the feasibility of innovations which can support the goals of the Movement and which are based on the Movement's needs. These includes innovations related to the use of technology and innovations in reaching children and youth.

Comparative figures and terminology

As per 2012 the pillars of the foundation are changed compared to 2011. For comparative purposes the presentation for 2011 is changed accordingly. This adjustment had no impact on balance of income and expenses or reserves.

During 2012 the budget for 2012 has been revised taking the new pillar structure into account. The revised budget is recorded in the financial statements 2012.

Within the financial statements 2012 some of the used terminology is changed compared to 2011. These changes do not have impact on balance of income and expenses or reserves.

Accounting principles

The financial statements are prepared under the historical cost convention in accordance with accounting principles generally accepted in the Netherlands pursuing RJ 650 (Fund Raising Organizations). Assets and liabilities are stated at face value, unless indicated otherwise.

Allocation of expenses

The expenses recognized in the reporting year are allocated to the objectives or to operational and administrative costs. The allocation has been prepared in the schedule allocation of expenses to objectives.

Index numbers

The index number operational and administrative expenses provides the percentage from total expenses used for operative and administrative tasks.

The index number expenses made for strategic objectives provides the percentages from total expenses used for expenses made for strategic objectives.

The index number expenses from fundraising provides the percentages from total income from fundraising or expenses made for fundraising.

The index number expenses made for strategic objectives provides the percentages from total income used for expenses made for strategic objectives.

Summary of significant accounting policies***Foreign currencies***

Assets and liabilities denominated in foreign currencies are translated into EUR at year-end exchange rates; exchange gains and losses are charged to the Statement of revenue and expenditures. Transactions in foreign currencies during the financial year are translated into euro's at the rate of exchange ruling on transaction date.

Tangible fixed assets

Tangible fixed assets are valued at historical purchase price less depreciation, determined on a straight-line basis over the estimated useful economic lives of the assets concerned, taking into account any residual values.

Receivables

Receivables are valued at face value less a provision for possible uncollectible accounts.

Principles of determination balance of income and expenses**General**

The result is determined as the difference between income generated by contributions, membership fees and others, and the costs and other charges for the year. Income is recognised in the year in which it is realised.

Income relating to services in kind and expenses of pro bono services received are valued at their respective fair value amounts.

Income and expenses

Income is recognised in the period it has been received or by contract agreed.

Expenses are recognised at the historical cost convention and are allocated to the reporting year in which they occurred. As the result of the aforementioned, in instance, income might not match with expenses and are in these cases processed via destination fund and/or reserves.

Depreciation

Depreciation is provided by the straight-line method over the estimated useful economic life.

Cash flow statement

The cash flow statement has been prepared applying the indirect method.

Notes to the balance sheet

December 31, 2012

| | Office equipment |
|-------------------------------------|---------------------|
| | EUR |
| Fixed assets | |
| Tangible fixed assets (1) | |
| Net book value at January 1, 2012 | 15,825 |
| Additions | 7,947 |
| Depreciation charge for the year | (6,993) |
| Net book value at December 31, 2012 | <u>16,779</u> |
| Cost | 24,682 |
| Accumulated depreciation | (7,903) |
| Net book value at December 31, 2012 | <u>16,779</u> |

Office equipment is depreciated over a life term of 3 years.

Current assets

| | 2012 | 2011 |
|--|----------------|---------------|
| | EUR | EUR |
| Receivables and prepayments (2) | | |
| Debtors | - | 51,239 |
| Other receivables and prepayments | 105,225 | 4,300 |
| | <u>105,225</u> | <u>55,539</u> |

| | 2012 | 2011 |
|--------------------------------------|----------------|----------------|
| | EUR | EUR |
| Cash at banks and in hand (3) | | |
| Current account ABN AMRO Bank | 118,127 | 125,268 |
| Paypal bank account | 30,945 | 6,887 |
| Saving account ABN AMRO Bank | 150,316 | 151,000 |
| Bank Business Deposit | 2,000 | - |
| Cash in hand | 575 | 302 |
| | <u>301,963</u> | <u>283,457</u> |

Cash at banks and in hand are available on demand.

Reserve and funds (4)

| | Continuity reserve | Destination fund | Balance of income / expenses | Total |
|--------------------------------|-----------------------|---------------------|---------------------------------|----------------|
| Balance at 1 January, 2012 | - | - | 61,979 | 61,979 |
| Appropriation of balance 2011 | 27,814 | 34,165 | (61,979) | - |
| Balance income / expenses 2012 | - | - | 202,878 | 202,878 |
| Balance at December 31, 2012 | <u>27,814</u> | <u>34,165</u> | <u>202,878</u> | <u>264,857</u> |

In accordance with the provisions of Article 19 of the articles of association, the Board decides on the appropriation of the balance of income and expenses. The appropriation of balance income and expenses is proposed on page 5 of the financial statements.

Continuity reserve

The Stichting wants to ensure sustainability of the organization so that its international network is not affected. Therefore the Stichting wants to create a continuity reserve to cover operational and program costs for a period of 6 months. This time frame is based on a prudent assessment of the time required to source additional funding. According to 'The Wijffels code' this reserve should not exceed 1,5 times the operational costs. A higher reserve will need clarification. On December 31, 2012, the reserve was well below this limit. The continuity reserve is built up by income primarily from private donors or membership fees that are not specified for a particular activity.

Within the continuity reserve before result appropriation no balance is included as destination fund operations.

Destination fund

The Stichting creates a destination fund for income recognized in a year, conform contract terms, which is not spend yet.

| | 2012 | 2011 |
|---|----------------|----------------|
| | EUR | EUR |
| Current liabilities (5) | | |
| Received in advance – ICS | - | 160,867 |
| Invoiced in advance – Membership 2012 Itau Unibanco | - | 30,000 |
| Received in advance – Dexia Banque Internationale | - | 20,000 |
| Invoiced in advance – Membership 2012 Banco Bilbao | - | 20,000 |
| Accounts payable | 18,140 | 19,855 |
| Other payables | 11,603 | 18,837 |
| Received in advance – Summit 2012 donations | - | 7,050 |
| Wage tax and social security's payables | 11,118 | 6,037 |
| Received in advance – Triodos Foundation 2012 | - | 5,000 |
| Received in advance – Plan Nederland 2012 | - | 2,500 |
| Accrued holidays | 11,254 | 1,695 |
| Invoiced in advance – Membership 2012 others | - | 1,000 |
| Received in advance Mastercard | 106,995 | - |
| | <u>159,110</u> | <u>292,841</u> |

Employee information

In 2012 the Foundation employed on average 13 (FTE: 10,8) employees and 2011: 8 (FTE: 6,2). The employees are divided in FTE's over the objectives as follows:

| | 2012 | 2011 |
|---------------------------------|----------------|----------------|
| Education and inclusion | 3,4 | 2,2 |
| Global Platform | - | 1 |
| Regional and National platforms | 3,5 | 1 |
| Innovations | 2 | - |
| Operations | 1,9 | 2 |
| Total personnel cost | <u>10,8</u> | <u>6,2</u> |
| | EUR | EUR |
| Gross salary | 273,114 | 93,494 |
| Social contributions | 47,022 | 13,719 |
| Total personnel cost | <u>320,136</u> | <u>107,213</u> |

Remuneration Board of Directors

No members of the Board of Directors received any remuneration for the year 2012.

The managing director did not receive any remuneration for the year 2012.

Contingencies and commitments

There are no off balance sheet commitments as per December 31, 2012.

Notes to the statement of revenue and expenditure

December 31, 2012

| | 2012 | 2011 (1 Jul – 31 Dec) |
|--|----------------|--------------------------|
| | EUR | EUR |
| Income from own organisational fundraising (6) | | |
| Mastercard Foundation | 148,165 | - |
| Citi Foundation | 114,025 | 34,165 |
| Partnership fees | 74,304 | - |
| Contributions and meetings | 71,914 | - |
| Pro bono McKinsey | 62,000 | - |
| Stichting Energo | 50,000 | - |
| Pro bono Services Deloitte | 29,450 | 55,100 |
| Pro bono Services KMPG | 26,400 | 28,677 |
| NY Stock Exchange Foundation | 24,331 | - |
| Skoll Foundation – subcontracted by Aflatoun Child Savings International | - | 213,648 |
| Pro bono Services Houthoff Buruma | 13,777 | 41,750 |
| Aflatoun Child Savings International – spin out activities | - | 25,959 |
| Levi Foundation | 15,406 | - |
| Pro bono Sales Force | 13,500 | - |
| Pro bono Services Ernst & Young Accountants LLP | 10,300 | 10,000 |
| Colombo | - | 6,600 |
| Others | 1,538 | 525 |
| | <u>655,110</u> | <u>416,424</u> |

Multiple year donor commitments are as follows:

- 1 Mastercard Foundation – one year contract from October 2012 until March 2013, totaling EUR 190,913 of which EUR 87,406 is the first year of income in 2012. EUR 60.759 is regarding a contract from 2012.

Income from government (7)

| | 2012 | 2011 (1 Jul – 31 Dec) |
|---------|----------------|--------------------------|
| | EUR | EUR |
| ICS [E] | <u>604,757</u> | <u>2,571</u> |

Footnote E: The income of ICS via the co-financing system (MFS) of the Ministry of Foreign Affairs of the Netherlands in support of Dutch non-government organisations' interventions in developing countries is recorded separately as income from government (7).

Multiple year donor commitment is as follows:

1 ICS – three year contract from 2012– 2015, totaling EUR 1,546,675. Income for 2012 is EUR 604,757

Interest income (8)

| | 2012 | 2011 (1 Jul – 31 Dec) |
|---------------------------------------|-------|--------------------------|
| | EUR | EUR |
| Interest saving account ABN AMRO Bank | 3,103 | 1,329 |

Allocation of expenses to objectives

| | Strategic objectives | | | |
|--|----------------------|----------------|----------------|----------------|
| | 1 | 2 | 3 | 4 |
| | EUR | EUR | EUR | EUR |
| Education and inclusion: Helping children and youth under the age of 18 gain access to high quality Economic Citizenship Education and safe and reliable banking services. | 79,273 | - | - | - |
| Global Platform: On international level continue to create alliances among policymakers and financial regulators to further increase financial education and access for children and youth at national levels. | - | 287,918 | - | - |
| Regional and National Platforms: Building and maintaining national and regional collaborations and networks | | | 86,652 | |
| Innovations: Developing and checking the feasibility of innovations which can support the goals of the Movement and which are based on the Movement needs | - | - | - | 42,363 |
| Wages | 84,031 | - | 68,815 | 55,257 |
| Social securities and taxes | 17,081 | - | 11,466 | 9,331 |
| Depreciation and interest expenses | - | - | - | - |
| Other costs | - | - | - | - |
| Subtotal | 180,385 | 287,918 | 166,933 | 106,951 |
| Pro bono services [F] | 68,845 | - | - | 62,000 |
| Total expenses | 249,230 | 287,918 | 166,933 | 168,951 |

Donor allocations have been made in accordance to the specifications of the donors in the contracts. Allocations of costs to objectives have been made based on actual costs and salary costs spent on meeting the said objective.

| Expenses for Fundraising | Operational and administrative [G] | Total 2012 | Budget 2012 | Budget 2013 |
|--------------------------------|--|----------------------|-----------------------|----------------|
| EUR | EUR | EUR | EUR | EUR |
| - | - | 79,273 | 114,612 | 114,187 |
| - | - | 287,918 | 293,120 | 162,912 |
| - | - | 86,652 | 96,000 | 54,987 |
| - | - | 42,363 | 39,795 | 84,412 |
| - | 65,012 | 273,114 | 323,409 | 521,702 |
| - | 9,142 | 47,022 | 57,072 | 92,065 |
| - | 6,993 | 6,993 | 7,000 | 7,000 |
| - | 81,331 | 81,331 | 64,573 | 83,973 |
| - | 162,478 | 904,665 | 995,581 | 1,121,238 |
| - | 24,582 | 155,427 | - | - |
| - | 187,060 | 1,060,092 | 995,581 | 1,121,238 |

Footnote F: Pro bono goods and services for 2012 are valued at EUR 155,427 and have been added to the expenses totals for 2012.

Footnote G: The operational and administrative cost reached 17.65% of the total expenditure in the financial year 2012. This includes direct and indirect costs as well as pro-bono contribution relating to work at Secretarial level in support of the strategic objectives and work supporting activities directly related to the strategic objectives. The EUR 162,478 in overhead cost allocated to administrative and operational cost represent 17.96% of total cost less pro-bono contributions, respectively.

Signatories to the financial statements

Amsterdam, May 6, 2013

Managing director:

J. Billimoria

Other information

Proposed result appropriation

In accordance with article 19 of the articles of association, the annual proceeds from the reserve and funds as well as the gains whatsoever named and received in any year, not destined to be regarded as reserve and funds, can be used for the realisation of the objectives of the company.

The managing director proposes to appropriate the balance of income and expenses as follows:

- Addition: EUR 46,094 Citi Foundation and EUR 25,833 Mastercard Foundation to destination fund.
- Deduction: EUR 34,165 Citi Foundation from destination fund.
- Addition: EUR 100,859 to destination reserve.
- Addition: EUR 64,257 to continuity reserve.

For a detailed explanation of the result appropriation, reference is made to page 5.

Awaiting a decision from the Board, the balance sheet is prepared before appropriation of the balance of income and expenses.

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Auditors report

Budget 2013

| | Budget 2013 |
|---|----------------------|
| | EUR |
| Source of income | |
| Income from own organizational fundraising (6) | 374,250 |
| Income from government (7) | 815,000 |
| Interest income (8) | - |
| Total income sources | <u>1,189,250</u> |
| Expenses | |
| Expenses made for Strategic Objectives | |
| Objective 1: Education and inclusion: Helping children and youth under the age of 18 gain access to high quality Economic Citizenship education and safe and reliable banking services | 196,706 |
| Objective 2: Global Platform: On international level continue to create alliances, among policymakers and financial regulators to further increase financial education and access for children and youth at national levels. | 262,641 |
| Objective 3: Regional and National Platform: Building and maintaining national and regional collaborations and networks. | 219,976 |
| Objective 4: Innovations: Develop and check the feasibility of innovations which can support the goals of the Movement and which are based on the Movements needs | <u>239,987</u> |
| Sub total Objectives 1, 2, 3 & 4 | <u>919,310</u> |
| Expenses for fundraising | |
| Expenses from own organizational fundraising | - |
| Operational and administrative expenses | <u>201,928</u> |
| Total expenses | <u>1,121,238</u> |
| Result | <u><u>68,012</u></u> |

Child and Youth Finance International

PO Box 16524
1001 RA Amsterdam
Netherlands
+31(0)20 5203900

Child and Youth Finance International (CYFI) lead the world's most extensive child and youth finance Network, that together makes up the Child and Youth Finance Movement. We connect Ministries and Governments, CEOs, heads of NGOs, financial institutions and children. By aligning and coordinating efforts of organizations all over the world the Movement is able to share resources, model best practices and empower each other to reach the target of the Movement: Reaching 100 million children in 100 countries by 2015 with financial inclusion and financial education to make sure that every child and youth have access to a basic savings account and the financial knowledge and skills needed to operate this account. By doing this we aim to give the adults of tomorrow the tools to lead lives free from poverty and financial instability.

Stay connected with us

Website: www.childfinanceinternational.org
Facebook: **ChildFinance**
Twitter: **ChildFinance**
LinkedIn: **Child and Youth Finance International**

To read our publications, please visit: www.childfinanceinternational.org/movement/publications

Global Money Week

Global Money Week is a global celebration that is taking place in the second week of March each year. The Week engages children and youth worldwide in learning how money works, including saving, creating livelihoods, gaining employment, and entrepreneurship. Countries and organizations all over the world participate by engaging children and youth in activities such as global web chats, visits to banks, ringing the bells at the stock exchange, radio shows and cartoons and much more.

Stay connected with us

Website: www.globalmoneyweek.org
Facebook: **Global Money Week**
Twitter: **GlobalMoneyWeek**

Finance & Me

Finance & Me is a platform initiated by Child and Youth Finance for children and youth to take action in reshaping the future of finance. It allows for youngsters to stay informed about the latest Child and Youth Finance Movement activities going on around the globe so they can remain active and involved in the Movement. Finance & Me also serves as a bridge between young people and adults as children and youth are encouraged to utilize this platform to share their experiences and voice their opinions.

Stay connected with us

Website: www.financeandme.org
Facebook: **Finance & Me**
Twitter: **FinanceandMe**

YouthTech

YouthTech is a blog where Child and Youth Finance International (CYFI) shares technological innovations around the topic of financial inclusion and education for children and youth. It provides a platform where experts within the CYFI network and beyond engage in discussions about the potentials of technology in enhancing financial capability of children and youth. Moreover, YouthTech also serves to share best practices and to document how technology is shaping the Child and Youth Finance Movement. We hope this will contribute to the understanding of what is needed for technology to make a difference in the current financial inclusion and education landscape and the ways of turning it into a reality.

Stay connected on the blog: www.youthtech.info

