



**ANNUAL
REPORT
2015**

Delivering Results for Financial Stability and Inclusion

Founders and Major Partners



Global Affairs
Canada

Affaires mondiales
Canada



Swedish International Development
Cooperation Agency



THE WORLD BANK



Schulich
School of Business
York University

2015 Program Partners and Contributors

Access to Insurance Initiative (A2ii)

African Association of Central Banks

Alliance for Financial Inclusion

ASEAN Insurance Training and Research Institute
(AITRI)

Asia Pacific Economic Cooperation

Asian Development Bank

Asociación de Supervisores de Seguros de América
Latina (ASSAL)

Association of Supervisors of Banks of the Americas
(ASBA)

Bank Negara Malaysia

Bank of Algeria

Bank of Jamaica

Bank of Lao

Caribbean Association of Insurance Regulators (CAIR)

Caribbean Regional Technical Assistance Centre
(CARTAC)

Central Bank of Armenia

Central Bank of Turkey

Cook Islands Financial Services Commission

Consultative Group to Assist the Poor (CGAP)

Financial Stability Institute (FSI)

Gesellschaft für Internationale Zusammenarbeit
(GIZ – Germany's International Development Agency)

Kenya Capital Markets Authority

Kenya Deposit Insurance Corporation

International Organization of Security Commissions—
Growth and Emerging Markets Committee
(IOSCO–GEM)

Macroeconomic and Financial Management Institute of
Eastern and Southern Africa (MEFMI)

Making Finance Work for Africa (M4WA)

Monetary Authority of Singapore

National Banking and Securities Commission – Mexico
(CNBV)

National Insurance Commission (Ghana)

Otoritas Jasa Keuangan
(Indonesia Financial Services Authority)

Securities and Exchange Commission of Malaysia

South Africa Financial Services Board

South African Reserve Bank

South East Asian Central Banks (SEACEN) Research
and Training Centre

Superintendencia de Pensiones (SUPEN), Costa Rica

Superintendência de Seguros Privados (SUSEP), Brazil

Superintendencia de Seguros y Reaseguro de Panama

Superintendencia Financiera de Colombia (SFC)

Superintendencia General de Entidades Financieras
(SUGEF), Costa Rica

Superintendencia General de Seguro (SUGESE),
Costa Rica

Superintendencia Valores y Seguros, Chile

Superintendency of Banking, Insurance, and Private
Pension Fund Administrators (SBS), Peru

Sveriges Riksbank

U.S. Federal Reserve

Table of Contents

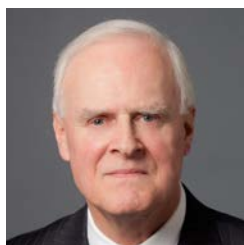


2	MESSAGE FROM THE CHAIR OF THE BOARD	25	2016 OUTLOOK Program Offerings Certification Course Digital Finance
3	MESSAGE FROM THE PRESIDENT AND CEO	26	THE EVOLVING LANDSCAPE: MESSAGES FROM THE ADVISORY BOARD CHAIRS Banking Advisory Board Insurance and Pensions Advisory Board Securities Advisory Board
4	ABOUT TORONTO CENTRE Our Vision Our Mission Our History Fast Facts	29	GOVERNANCE, OPERATIONAL RESPONSIBILITY, & FINANCES Board of Directors and Executive Committee Audit Committee Governance and Nominating Committee Our Board of Directors
6	OUR PROGRAMS AND IMPACT Our Objectives Inclusiveness and Gender Equality Global Reach Capacity Development Programs Tailored Country, Regional, and International Programs Topics of Focus Program Directors Post-program Support Program Quality	32	FINANCIAL INTEGRITY Internal Controls and Financial and Operational Procedures Protection against Corruption and Fraud
19	2015 YEAR IN REVIEW Programs Delivered	33	SUMMARIZED FINANCIAL STATEMENTS Summarized Statement of Financial Position Summarized Statement Of Operations Notes To Summarized Financial Statements



Message from the Chair of the Board

When Toronto Centre was established 18 years ago with the support of Canada's then-Minister of Finance, the Rt. Hon. Paul Martin, we were given a mission to enhance the capacity of financial regulators in developing countries to prevent and resolve financial system crises in order to protect societies, including the poorest and most vulnerable citizens, from the effects of financial instability. As they considered the causes and effects of several regional financial crises, including the then-recent Asian Financial Crisis, Mr. Martin and the Canadian government, along with the World Bank and the Schulich School of Business, realized that weak financial oversight and supervision were among the causes of systemic crises. They saw a role for Canada in reducing the risk of crises by helping countries to strengthen their supervisory systems. Our founders foresaw a world where financial systems are stable, reliable, inclusive, and accessible to all.



Over the years, we have continued to work toward achieving this vision, steadily expanding the number and scope of

programs we offer to enhance the capacity of financial sector supervisors and regulators. Our goal of poverty reduction through stronger financial oversight has led us to offer more programs that specifically promote inclusion of the world's poorest – and especially women – in financial markets, through better informed oversight of microfinance and microinsurance, as well as surveillance of market conduct and enhancement of financial consumer protection.

I continue to be immensely proud of all that Toronto Centre has accomplished. Though we are a small organization, we

have maintained an outsized impact on financial supervision in the developing world, in part because of the strong support of our major contributors and cooperation with our national and international partner agencies. We have trained more than 10,000 supervisors in more than 190 countries and territories to date, and continue to train and coach more than 1,800 annually.

Toronto Centre's global impact is felt in the strong and continuous demand for our capacity development programs around the world. Each year, requests for programs from national authorities greatly exceed our own capacity to deliver them, given current funding levels. We believe that this is a testament to the value and quality of our work as well as the support and guidance of our stakeholders.

As Chair of the Board, I would like to take this opportunity to thank two directors who have stepped down from

the board this year. Ruth de Krivoy, our Vice Chairman, had been a director since 1998, and has had a great influence on the direction and success of the Toronto Centre. Ceyla Pazarbasioglu had represented the IMF on the board since 2013, and made important, thoughtful contributions to our efforts to promote Toronto Centre and strengthen the participant experience in our programs. Their involvement will be greatly missed.

A handwritten signature in black ink, appearing to read 'John R.V. Palmer'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John R.V. Palmer
Chair of the Board

“I continue to be immensely proud of all that Toronto Centre has accomplished”

Message from the President and CEO

2015 was a strong year for Toronto Centre, as we maintained a high level of program output after several years of rapid expansion, while undertaking measures to ensure robust program quality and enhanced participant experiences.



A key moment of 2015 was the successful conclusion of the first of our long-term country engagements, which were carried out in

Colombia and Ghana. Over the course of several years, Toronto Centre staff worked directly with authorities in these countries to help them meet the goals that their own supervisory agencies had established, including improving their supervisory methods and expanding the technical skills of staff. As a result of our collaboration, we believe that they are better able to implement changes that will strengthen their organizations. We are collaborating with supervisory authorities in several other countries on longer-term engagements, and have been approached by new potential partners for future programs.

We were also proud to launch our new online TC Community Resource Centre

for supervisors and regulators as part of our Supervisory Guidance function. This web portal is a comprehensive archive of the latest in supervisory guidance from standard-setting bodies, national supervisory authorities, and others, including some of our own program leaders, and is an example of our commitment to ongoing post-program support for our participants.

I am pleased to say that our commitment to program quality is stronger than ever. In addition to our regular efforts to keep our program materials current and relevant, and our surveys of participants to evaluate effectiveness, we took special steps this year to gauge the impact of our work. For the first time, we engaged a gender specialist to evaluate our operations and programs through a gender lens, and she found that our programs do a valuable job of stressing the importance of gender equity and inclusion in financial systems. We also conducted two focus groups with supervisors who had attended Toronto Centre programs in previous years, and we received reassuring feedback that

the knowledge these participants gained had made them stronger supervisors and had led to organizational change in their agencies.

Our work is only possible because of the funding we receive from several international organizations and development agencies whose continued support speaks to their confidence in our work and our prudent stewardship of their funds. The strong support of these organizations, along with that of a number of other excellent partners, gives us a solid foundation for our work helping regulatory and supervisory agencies build the strong financial systems that underpin growth and help reduce poverty and improve economic opportunity for all.



Babak Abbaszadeh
President and Chief Executive Officer

“Our work is only possible because of the funding we receive from several international organizations and development agencies.”

“I am pleased to say that our commitment to program quality is stronger than ever.”

About Toronto Centre

Our Vision

A world where financial systems are stable, reliable, inclusive, and accessible to all

Our Mission

To enhance the capacity of financial regulators and supervisors from around the world to help improve their agencies' crisis preparedness and to promote change that will lead to sound and inclusive financial systems

Toronto Centre is an independent not-for-profit organization that promotes financial stability and access to financial services globally by providing training that develops the capacity of financial sector regulators, supervisors, and resolution authorities, particularly in emerging markets and low-income countries. We believe that in order for people to thrive and build their lives, their countries' financial systems must be reliable, stable, and inclusive. By helping to build these economic foundations, our work supports sustainable economic growth and helps to reduce poverty and raise standards of living.

Our Four Main Objectives

- Improved financial stability
- Better crisis preparedness and management
- Greater financial inclusion and consumer protection
- Strong leadership skills

To meet these goals, we deliver capacity-building programs around the world for supervisors and regulators of banking, insurance, securities, pensions, microfinance, and microinsurance activities. Programs cover a variety of themes, such as leadership and change management, crisis-preparedness and management, macroprudential surveillance, risk-based supervision, consolidated and conglomerate supervision, international core

principles, anti-money laundering and combatting the financing of terrorism, and market conduct and financial consumer protection.

Toronto Centre's training programs are highly interactive and practical because we believe this is the best way for our participants to learn and develop the skills that allow them to make meaningful change in their home supervisory agencies. Our programs are led by experts who have been leaders of change in their own organizations. Some have lived through and managed periods of financial instability, including financial crises. Through simulation exercises, case studies, and other activities, participants learn how to manage crises and lead change to strengthen their home agencies.

Our History

Toronto Centre was established by the Canadian government, the World Bank, and the Schulich School of Business in 1998 in response to concerns that financial system crises resulted in part from weak financial sector supervision and enforcement. Our mission was to improve supervision by providing training programs that enhance the capacity of financial sector regulators to identify the potential for crises earlier and take appropriate preventative measures.

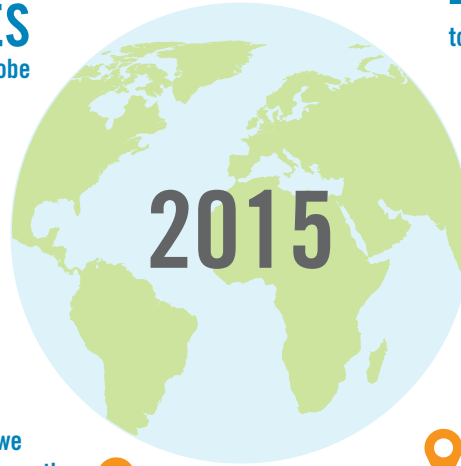
Over our 18-year history, we have earned a reputation for excellence in delivering high-quality training programs that are useful, practical, interactive and relevant. We have constantly expanded the types of training programs offered to cover new sectors and topics, including supervision and regulation in various financial sectors and a particular focus on financial inclusion to improve equity and help reduce global poverty.

Fast Facts

Toronto Centre participants come from more than **190 COUNTRIES** and territories across the globe

We partnered with **45 AGENCIES** to deliver programs in 2015

We delivered more than **7,900 PERSON-DAYS** of training in 2015

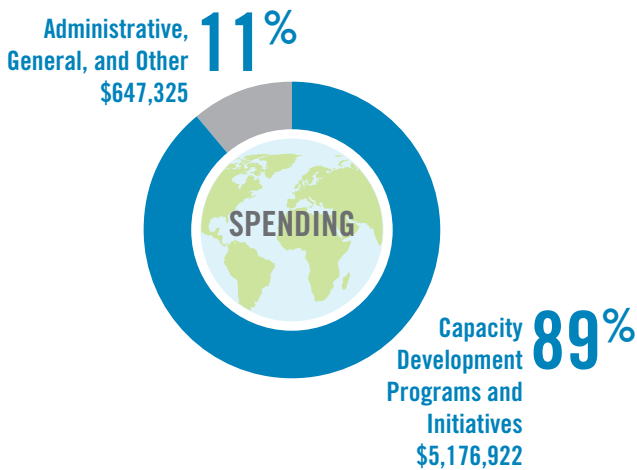


More than **10,000 REGULATORS & SUPERVISORS** trained since 1998

In 2015, we trained more than **1,800** regulators and supervisors, of whom approximately **44% WERE WOMEN**

More than **90 PERCENT** of Toronto Centre program participants come from countries eligible to receive Official Development Assistance

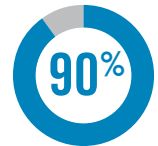
How Toronto Centre Spends Its Contributions



For detailed financial information, turn to page 35.

What Toronto Centre Program Participants Say

More than 90% of our 2015 program participants surveyed say that Toronto Centre programs have made them better supervisors or regulators, and that they've been able to apply the skills they learned at our programs when they returned to their home agencies.



For more on our survey findings, turn to page 18.

"An inclusive financial system is essential for structural transformation and the creation of work. More than 2.5 billion people around the world, roughly half the world's adults, are unbanked. Women are disproportionately affected by a lack of access to finance. About three-quarters of people living on less than \$2 a day do not have a bank account. Yet the poorer a household is, the greater its need for protection against vulnerability, especially when out of work.

Access to finance was among the top five problems for 77 percent of businesses surveyed in a sample of developing countries."

UN Human Development Report 2015

Our Programs and Impact

Empowering supervisors and regulators to promote more stable and inclusive financial systems

Our work at Toronto Centre is guided by the belief that giving supervisors and regulators the tools, training, and mentoring to promote sound financial systems will ultimately lead to more stable business environments, greater access to financial services, stronger economic security for the poor and marginalized – especially women – and ultimately, by achieving these other outcomes, stronger, more stable economic growth and poverty reduction.

To help gauge the impact of our work, we regularly survey our participants about their experience with our training, and whether and how they have been able to implement the lessons learned in our programs at their home agencies. We

have also engaged external consultants to conduct independent evaluations of our work on behalf of our key sponsors. The evaluators have found that our programs are relevant to our partners and participants, and that we are making

significant progress on our programming objectives. They have also found that our work is very cost efficient, with low overhead and strong value for funds spent.

Our Objectives

Improved Financial Stability

Stable financial systems help reduce economic volatility, mitigate systemic risk, create jobs, and reduce poverty. They are essential to long-term growth and development. Our programs aim to improve financial stability by enhancing supervisory and regulatory regimes through implementation of international standards and best practices. We give supervisors and regulators the tools and skills they need to foster a healthy financial system.

Our programs train regulators and supervisors to spot financial institutions that take undue risks or have poor risk management practices, so that corrective action can be taken before problems become unmanageable. Effective financial



Toronto Centre Regional Insurance Training Program, in partnership with the Caribbean Association of Insurance Regulators and the Caribbean Technical Assistance Centre, in Port of Spain, Trinidad and Tobago, June 2015.

regulation and supervision support healthy business climates by reducing financial system risk and ensuring that financial markets operate fairly and transparently.

They make it easier for businesses to raise funds and invest in well-regulated markets and they foster consumer confidence.

Better Crisis Preparedness and Management

Studies show that financial crises usually result in a dramatic reduction in GDP and an increase in poverty levels, severely affecting the poorest, most vulnerable citizens, and especially women. While

effective regulation and supervision can help reduce the probability of crises occurring, they cannot be expected to prevent them entirely. Supervisors and resolution authorities need to be prepared

to deal with financial institution distress and failure, and to tackle emerging crises early-on, so as to minimize their impact on economies and the potential need for taxpayers to pay for costly bail-outs.

Greater Financial Inclusion

Poverty is perpetuated and economic growth and job creation are constrained when there is a lack of access to financial services. Emerging microfinance and microinsurance sectors are improving financial accessibility, making it easier for small firms and the poor to borrow, save, manage risk and insure themselves, and helping break the vicious cycle of poverty. Microinsurance can play a key role in mitigating losses resulting from events such as illness, the sudden death of a family member, the loss of a crop, or any loss of income or property. Women who operate small businesses, or would like to do so, benefit particularly from microfinance and microinsurance.

Leading experts on microfinance from the Consultative Group to Assist the Poor – a valued partner of the Toronto Centre – believe that effective regulation and supervision are critical to the stability and expansion of microfinance. If regulation and supervision are weak or misguided, these crucial sectors can suffer, as can those relying on them. Our programs introduce supervisors to the benefits of inclusive financial systems and best practices for regulating these rapidly evolving sectors. We also support them in crafting effective action plans to implement changes leading towards stronger but appropriate regulation and supervision of microfinance and microinsurance activities in their countries.

However, financial inclusion is broader than just ensuring access to services. It also requires markets to be fair and transparent to consumers. Therefore, we have recently begun offering programs in market conduct and financial consumer protection, which are essential components of maintaining market confidence and fair pricing, and for ensuring that consumers large and small have equitable access to financial services.

Stronger Leadership Skills

Financial sector regulators and supervisors need enabling legislative frameworks, sufficient powers and protections, and adequate budgets to effectively carry out their duties. To put these frameworks in place, they need leadership skills that will enable them to work effectively with public and private sector stakeholders, to engage and influence lawmakers and financial industry trade and lobbying

associations, and to find ways of dealing with other vested interests that often dominate the financial sectors of developing countries. In order to effect change, they must be able to successfully manage political and institutional challenges.

Our programs are designed to give participants the leadership skills they need

to be effective agents of change in their home agencies. We teach our participants how to develop a plan for action, and how to communicate effectively with stakeholders and staff to build support and momentum for change. This ensures that the benefits of Toronto Centre training extend far beyond the individual participants, throughout their agencies.



Toronto Centre International Program for Securities Regulators: Information Sharing 2.0, July 2015.

Inclusiveness and Gender Equality

Toronto Centre's mission to promote financial stability and inclusion is important to the economic well-being of all people. However, our mission is particularly important for women in developing countries, especially women who are near or below the poverty line.

Preventing Financial Crises Helps the World's Women

Women make up the majority of the world's poor, and are disproportionately affected by economic volatility and financial crises. They are more often than men employed in insecure and unstable jobs. United Nations Women also notes

that, in times of financial crisis, parents are more likely to take their children out of school due to the cost of education and so they can work to supplement the family income – and usually, the first to be taken out of school are the girls. This has long-

term effects on their future employment prospects and ability to become financially independent. Preventing these crises helps to protect women's jobs and keep girls in school.

Empowering Women through Microfinance and Microinsurance

Women are often excluded from formal financial systems in developing countries. This leaves women unable to borrow, save, or insure themselves, limiting their ability to move beyond day-to-day survival and lift themselves out of poverty.

Ensuring that women have equal access to financial services is a vital part of a broader movement to empower women worldwide. Toronto Centre recognizes that sustainable economic growth and poverty

reduction cannot be achieved without women's full participation in the financial sector.

While it is essential to increase women's access to traditional providers of financial services, it is particularly important to ensure that women have access to the microfinance and microinsurance channels, which are helping women build greater financial independence. Access to credit, the ability to save for the future, and the

opportunity to insure themselves, their businesses, and their families against unexpected events, are empowering women around the world. An enabling regulatory environment and effective supervision are critical to the success and sustainability of these sectors and our microfinance and microinsurance programs help supervisory agencies to create these conditions.

Toronto Centre's Action on Gender Equality

Gender equality is important to both the Toronto Centre and our major funders and partners. As such, Toronto Centre works to promote gender equality through its capacity development programs. In addition, a majority of Toronto Centre's senior staff and a large proportion of

our program leaders are women, and we actively encourage our partner organizations to include women in the programs we offer.

In 2015, we engaged a gender specialist to evaluate the work we do from a gender perspective and recommended actions

to strengthen gender perspectives in our training programs. We are currently working on implementing these recommendations.

"The attainment of a more equitable society and narrowing gender differences are two issues that are drawing considerable attention from policymakers in a number of countries. There is also increasing recognition that the pursuit of these two objectives is not just desirable from a social equity perspective, but that it would have beneficial effects for the macroeconomy... Women still, on average, have lower access to financial services than men, which makes it more difficult for them to start businesses or invest in education, exacerbating inequality of opportunity and therefore lowering wage and other income for women, worsening income inequality."

– IMF Discussion Note Catalyst for Change: Empowering Women and Tackling Income Inequality, Oct 2015.





"The thing that I found most valuable is how to approach a crisis management. It was a practical approach. They provided a sort of formula as to when you are confronted with something as to how you should address it and how you deal with it. And what happens that by coming back and trying to implement it, you slowly begin to do it instinctively."

Toronto Centre post-program focus group participant



"What it does is it tends to teach you to think strategically, and probably three-dimensionally. And I think we've brought that back to the organization. We've actually implemented the program amongst all our staff members. We said to them when we conduct an investigation, this is the way we approach it. So we've created a manual using the experiences we've learned in the program."

Toronto Centre post-program focus group participant



Global Reach

Toronto Centre’s programming has a truly global reach. Since our founding, we have offered our capacity development programs to supervisors and regulators from more than 190 countries and territories, and delivered training programs in more than 60 countries around the world.

Our Participants Have Come From:

Afghanistan
Albania
Algeria
Angola
Anguilla
Antigua and Barbuda
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bermuda
Bhutan
Bolivia
Bosnia and Herzegovina
Botswana
Brazil
Brunei
Darussalam
Bulgaria
Burkina Faso
Burundi
Cambodia
Cameroon
Canada
Cabo Verde
Cayman Islands
Chad
Chile
China
Colombia
Cook Islands
Costa Rica
Cote d’Ivoire
Croatia
Cuba
Curacao
Cyprus
Czech Republic
Dem. Rep. of Congo
Denmark
Dominica
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Ethiopia
Fiji
Finland
France
Gabon
Gambia
Georgia
Germany
Ghana
Gibraltar
Greece
Grenada
Guatemala
Guernsey
Guinea
Guyana
Haiti
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Iran
Iraq
Ireland
Isle of Man
Israel
Italy
Jamaica
Japan
Jersey
Jordan
Kazakhstan
Kenya
Kosovo
Kuwait
Kyrgyzstan
Lao People’s Dem Rep
Latvia
Lebanon
Lesotho
Liberia
Libya



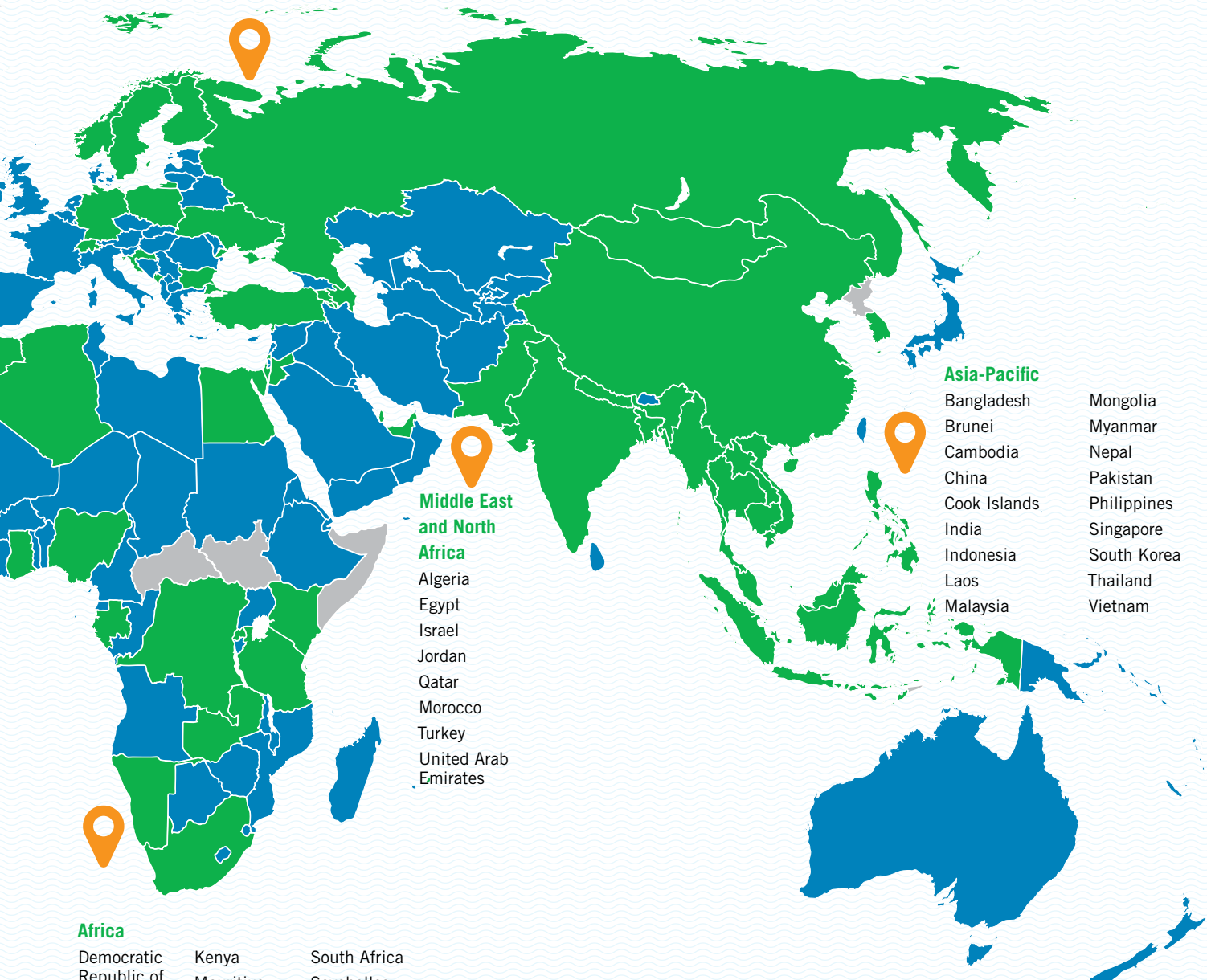
Liechtenstein
Lithuania
Luxembourg
Macau
Macedonia
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mauritius
Mexico
Moldova
Mongolia
Montenegro
Montserrat
Morocco
Mozambique
Myanmar
Namibia
Nepal
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Palestine
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Puerto Rico
Qatar
Romania
Russian Federation
Rwanda

Americas and Caribbean

Argentina
Bahamas
Barbados
Bermuda
Brazil
Chile
Canada
Colombia
Costa Rica
Dominican Republic
Ecuador
El Salvador
Guatemala
Jamaica
Mexico
Panama
Peru
Turks and Caicos
Trinidad and Tobago
Uruguay
U.S.A.
St Kitts and Nevis
St Lucia
St. Vincent and the Grenadines
Samoa
São Tomé and Príncipe
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Slovakia
Slovenia
Solomon Islands
South Africa
South Korea
Spain
Sri Lanka
Sudan
Suriname
Swaziland
Sweden
Switzerland
Syria
Taiwan
Tajikistan
Tanzania
Thailand
Togo
Tonga
Trinidad and Tobago
Tunisia
Turkey
Turks and Caicos Islands
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan
Vanuatu
Venezuela
Vietnam
Virgin Islands (U.K.)
Yemen
Zambia
Zimbabwe

Europe

Armenia	Croatia	Luxembourg	Poland	Switzerland
Azerbaijan	Finland	Montenegro	Russia	Ukraine
Bulgaria	Germany	Norway	Sweden	



Asia-Pacific

Bangladesh	Mongolia
Brunei	Myanmar
Cambodia	Nepal
China	Pakistan
Cook Islands	Philippines
India	Singapore
Indonesia	South Korea
Laos	Thailand
Malaysia	Vietnam

Middle East and North Africa

Algeria
Egypt
Israel
Jordan
Qatar
Morocco
Turkey
United Arab Emirates

Africa

Democratic Republic of Congo	Kenya	South Africa
Gabon	Mauritius	Seychelles
Ghana	Namibia	Tanzania
	Nigeria	Zambia
	Rwanda	

Since 1998:

- Toronto Centre has delivered programs in these countries
- Toronto Centre has trained supervisors and regulators from these countries

Capacity Development Programs

We are well known in the global supervisory community for our highly interactive, practical, case-based programs, which are delivered by a group of veteran supervisors who are international experts. In our programs, we help our participants understand how to:

- Work toward adoption of international standards of supervision
- Promote and gain support for sound industry practices
- Better understand how to interact with stakeholders
- Better understand how risk is transmitted across sectors and within financial groups
- Work with other government officials to create and maintain appropriate regulatory frameworks to enable effective financial sector supervision
- Implement risk-based supervision frameworks
- Deal effectively with troubled financial institutions and market failures
- Take prompt action to prevent financial crises
- Protect consumers from financial fraud
- Support efforts to enhance inclusiveness and gender equity in financial services

Participants also benefit by gaining access to a network of supervisors, regulators and resolution authorities with whom they can discuss work issues, new ideas, and practical solutions on an ongoing basis. In all programs, we keep the number of participants small – generally around 25-30 people – making it possible for everyone to receive individual attention from the program directors and program leaders and to facilitate discussion among participants.

All of our programs are:

- **CUSTOMIZED:** Each program is designed to meet the specific needs of our partner agencies and countries, striking the desired balance between technical and leadership training. This is of critical importance to our participants, who come from a diverse range of cultural and geographical backgrounds, and whose economies and financial systems are at different stages of development.
- **INTERACTIVE:** We believe learning is best accomplished through participation. Instructional sessions are coupled with simulation exercises and group activities. Courses focus heavily on case studies, which allow us to examine what went wrong or went well in real-world situations and discuss lessons learned.
- **PRACTICAL:** We combine concepts and case studies with a practical approach to making regulation, supervision, and macroprudential surveillance work.
- **ACTION-ORIENTED:** We equip participants with the tools they need to implement change, and help them think through the challenges they face. Using action planning, performance management, stakeholder management, communication skills, and other tools, we build the capacity of supervisors to develop solutions and take action to strengthen their supervisory and regulatory frameworks.
- **DELIVERED BY EXPERTS:** Our sessions are designed and delivered by experienced practitioners from around the world who have extensive knowledge and insights to share and have typically been active in the cases they present. Their international perspectives are a central part of the Toronto Centre learning experience.



Tailored Country, Regional, and International Programs

Programs are designed for country-specific, regional, or international audiences, with the scope, case studies, and discussions tailored accordingly. In our country programs, participants focus on the specific challenges faced by their agencies while in our regional and international programs, participants discuss challenges that span borders and affect their region and the world.

SHORT-TERM COUNTRY PROGRAMS are delivered for staff of supervisory agencies and resolution authorities of a single country and are tailored to a well-defined area of interest or specific need. These programs take into account the existing skill sets and capacity of staff and the country's stage of financial sector development to help the agency bring its supervisory or resolution frameworks and processes in line with international best practices, making them stronger and more effective. Programs can be designed for all staff levels, from junior to senior supervisors.

These programs are usually delivered as week-long workshops and may also be designed to serve as a first step towards a long-term engagement, assessing the potential for effecting change and introducing partner countries to the possibility of working with the Toronto Centre over a longer-term.

These tailored programs are in high demand. We select the organizations we work with based on our careful assessment of the potential to effect real and measurable change within the organizations and their countries.

LONG-TERM COUNTRY ENGAGEMENTS typically span three years to help supervisory agencies design practical approaches to supervision and effective implementation strategies, and enhance their ability to prevent and manage financial crises. Our long-term engagements are tailored to the agency's needs, the skill sets and capacity of its staff, and the country's stage of financial sector development. We work together with the supervisory agency to develop solutions and design implementation plans that include specific measurement criteria and progress reporting, in order to ensure that our initiatives have a meaningful impact and translate into sustainable results.

In view of these expected outcomes, we are placing increasing focus on long-term engagements. In 2015 we worked with agencies in Armenia, Colombia, Costa Rica, Ghana, Indonesia and Jamaica, and we are currently working with agencies in Costa Rica, Ghana, Indonesia, Jamaica, Kenya, and Tanzania.

REGIONAL PROGRAMS are customized to meet the needs of groups of countries in specific geographic areas and are offered in partnership with a local host organization. These programs build financial sector knowledge, strengthen leadership skills, and help promote networking among peers and agencies in the region. Participants share their experiences and discuss common challenges.

INTERNATIONAL PROGRAMS examine pressing issues while taking into account the diverse needs of the global regulatory community. They give participants from around the world the opportunity to network with peers from other countries and regions and share common experiences and challenges. We host three flagship international programs each summer in Canada, themed around evolving issues in Banking, Insurance and Pensions, and Securities. We also offer additional international programs in partnership with host organizations from other countries throughout the year, including an annual crisis preparedness program for banking supervisors in Stockholm in partnership with Sveriges Riksbank (Sweden's central bank). These programs focus on capacity-building and developing tools for leading and implementing change, and preparing for and managing crisis situations.



Topics of Focus

All of our programs are tailored to meet the changing needs of our regional partners and agencies. Some of the topics we offer in our programs include:

Leadership Skills

- Action planning process and decision making
- Decision making in critical situations with limited information
- Persuasion, management, and effective communications with stakeholders
- Interviewing skills
- Performance management

Crisis Preparedness and Crisis Management

- Contingency planning for financial crises
- Crisis binder preparation
- Crisis simulations
- Recovery and resolution regimes
- Financial Stability Board's *Key Attributes of Effective Resolution Regimes for Financial Institutions*
- Home-host issues, including burden sharing
- Central bank instruments
- Deposit insurance
- Communications with other safety-net players and the media

Financial Inclusion

- Microfinance supervision and relationship to the Basel Core Principles
- Microinsurance regulatory and supervisory approaches – practical exposure to the IAIS Application Paper
- Supervisory activities: planning, offsite and onsite work, reporting, and follow-up
- Corporate governance in microfinance/microinsurance
- Market conduct and financial consumer protection
- Digital finance (piloting)



Macroprudential Surveillance

- Institutional framework and design
- Identifying and monitoring systemic risk
- Surveillance tools: indicators, stress testing, and policy instruments
- Regulating and supervising systemically important institutions
- Interaction between macroprudential and microprudential policies

Consolidated Supervision

- Consolidated supervision concepts
- Accounting concepts
- Consolidated and unconsolidated capital analysis
- Cross-border cooperation
- Dealing with non-regulated entities in a financial group or a non-regulated holding company

Financial Sector Assessment Program-Related Activities

- Preparation for an FSAP review
- Implementation of FSAP recommendations

Supervisory Frameworks

- Basel Committee on Banking Supervision's *Core Principles for Effective Banking Supervision*
- International Association of Insurance Supervisors' *Insurance Core Principles*
- International Organisation of Pension Supervisors' *Principles of Private Pension Supervision*
- International Organization of Securities Commission's *Objectives and Principles of Securities Regulation*
- Internal Capital Adequacy Assessment Process (ICAAP)
- Multilateral memorandum of understanding, information sharing and related issues
- Risk-based supervision frameworks
- Supervisory activities: planning, offsite and onsite work, reporting and follow-up
- Intervention strategies and ladders of intervention

Supervision – Oversight Activities

- Corporate governance
- Board and senior management
- Risk management
- External/internal audit
- Actuarial function
- Compliance
- Self-regulatory organizations
- Anti-money laundering and counter-terrorist financing
- Islamic finance

Supervision – Business Activities

- Understanding business activities and associated risks
- Enterprise risk management
- Identifying significant activities and businesses
- Inherent credit, market, and insurance risk
- Liquidity and liquidity management
- Operational risk
- Capital and capital management (including Basel II and Basel III)
- Structural interest rate risk
- Market conduct supervision and financial consumer protection
- Regulation and supervision of insurance intermediaries
- Reinsurance

For a full list of training programs and topics offered, please visit our web site www.torontocentre.org.



Some Toronto Centre programs are now available in English, French, and Spanish. In some situations, interpretation services can be provided in other languages.

Programs are offered for regulators and supervisors of the following sectors:

BANKING programs address such topics as macroprudential surveillance, risk-based supervision, dealing with problem banks, resolving financial crises, and consumer protection.

SECURITIES programs examine issues such as supervisory techniques, risk management, early detection and mitigation of market abuses, fraud and insider trading, and other matters relevant to the protection of investors, ensuring that markets are fair, efficient, and transparent, and crisis management and resolution.

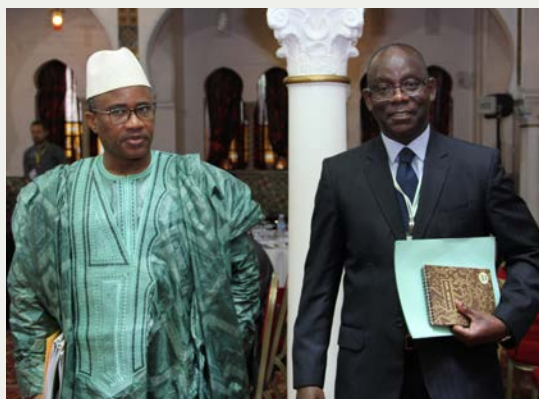
INSURANCE programs focus on a risk-based approach to supervision and early intervention techniques, and examine topics such as macroprudential surveillance and good governance. They typically deal not only with the quantitative assessment of risk through financial analysis and stress testing, but also with techniques for obtaining qualitative information and using it in an assessment.

PENSIONS programs take a practical look at dealing with pension entities under stress, determining alternatives for effective resolution, understanding the probability and impact of potential risks (particularly funding and investment risks) faced by pension plans, allocating finite regulatory resources to target the highest risks, and determining what legal, accounting, technical, financial, and managerial criteria should apply to pension plans.

MICROFINANCE: These programs aim to strengthen the capacity of on-the-ground supervisors of microfinance institutions and industry regulators responsible for the microfinance sector. They examine how regulatory and supervisory standards can be effectively applied in the case of microfinance institutions, to support greater access to the full range of financial services and help build a more inclusive economy.

MICROINSURANCE programs examine topics that help practicing supervisors of microinsurance sectors, including how sound supervisory principles can best be applied to encourage inclusiveness in financial markets, advocating for innovation in product development, the differences between insurance and microinsurance sectors, and the importance of sound corporate governance.

CROSS-SECTORAL programs provide regulators and supervisors in different fields with an opportunity to learn from each other's experiences, and to examine how the sectors interact. They examine how supervisors at a national, regional and international level can collaborate to ensure financial markets remain stable. They examine such topics as how to minimize the risk of contagion from one sector or jurisdiction to another, how to reduce supervisory gaps, and how to avoid unnecessary supervisory overlaps and duplication.



Program Directors

Our dedicated program directors include experienced financial sector supervisors and experts in regulation, supervision, resolution, international best practices, and executive training who have worked at the senior levels of national or international authorities. They bring a wealth of personal experience to our programs. Program directors are responsible for the overall design and delivery of our training programs, including liaising with host agencies and organizations and selecting the right people from our pool of experienced program leaders with the knowledge and experience appropriate to the particular program.



Dr. Hooi Eng Phang

Hooi Eng has been with Toronto Centre since July 2007. As Senior Program Director, she assists the CEO with the design and

implementation of leadership programs, strategy development, and project planning. Before joining the Toronto Centre, she served as an International Monetary Fund Executive Director representing 12 countries in the South East Asia Voting Group. Prior to that, she was the Senior Director of the Economics Department of Bank Negara Malaysia, where she had worked since 1984. She is the author of numerous economic papers and recipient of several economic scholarships and awards.



Salvador Chang

Salvador has held senior positions in the areas of strategy, economic analysis, and finance at Royal & Sun Alliance

Canada, Mercantil Servicios Financieros (a leading financial services provider in Venezuela), and Petróleos de Venezuela, S.A. He was a research professor in economics at Instituto de Investigaciones Económicas y Sociales, a non-profit think tank of Universidad Católica Andrés Bello in Caracas, Venezuela, where he published research on external debt, financial crises, and economic stabilization plans in Latin America. He holds an M.B.A. in Finance from NYU Stern School of Business.



Demet Çanakçı

Demet served as deputy head in the financial sector assessment division of the Central Bank of the Republic of Turkey,

responsible for financial stability and international regulations. She has written on financial stability, macroprudential surveillance, macro stress-testing, Basel II and III, Basel core principles, contingency planning, banking sector restructuring, and crisis management topics for several publications. She has also served as deputy head in the Banking Regulation and Supervision Agency of Turkey and as an economist at the IMF. She holds an MA in Economics from North Carolina State University and was a research scholar at the Kiel Institute for World Economics and George Washington University.



Bruce Thompson

Bruce joined Toronto Centre in 2010 and is responsible for the design and implementation of programs

examining risk-based supervision and related technical subjects. He previously held a senior position with Canada's Office of the Superintendent of Financial Institutions, where he had worked for 30 years, originally joining a predecessor organization, the Department of Insurance.



Geraldine Joseph

Geraldine brings to Toronto Centre more than two decades of experience in central banking, spanning economic research

and international relations. She was a senior manager with Bank Negara Malaysia, focusing on issue analysis and collaboration with other regional central banks on policy formulation related to frameworks and operating elements that are crucial for regional economic development and growth, financial stability, and capacity development.



Phang Hong Lim
Phang Hong joined Toronto Centre in March 2015. Phang Hong has worked in both the banking sector

and as a banking supervisor for close to three decades. His banking experience has focused on various aspects of risk management in global and regional banks, among them Deutsche Bank as a risk management MD, and CIMB Group, where his work as the group Chief Risk Officer was peer-recognized in the region. Phang Hong has also worked at the Monetary Authority of Singapore in division head roles covering banking supervision, specialist risk supervision, and internal risk management. He has also led cross-functional work on areas such as stress testing and cross border supervision.



In 2016, we will welcome **Calvin Johansson**, a former director at the methodology and practices group of the Office of the

Superintendent of Financial Institutions (OSFI) as a new program director.

Prior to joining Toronto Centre, Calvin had worked at OSFI – Canada for over 20 years, where his most current position was as a Director of the Supervisory Practices Division. He was responsible for developing OSFI’s Supervisory Framework and associated guidance and tools, training supervisors in using supervisory methodology, and coaching and managing supervisors in conducting supervisory work. He has conducted training sessions for international regulators such as People’s Bank of China, Australian Prudential Regulation Authority, Korea Financial Supervisory Service, and UK Financial Services Authority.

Post-program Support

We know that affecting significant change takes time and consistent effort. All participants of Toronto Centre programs become part of the TC Community, a network that provides ongoing post-program support for supervisors, regulators and resolution authorities who are working to drive change in their home organizations.

A key element of the TC Community is our online Resource Centre, a comprehensive archive of the latest in supervisory guidance from standard-setting bodies, national supervisory

authorities, and others. Carefully compiled, curated, and updated by Toronto Centre’s head of Supervisory Guidance, Program Directors, and Advisory Board Chairs, the TC Community Resource Centre is a one-stop web site where members of the TC Community can retrieve and share information on financial supervision.

We also maintain regular communication with our program participants through our email newsletters, Twitter feed (@_TorontoCentre), and LinkedIn page.

Program Quality

As part of Toronto Centre’s commitment to excellence in regulatory and supervisory capacity development, we have implemented a comprehensive program quality review process that aims at monitoring and strengthening the quality and relevance of our programs.

Our Task Force on Enhanced Program Quality and Effectiveness has reviewed the results of participant surveys, past program participant focus groups, and progress reports from our long-term country engagements to ensure that our mission and results-based management objectives are being consistently achieved. Our program materials and roster of program leaders are regularly evaluated and updated to ensure that we consistently provide top-quality learning experiences.

Performance Measurement

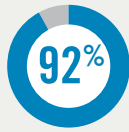
In order to maintain the high standard of excellence our programs have become known for, we constantly review our programs and methods and survey program participants to ensure that we are meeting their needs. Surveys are conducted immediately after our programs and, again, six months after a program. They routinely show that program participants overwhelmingly agree that Toronto Centre training has made them better supervisors and regulators, and that their agencies have been able to implement changes to strengthen financial systems. Multiple focus groups with past participants have

concurred with these findings, and have provided us with great examples of how our participants are using the skills they learned in our programs to promote change in their agencies.

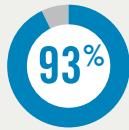
Since 2012, with support from our key Canadian and Swedish funding agencies, we have used a new performance measurement framework that enables us to measure the impact of our training programs: how and to what extent they enhance the capacity of supervisors, regulators, and their agencies, and how they give participants the ability to effectively implement change.

Overview of Survey Responses

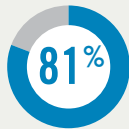
In early 2016, we conducted a comprehensive survey of our 2015 participants after they were back at their workplace anywhere from three to nine months following their attendance at a Toronto Centre program. This gave them time to begin applying their newly acquired skills and to learn for themselves how their effectiveness had increased and whether they were impacting their organization as an agent of change.



92% OF RESPONDENTS agreed or strongly agreed that they were able to apply the knowledge and skills learned when they returned to their home agency.



93% OF RESPONDENTS agreed or strongly agreed that they became more effective supervisors or regulators.



81% OF RESPONDENTS said that they made progress on their action plan following the program. Action planning is an essential skill taught in Toronto Centre programs, requiring participants to develop a plan to address a challenge they face in their job that can be implemented upon return to their agency.

- **UP 7%** from 2014 responses



THE TOP THREE RANKED areas of applied knowledge were:

- Crisis preparedness and crisis management
- Risk-based supervision
- Supervisory frameworks



55% OR MORE indicated that their organization has applied each of the following:

- Increased understanding of the major issues influencing financial supervision
- Enhanced ability to identify risk and emerging market problems and find appropriate responses
- Enhanced ability to deal with troubled institutions



85% OF RESPONDENTS credited their Toronto Centre program with helping them expand their professional network. We believe that this is evidence that learning continues to be shared and applied beyond the classroom.

The surveys help to confirm that our programs are achieving what they set out to do: strengthen the supervisory and regulatory capacity of individuals and agencies. They also indicate that Toronto Centre's results are improving as we respond to feedback provided by program participants. The survey responses guide Toronto Centre's management on all issues pertaining to course development and delivery.

"The ripple effect of what I learned from Toronto Centre was that it had an impact on the economy. Had this organization gone under, then a lot of consumers and customers would have been negatively impacted and obviously it would have had a ripple effect on the business activities in the country because this organization provided loans not only to individuals, but to businesses. But the impact was that there was a rescue that was done. The supervisor knew what actions to take."

Toronto Centre post-program focus group participant

2015 Year in Review

The period since 2010 has been one of intense growth for Toronto Centre, in large part due to a significant increase in resources from our major funding partner, Global Affairs Canada. But the growth in our programming also reflects the strong demand for our capacity development programs worldwide. In 2015 we delivered 66 programs to more than 1,800 supervisors and regulators in all corners of the world, up from just 20 programs in 2010. Approximately 44 percent of all program participants were women.

Key to our success is our commitment to meeting the evolving needs of our partners. We accomplish this by continuously collaborating with new agencies and developing new programs in response to emerging trends and newly identified challenges.

Programs Delivered

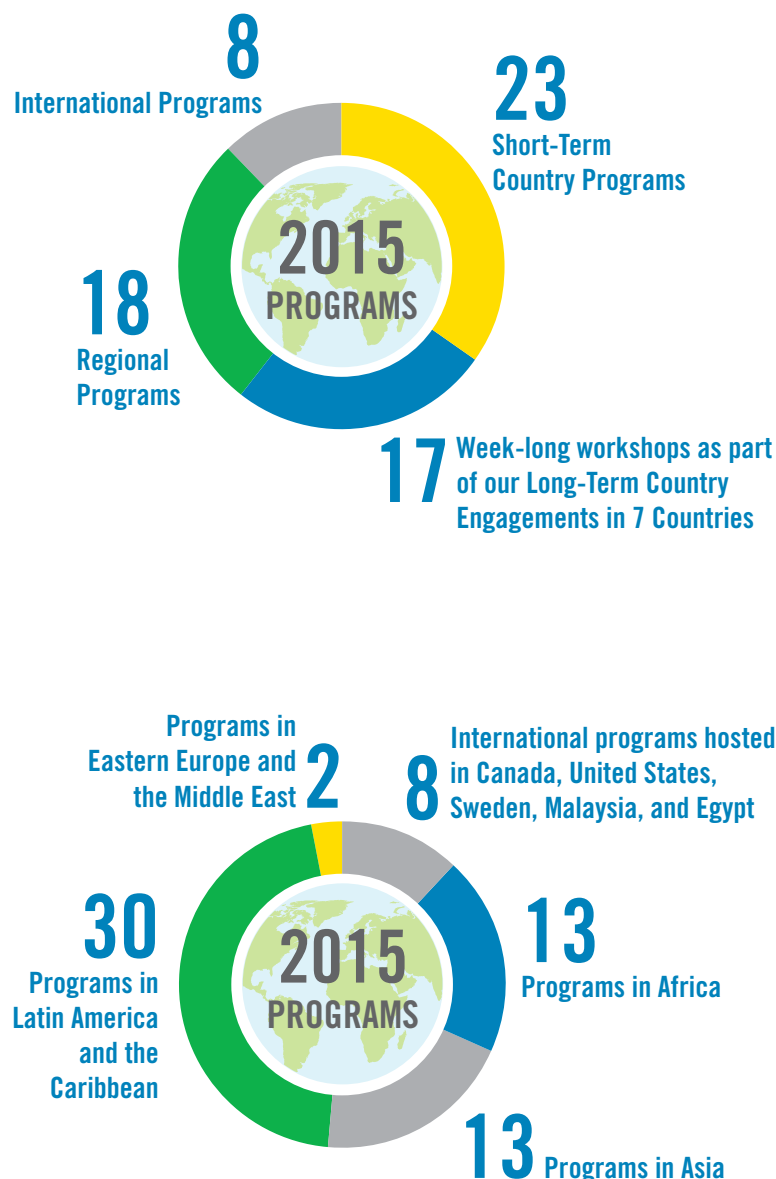
Country Programs

Our country programs give us the opportunity to work with supervisory agencies, central banks and resolution authorities with training tailored to meet the specific needs they have identified, so they can set realistic goals and efficiently implement changes that will strengthen their organizations.

In 2015, we delivered 17 short-term programs in countries in all regions of the world: Brazil, Chile, Colombia, Cook Islands, Costa Rica, Kenya, Malaysia, Mexico, Panama, Peru, Singapore, and South Africa.

2015 also saw the successful conclusion of two of our long-term country engagements, with the National Insurance Commission of Ghana and the Superintendencia Financiera de Colombia. Our work with Costa Rica's Superintendencia General de Seguros (SUGESE) and Superintendencia General de Entidades Financieras (SUGEF), the Central Bank of Armenia, and Indonesia's Financial Services Authority (OJK) continues. We also began a new three-year engagement with the Bank of Jamaica.

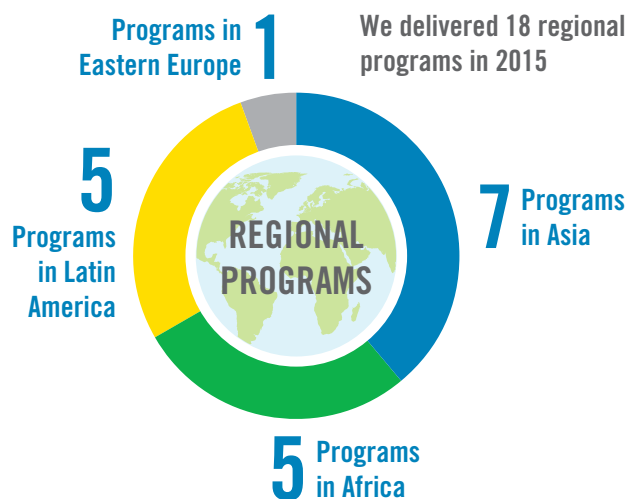
Long-term country engagements accounted for 35 per cent of our programming activity in 2014. We plan to increase this proportion of our programming to 40 per cent by 2018.



Regional Programs

Our regional programs provide a forum for participants from neighbouring countries to learn cooperatively, to exchange ideas, and to solve problems relevant to their countries and region.

In 2015, regional programs covered such topics as Market Conduct and Financial Consumer Protection, Onsite and Offsite Supervision, Crisis Preparedness and Resolution Options, Cross-border Supervision, Microfinance and Microinsurance Supervision, IAIS ICP Self-Assessment, and Macroprudential Surveillance.



International Programs

Our international programs examine pressing issues while taking into account the diverse needs of the global regulatory community, and give participants an unparalleled opportunity to network with other supervisors and regulators from around the world to share experiences and learn from each other's strategies and challenges. In 2015, we delivered eight international programs, including our three flagship programs held in Canada and programs delivered jointly with valued international partners.

Flagship Toronto Programs

Our flagship international programs held in Toronto and Montreal continued to be in high demand in 2015, welcoming nearly 100 supervisors and regulators from 46 countries in all regions of the world.

- International Program for Banking Supervisors: *Taming the Giants – Regulation and Supervision of Systemically Important Banks: Implementing New Standards*
- International Program for Securities Regulators: *The Five R's of Financial Crisis Management: Readiness, Recognition, Response, Resolution, Recovery.*
- International Program for Insurance and Pensions Supervisors: *Balancing Supervisory Intensity And Proportionality*

Programs Outside of Canada

In 2015, we continued our strong partnerships with Sveriges Riksbank (the Swedish central bank), the IMF, and the World Bank, to deliver our established international programs, and built new relationships with other organizations to expand our international program delivery further. Our other international programs included:

- Crisis Preparedness and Resolution Options For Financial Regulators and Supervisors, Central Bankers, Deposit Insurance and Senior Ministry of Finance Officials*, held in Stockholm in partnership with Sveriges Riksbank
- A crisis simulation workshop during the annual meetings of the Growth and Emerging Markets Committee of the International Organization of Securities Commissions (GEM-IOSCO) in Cairo, Egypt

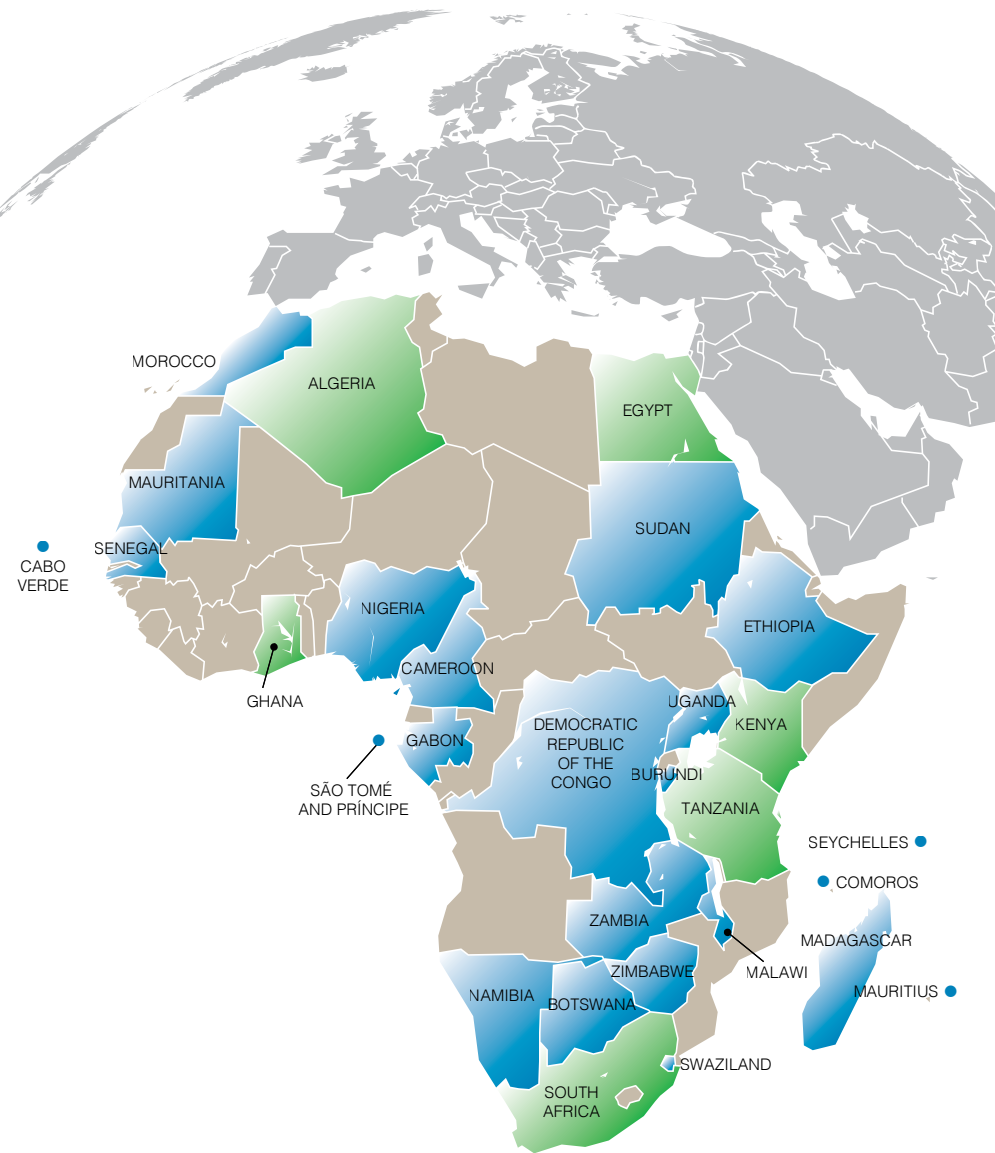
- A symposium on Microfinance Supervision in Kuala Lumpur held in partnership with the Alliance for Financial Inclusion and Bank Negara Malaysia
- At the IMF/World Bank Spring Meeting in Washington, D.C., we held an executive forum in partnership with the World Bank and the Central Bank of the Republic of Turkey, *Market-Based Financing: New Frontier for Growth and Stability.*

In addition, we once again contributed to teaching a portion of the Leadership Seminar for Senior Banking Supervisors from Emerging Economies in October organized by the World Bank, International Monetary Fund, and the U.S. Federal Reserve.

Resource Centre Launched

2015 saw the launch of our long-awaited TC Community Resource Centre, a new online database that compiles the latest standards, guidelines, sound practices, research, and analysis in financial supervision and regulation into a single hub where past Toronto Centre program participants can easily find resources

to support their implementation efforts. There are currently more than 600 articles posted on the TC Community Resource Centre, with dozens more posted every month. In 2016, our online presence will be relaunched to give more prominence to the TC Community Resource Centre.



- We delivered programs in these countries in 2015
- We trained supervisors and regulators from these countries in 2015

Africa

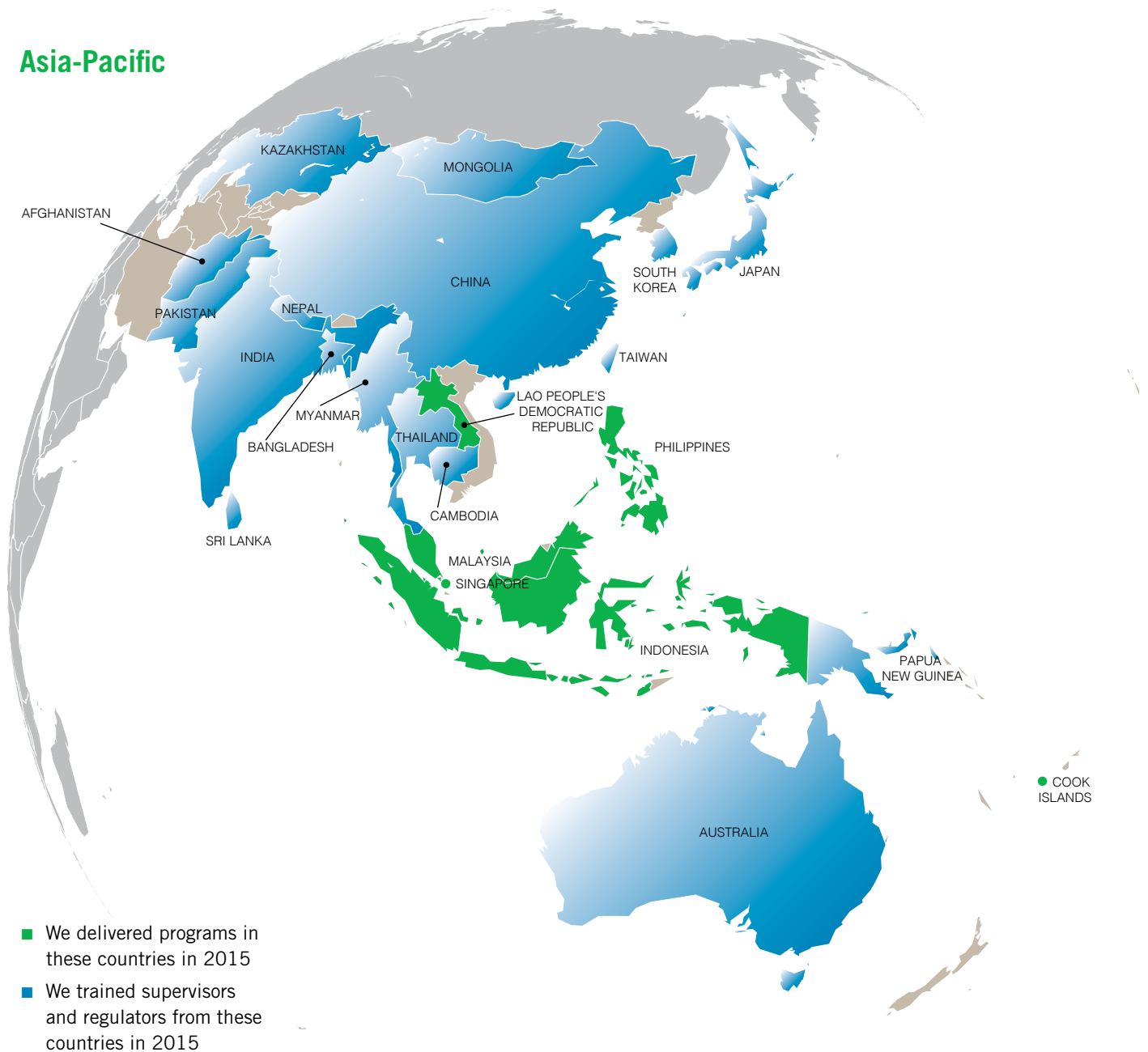
We are very proud of our work in Africa in 2015. Our four-year engagement with the National Insurance Commission of Ghana came to a successful conclusion, with the full implementation of a new risk-based supervision methodology. We also delivered a series of “Directors’ Colleges” aimed at corporate directors of all insurance companies licensed in Ghana, which was viewed as a critical element for the long-term success of improving insurance markets in Ghana and improving the effectiveness of insurance supervision. We will continue to collaborate with NIC in 2016 to check in on progress with the new methodology.

We continued our ongoing partnership with the South African Reserve Bank, with whom we delivered a regional program on Crisis Preparedness and Resolution Options in Pretoria, and with the South Africa Financial Services board, with whom we delivered a program on Market Conduct and Financial Consumer Protection. We also delivered two regional programs on Macroprudential Surveillance in Algiers in partnership with the Banque d’Algerie, Association of African Central Banks, Making Finance Work 4 Africa, and GIZ. Another regional program on Macroprudential Surveillance and Basel III was delivered in Tanzania in partnership with the Financial Stability Institute and MEFMI.

“Toronto Centre exposed me to knowledge in the principles that underpin supervisory intensity and proportionality, and to be able to relate these concepts to my day to day work. The intervention was timely because we are in the process of setting up a supervisory framework for pension in Malawi and the knowledge will assist us in coming up with a well calibrated framework.”

Toronto Centre program participant from Malawi

Asia-Pacific

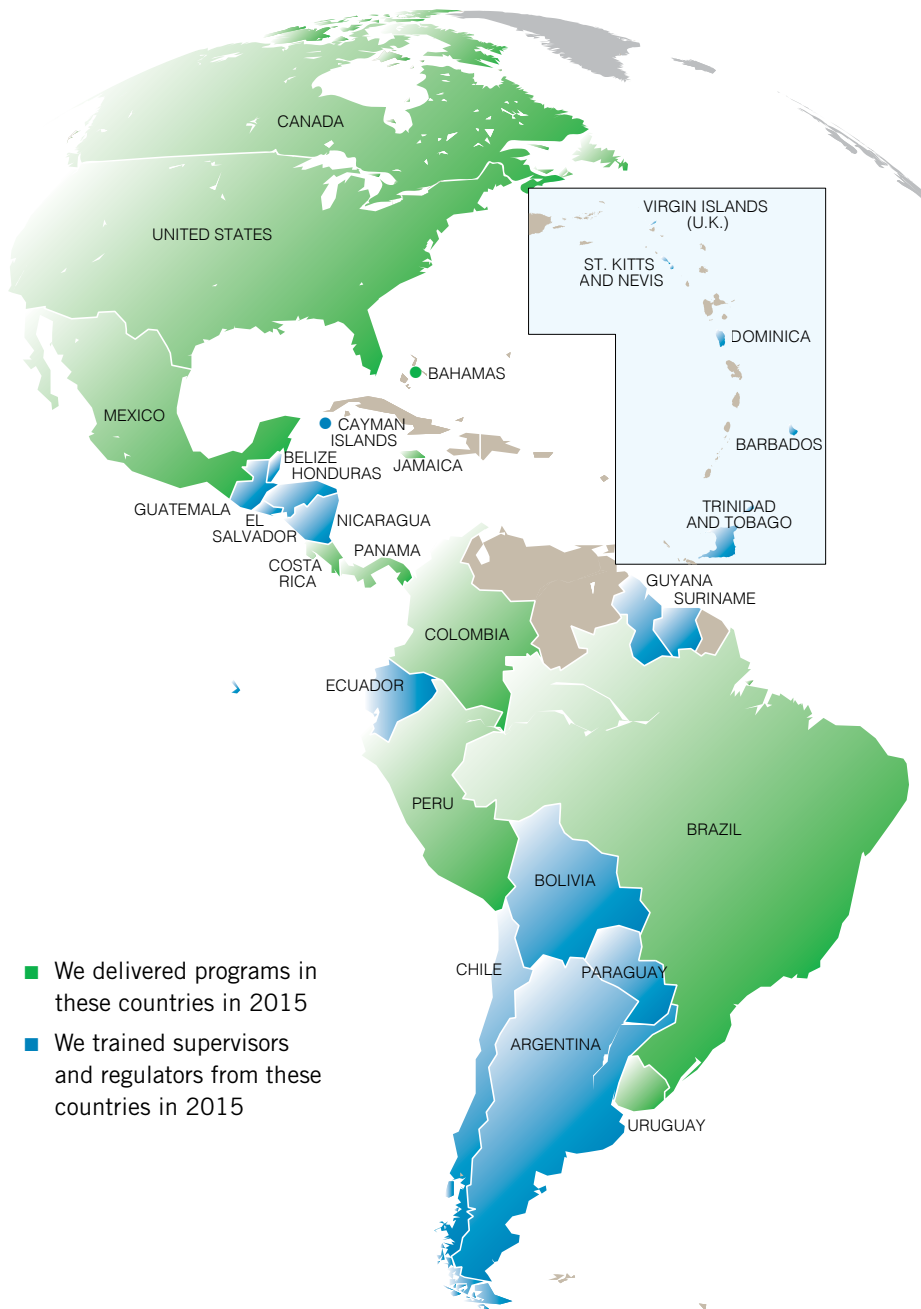


Asia – in particular, the members of the Association of Southeast Asian Nations (ASEAN) bloc of countries – remained a major focus of the Toronto Centre in 2015, in line with the Government of Canada’s goal of fostering closer connections with the ASEAN region. The Government of Canada has been a key supporter of our work in the region, with a four-year grant to offer training programs through 2014-18.

Our long-term engagement with Indonesia’s Financial Services Authority (OJK) is progressing well, and in June we signed a memorandum of understanding to deliver capacity development programs for OJK through 2018, in partnership with the government of Australia.

In 2015, we continued our successful partnerships with the ASEAN Insurance Training and Research Institute (AITRI), Asia-Pacific Economic Cooperation, Asian

Development Bank, South East Asian Central Banks Research and Training Centre (SEACEN Centre), GIZ, Bank of Lao, Monetary Authority of Singapore, and the Cook Islands Financial Services Commission to deliver regional programs in Asia-Pacific. These programs covered such topics as Crisis Preparedness and Resolution Options, Onsite and Offsite Supervision, Risk-based Supervision, and Microfinance Supervision and Market Conduct.



Latin America and Caribbean

2015 saw a continued large focus of our work on Latin America and the Caribbean, with a total of 30 programs delivered there, half of which were part of our long-term engagements in Colombia, Costa Rica, and Jamaica. We also delivered short-term country programs in Brazil, Chile, Mexico, Panama, and Peru.

In 2015, Toronto Centre delivered five successful regional programs here, in partnerships with the Bank of Jamaica, the Asociación de Supervisores de Seguros de América Latina, (ASSAL), Access to Insurance Initiative (A2ii), the Caribbean Association of Insurance Regulators (CAIR) and the Caribbean Regional Technical Assistance Centre (CARTAC), and the Association of Supervisors of Banks of the Americas (ASBA). These programs covered such varied topics as Market Conduct and Financial Consumer Protection, Microinsurance Supervision, and Risk-based Supervision, and Crisis Preparedness.

- We delivered programs in these countries in 2015
- We trained supervisors and regulators from these countries in 2015

Colombia: A Long-term Engagement Success Story

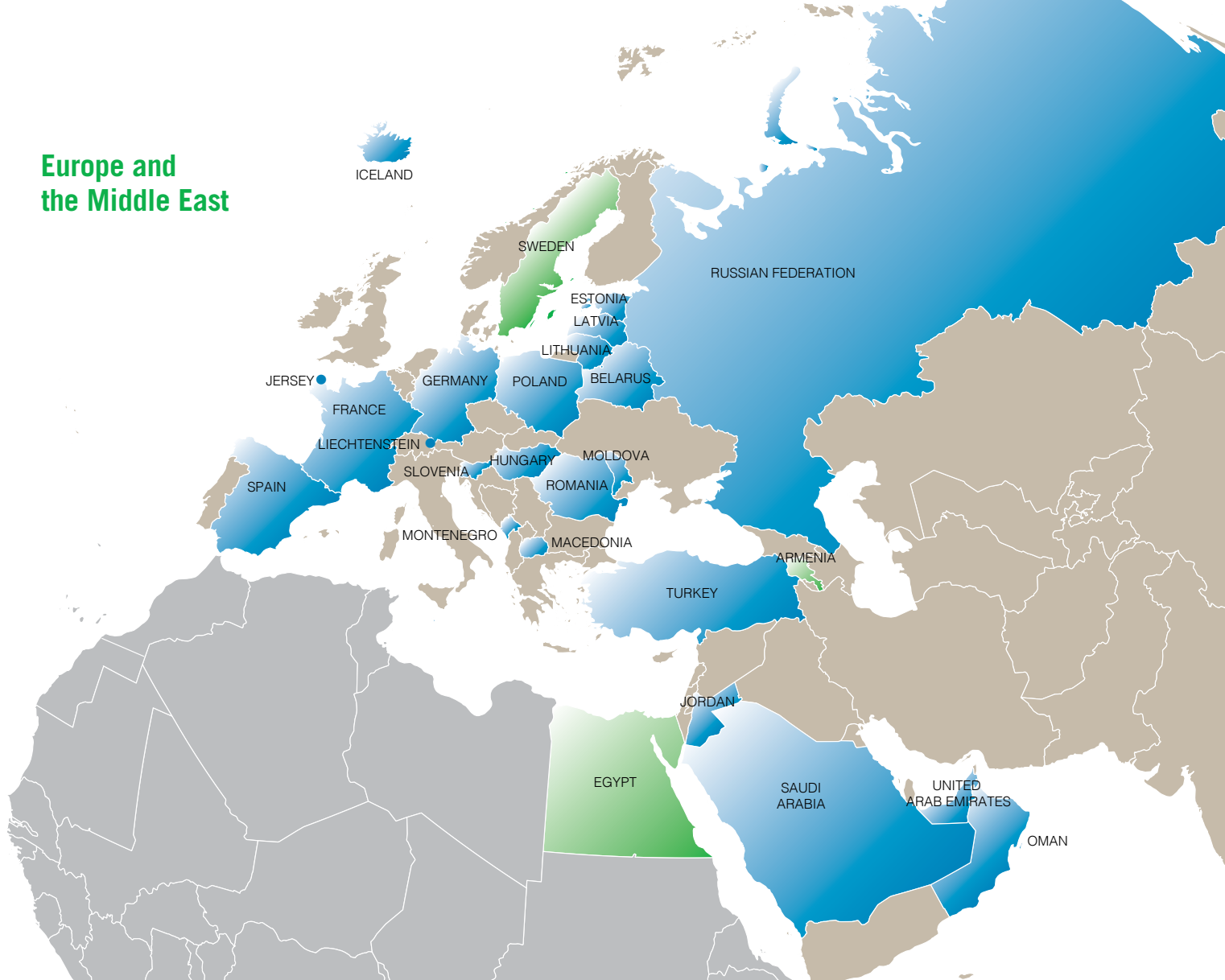
In November 2015, Toronto Centre concluded its long-standing engagement with the Superintendencia Financiera de Colombia (SFC) – Colombia’s national, integrated financial sector regulator. Toronto Centre had provided advisory services to assist the SFC to develop and implement a modern, risk-based supervision framework and methodology for its banking and insurance sectors.

Our work with the SFC involved introducing sound supervision principles to the SFC’s supervision teams – aiding in the development of an appropriate methodology that was aligned with the SFC’s own structure and strengths, as well as befitting the structure of Colombia’s financial services sector.

Toronto Centre’s tailored approach to our work with the SFC encouraged its

professional staff to develop a framework and methodology that reflected the challenges it faced in supervising a rapidly growing and diverse financial sector. SFC’s risk-based supervision methodology – Marco Integral de Supervisión – has been tested thoroughly by rigorous onsite application and is now in the final stage of full-scale implementation across its financial sectors.

Europe and the Middle East



Our long-term engagement with the Central Bank of Armenia entered a new phase in 2015, and we continue to work with the bank as it revises its guidelines and begins its transition toward a risk-based supervision methodology. In addition, we partnered with the Central Bank of Armenia to deliver a regional program on Crisis Preparedness and Resolution Options.

We also trained many supervisors and regulators from across the region in our international programs offered in Toronto, Montreal, Stockholm, and Cairo this year.

- We delivered programs in these countries in 2015
- We trained supervisors and regulators from these countries in 2015

“It’s not a sitting seminar, it’s not a theory conference, it’s a workshop. You have hands on something. We fight, we discuss, we come up with better solutions than I would come up with alone. The fact that it’s organized by Toronto Centre, means it’s going to be interactive, it’s going to be diverse, and it’s going to be challenging. It pushes your limits as a professional, and I like that very much.”

Sona Baghdasaryan, past program participant from Central Bank of Armenia

2016 Outlook

Program Offerings

Demand for our programs continues to be strong going into 2016. We will continue to deliver a mix of international, regional, and short-term and long-term country engagements with our valued partners around the world.

Our long-term engagements in Costa Rica, Indonesia, and Jamaica – all of which are Countries of Focus for our core funders – will continue apace, and we will begin new long-term engagements in Tanzania and Kenya. We are also delivering short-term country programs in Cambodia, Colombia, Costa Rica, Guatemala, Ghana, Kenya, Malaysia, Mexico, Peru, The Philippines, and Tanzania.

We will continue to deliver programs with our established partners, including regional training programs with GIZ, CGAP, AITRI, SEACEN Centre, IMF East AFRITAC, A2ii, ASBA, the FSI, and a new partnership with the Islamic Development Bank. We are also continuing our partnerships with the Central Bank of Armenia, South African Reserve Bank, and the Monetary Authority of Singapore to deliver regional programs, and delivering a series of other programs on digital financial inclusion supervision in Africa, Asia and Latin America and the Caribbean, after piloting the program in Tanzania. We'll also be delivering

new programs in derivatives regulation, conglomerate supervision, Islamic finance, and a cross-sectoral program which includes market conduct issues of the securities sector.

We will once again offer our flagship international programs in Toronto, as well as international programs in partnership with Sveriges Riksbank, IMF, World Bank, the U.S. Federal Reserve, and a new partnership with the Bank of England.

Certification Course

Toronto Centre has observed that many supervisors lack a sufficiently sound conceptual framework to underpin their change efforts. Too often they pursue a reform agenda prescribed by third parties, such as the World Bank and IMF via FSAP recommendations, without having an adequate grounding in the fundamental objectives they should pursue or clarity as to what specifically they should be doing and why. As such, they often get reforms wrong.

To help address this knowledge gap, in 2016 Toronto Centre will launch a new classroom certificate course in financial supervision and regulatory affairs, first as a two-week foundation course to be piloted in collaboration with the Schulich School of Business. The program will provide a comprehensive core curriculum covering the basic principles and practices of regulation and supervision. The course will address banking, insurance, pensions and securities, and will maintain

Toronto Centre's interactive approach to learning by mixing group activities and case studies with the regulatory and supervisory "theory."

Our ultimate goal is to deliver this certification course in multiple venues around the world to help reach more supervisors.

Digital Finance

Toronto Centre will launch a pilot Digital Financial Inclusion Supervision regional training program in partnership with Bank of Tanzania in August 2016. Developed in cooperation with CGAP, the program will enhance the capabilities of central banks, supervisory authorities, ministries of finance and other agencies in East Africa that are responsible for the regulation and supervision of digital financial services (DFS) providers. Some

of the key topics to be covered in the program include a review of various DFS models found worldwide and new emerging risks involved, how to tackle the practical challenges that supervisors face with agent networks and non-bank providers, and the anti-money laundering, combating the financing of terrorism, and consumer protection issues of DFS platforms and innovative digital products. The program is designed to help build a

sound and practical supervisory approach that promotes greater financial inclusion, consistent with the stability, integrity and fairness of the system. Following the program in Tanzania, we are planning to deliver this program in other countries in Africa, Asia, the Middle East and Latin America and the Caribbean.

The Evolving Landscape: Messages from the Advisory Board Chairs

Toronto Centre has three Advisory Boards – composed of international experts in Banking, Insurance and Pensions, and Securities regulation and supervision – which report to the Board of Directors through the Advisory Board Chairs. Advisory board members suggest themes and issues to be discussed in programs and case studies, recommend potential program leaders, provide valuable contacts, and promote Toronto Centre, raising interest in its programs and identifying potential sponsors. They provide a valuable service by making sure our programs are relevant to the ever-changing needs of the supervisory community.

Banking Advisory Board

Clive Briault (Chair), Barry Johnston, Ruth de Krivoy, Jan Willem van der Vossen, Paul Wright, Sarkis Yoghourtdjian

Toronto Centre's banking programs are designed to strengthen the effectiveness of bank supervisors, by helping them to develop their knowledge and leadership skills and to put in place effective supervisory and crisis management tools.

One key objective is to support the implementation of post-crisis regulatory reform. The centre piece of this reform is the Basel III framework, which requires the implementation of higher capital, higher quality capital, a leverage ratio, a counter cyclical capital buffer, two new liquidity ratios and a new framework to supervise global systemically important banks. The Basel Committee is also revising the standardized and internal model approaches to credit, market, and operational risk, for implementation by 2019.

However, Basel III is only one part of the regulatory reform agenda. Supervisors also need to extend their skills and resources – and often their independence and powers – to implement (or to co-ordinate closely with implementation by other authorities) many other reforms and shifts in emphasis following the financial crisis. These include assessing

standards of corporate governance and culture; running stress tests; designating national systemically important banks and supervising them more intensively; business model analysis; recovery and resolution planning; and a macroprudential approach to financial stability.

Meanwhile, existing supervisory tools continue to need reinforcement – for example, risk-based supervision, consolidated supervision, asset classification and provisioning, and financial analysis.

This is why Toronto Centre offers programs to help bank supervisors perform their responsibilities, including focused long-term country engagements in areas such as risk-based supervision; one-week country or regional programmes focusing on country- specific or regional issues; and international programmes on new supervisory challenges, including on bank resolution, macro-prudential policy, and supervising systemically important banks.

Clive Briault
Banking Advisory Board Chair

“It made us revisit our manual based on the principles that we were taught and my focus was particularly using those principles in an investigative environment. In other words, our department began to investigate market principle contraventions – market manipulation, insider trading, and false reporting.”

Toronto Centre post-program focus group participant



Insurance and Pensions Advisory Board

Michael Hafeman (Chair), John Ashcroft, George Brady, Peter Braumüller, Keith Chapman, Jonathan Dixon, Conor Donaldson, Patricio Espinoza, Will Price, Lawrie Savage, Fiona Stewart, Craig Thorburn

Insurance and pensions supervisors continue to face a challenging and evolving environment. The systemic risk issue in insurance – and to some extent in pensions – is seeing growing attention from supervisors. The IAIS has made progress in the development of global insurance capital standards, although the main focus so far has been on dealing with systemically-important and internationally-active insurers rather than prescribing more broadly-applicable quantitative standards. The OECD is currently consulting on changes to the principles for the regulation of private pensions, while efforts are underway to add the OECD and IOPS principles to the list of key international standards.

These initiatives and others at the international level highlight the need for further improvement in regulation and supervision. Many insurance and pensions supervisors continue to face fundamental challenges such as strengthening basic supervisory practices in order to move toward risk-based supervision. For example, some have been building their capacity in micro and macro financial analysis and stress testing, with particular urging from the IMF. Other areas of interest include the supervision of governance, investments, reinsurance, and market conduct. At the same time, many supervisors are being encouraged (or formally mandated) to help facilitate consumers' access to financial

products, such as through microinsurance and pension plans for low income workers.

To help insurance and pensions supervisors cope with these challenges, our 2015 international program for insurance and pensions supervisors focused on balancing the needs for supervisory intensity and proportionality. In 2016, the program will focus on building systemic strength and resilience.

2015 saw several changes to the membership of the Insurance and Pensions Advisory Board. Manuel Aguilera and Ernesto Rios decided to step down after leaving their supervisory positions, while John Thompson has largely retired from work. The contributions of each of them over the years, not only as members of the Advisory Board (John as its first Chair) but also as developers of case studies and program leaders, have been invaluable and their presence will be missed. Several new members were welcomed at the end of the year: John Ashcroft (a consultant and Toronto Centre program leader, formerly of the U.K. Pensions Regulator), Conor Donaldson of the IAIS, Patricio Espinoza of the SVS Chile, and Will Price of the World Bank.

Michael Hafeman
Insurance and Pensions Advisory Board Chair



“It helped me define a framework for the insurance sector regulation. And I think given the work that we do from a policy perspective, it has kind of broken down the barriers in terms of engaging with the FSB, you know where you’re driving quite significant reforms in our insurance market and for all these financial sector reforms. So it definitely has given me some more detailed context in terms of how to be thinking about the issues. We’re actually going to be introducing insurance legislation into Parliament in the next few weeks.”

Toronto Centre post-program focus group participant

Securities Advisory Board

Andrea Corcoran (Chair), Alan Cameron, Karen Den Toll, Ana Fiorella Carvajal, Brian Gelfand, Alison Harwood, Tanis MacLaren, Paul Muthaura, Rosario Patron, Carlos Barsallo Perez, Ilana Singer, Edward J. Waitzer

As the 21st century commenced, tremendous changes arrived on both the demand and the supply side of traditional securities markets. Change, in the form of new platforms, products, participants, order delivery mechanisms, governance structures and business models, was widely viewed as good for competition. Politicians, regulators, supervisors and market participants alike welcomed these changes without cost/benefit assessments or further ado. Soon after, policy and supervisory resources were largely diverted to resolving and developing responses to the banking crisis and investigating potential and actual manipulation of benchmarks.

The Securities Advisory Board (SAB) believes that, globally, we should no longer defer discussing how such dramatic change and its aftermath affects the financial system, and the proper oversight of that system, both for good and ill. Financial markets can and do efficiently finance innovation and infrastructure improvement, play an important role in economic growth, diversification of liquidity, and risk exposure, and expand fair access to finance. Securities examples can provide valuable lessons on the use of disclosure, transparency, and various techniques for the

prevention of misconduct. However, the value of market-based finance and pricing mechanisms is dependent on the recognition that market health not only affects the delivery of financial services and confidence in the system, but also can improve or impair the delivery of policy goals such as infrastructure finance and poverty reduction.

The SAB advocates Toronto Centre strategies and programs that raise the following issues to the priority they deserve:

- How markets impact the rest of the financial system and its operations and supervision, through cross-sectoral programs and programs which explore the accountability of regulated financial institutions for the compliance function
- If and how the risks and rewards of the marketplace have changed, including the impact of the need for speed, robo-advising and trading, cyber-crime, regionalization and changes in participant demographics
- How to achieve the “must haves” for fair and efficient market performance in economies developing market-based systems.

Andrea Corcoran
Securities Advisory Board Chair

“What stands out for me for Toronto Centre is the practical nature of it, because most of these other courses are very theory based. Theory for me is very interesting, but if it's not backed by practicality, then you find that the theory is not very useful... So with the Toronto Centre program what is interesting for me is that the theory becomes evident in the practical aspect, so you find it more useful because you can use it on a daily basis in your work environment.”

Toronto Centre post-program focus group participant



Governance, Operational Responsibility, & Finances

Board of Directors and Executive Committee

Toronto Centre is led by the President and CEO and overseen by a Board of Directors composed of individuals with extensive supervisory and related experience in large and complex organizations, most at the senior executive level, representing different regions of the world.

The Board meets twice a year, in spring and fall, and is responsible for setting strategic direction and broad policies. The Board provides inputs on and approves the annual work plan and budget, monitors performance, and discusses ways to expand the organization's impact and reach.

Audit Committee

The Audit Committee is chaired by a member of the Board of Directors, includes three other board members, and is also attended by the President and CEO. Audit Committee meetings are usually attended by at least one member from the Toronto Centre's external auditing firm, Ernst & Young. The Audit

The Executive Committee is composed of a subset of the board members: the Chair and Vice-Chair of the Board, the Chair of the Audit Committee, and board members representing the government of Canada, the International Monetary Fund, the World Bank, and the Schulich School of Business.

The Executive Committee meets between Board meetings to review detailed financial information on sources of income by funder and associated expenses, quarterly financial statements, and updated revenue and expenditure forecasts.

Committee meets at least annually prior to the spring Board meeting. The Committee Chair meets more frequently with the external auditors and management. Since its inception, the Toronto Centre has received unqualified audit opinions.

Governance and Nominating Committee

The Governance and Nominating Committee is chaired by the Chair of the board and includes three other board members. The Committee is primarily tasked with fostering board renewal and succession, including identifying prospective directors who have the desired competencies, expertise, skills, and background. The Committee is also responsible for developing effective corporate governance policies and procedures, and developing and overseeing processes for assessing the effectiveness of the board and its individual directors.



“The Action Plan was an invaluable opportunity to compare with other jurisdictions our national insights about inclusive insurance. In my specific case, it helped me to improve microinsurance regulation draft as I received a strong feedback from TC and other participants about every step of elaborating a policy.”

Toronto Centre program participant from Peru

Our Board of Directors



Chair, John Palmer

Former Superintendent, Office of the Superintendent of Financial Institutions, Canada; former Deputy Managing Director, Monetary Authority of Singapore; former Deputy Chairman and Managing Partner, KPMG (Canadian firm). Member of the Order of Canada.



Chair of the Audit Committee, Dina Palozzi

President, Paladina Management Consulting Services Inc.; former CEO and Superintendent, Financial Services Commission of Ontario, Canada; former Executive Vice President and Chief Privacy Officer, BMO Financial Group; former Deputy Minister, Government of Ontario.



Clive Briault

Chair, Toronto Centre Banking Advisory Board. Senior adviser on regulation at KPMG, adviser to a number of supervisory authorities in Europe, and consultant to the IMF, World Bank and Asian Development Bank. Former Managing Director of Retail Markets, Director of Central Policy, and Director, Prudential Standards at the Financial Services Authority.



Barry Campbell

Founder and President, Campbell Strategies; former Parliamentary Secretary to the Minister of Finance, later Prime Minister, The Right Honourable Paul Martin from 1993 to 1997; former partner of McCarthy Tétrault and of Torsys; former Legal Counsellor at the IMF.

Barry will be joining the Board of Directors as of May 20, 2016.



Andrea M. Corcoran

Chair, Toronto Centre Securities Advisory Board; Principal, Align International, LLC, bespoke regulatory consulting; former First Director, Office of International Affairs and the Director of the Division of Trading and Markets, U.S. Commodity Futures Trading Commission.



Julie Dickson

Member, Supervisory Board of the Single Supervisory Mechanism, European Central Bank; former Superintendent, Office of the Superintendent of Financial Institutions, Canada; former member of the Basel Committee on Banking Supervision. Officer of the Order of Canada.



Gloria M. Grandolini

Senior Director, Finance and Markets Global Practice of the World Bank Group; former Country Director for Mexico and Colombia at the World Bank; former Director of the Banking and Debt Management Department in the World Bank Treasury.



Michael Hafeman

Chair, Insurance and Pensions Advisory Board, Toronto Centre; actuary and independent international consultant on insurance and pensions issues; former Assistant Superintendent, Specialist Support Sector, Office of the Superintendent of Financial Institutions, Canada.



Dezső J. Horváth

Dean and Tanna H. Schulich Chair in Strategic Management, Schulich School of Business, York University, Toronto, Canada; former member, Board of Advisors for the Canada Global Leadership Initiative, Canadian Council of Chief Executives; former fellow, World Economic Forum; Companion of the Order of Canada.



Stefan Ingves

Governor, Central Bank of Sweden; Chair, Basel Committee for Banking Supervision; Chair, Advisory Technical Committee, European Systemic Risk Board; former Director, Monetary and Financial Systems Department, International Monetary Fund.



Aditya Narain

Deputy Director in charge of financial supervision/regulation and technical assistance, Monetary and Capital Markets Department, International Monetary Fund; former Chief General Manager of Banking Supervision, Reserve Bank of India.



Jeremy Rudin

Superintendent, Office of the Superintendent of Financial Institutions Canada; serves on the Council of Governors of the Canadian Public Accountability Board and the Board of Directors of the Canada Deposit Insurance Corporation; former Assistant Deputy Minister of the Financial Sector Policy Branch, Department of Finance, Canada.



Babak Abbaszadeh, President and CEO

Former Director of Stakeholder Relations, Canada Pension Plan Investment Board, Former Chief of Staff to two Ontario Cabinet Ministers, Former Director of Government and Industry Relations, Sun Life Financial.

Financial Integrity

The Board of Directors takes financial integrity seriously and has passed various resolutions and adopted policies setting out the administrative practices to be followed. The Board reviews and approves Toronto Centre's annual budget and reviews execution at board and committee meetings and via periodic updates. The Board holds the President and CEO accountable for effective management and reporting of income and expenses, and compliance with the Centre's commitments to funders.

Internal Controls and Financial and Operational Procedures

While the President and CEO is ultimately accountable for the financial management of Toronto Centre, this function is conducted separately by its financial staff. Toronto Centre's internal controls are based on best practices and procedures for an organization of our size and in accordance with our major funders' requirements. These practices and procedures include documented policies, segregation of duties where possible, a requirement for two signatures on all payments irrespective of size, and approval by two Board members of any large payment.

Our external auditors, Ernst & Young, review the draft financial statements and carry out a full, independent audit annually of our financial statements. Toronto Centre is currently too small to maintain an internal audit function, and so our external auditors are asked, from time to time, to extend their audit procedures to examine transactions and/or compliance procedures that would otherwise fall outside normal materiality thresholds.

Funders' contributions are managed according to their requirements. Prudent risk-management principles guide the

investment of funds. The funds are held in cash or in short-term, low-risk cash-equivalent instruments where the principal is protected. Regular reports of accounts and investments are provided to the Chair of the Audit Committee.

Toronto Centre aims to be a good corporate citizen. We are an equal opportunity employer and an environmentally conscious organization.

Protection against Corruption and Fraud

Toronto Centre staff, Board members, and program leaders are held to a Code of Conduct, Anti-Bribery and Anti-Corruption Policy, and Privacy Policy. These policies require everyone involved with Toronto Centre to act with integrity, be accountable for Toronto Centre resources, be respectful of others, protect confidential information, avoid conflicts of interest, and follow all applicable laws.

A substantial portion of Toronto Centre's costs are incurred in the payment of program leaders and Toronto Centre staff,

and their travel expenses as they deliver programs all over the world. Controls over payments and limits on travel expenses and purchases per Toronto Centre's Travel Policy and Purchasing Policy are key controls to limit exposure to corruption and fraud.

Toronto Centre partners with various organizations to provide assistance to low-income countries – particularly those eligible for Official Development Assistance – as well as regional supervisory organizations. Toronto Centre

does not make payments to such partners, but it may share expenses and receive payments from them to offset some of the costs incurred by Toronto Centre under agreements covering specific programs. All monies received are closely tracked and included in program budgets and financial statements that are included in reports to the Audit Committee, Executive Committee and Board of Directors.

"I was able to present and propose changes to our supervisory processes by enhancing our offsite monitoring system by requesting financial institutions to submit ICAAPS which form a critical input into our onsite examination activities and planning for the same."

Toronto Centre program participant from Zambia

Summarized Financial Statements

Toronto Leadership Centre

December 31, 2015

Independent Auditors' Report

To the Members of
Toronto Leadership Centre

The accompanying summarized financial statements, which comprise the summarized statement of financial position as at December 31, 2015, and the summarized statement of operations for the year then ended, are derived from the audited financial statements of **Toronto Leadership Centre** for the year ended December 31, 2015. We expressed an unqualified audit opinion on those financial statements in our auditors' report dated May 20, 2016.

The summarized financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations applied in the preparation of the audited financial statements of **Toronto Leadership Centre**. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of **Toronto Leadership Centre**.

Management's responsibility for the summarized financial statements

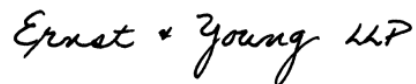
Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Auditors' responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with the applicable Assurance Guidelines of the Chartered Professional Accountants of Canada.

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of **Toronto Leadership Centre** as at and for the year ended December 31, 2015 are consistent, in all material respects, with those financial statements and present fairly, in all material respects, the financial position of **Toronto Leadership Centre** as at December 31, 2015 and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Toronto, Canada.
May 20, 2016

Summarized Statement of Financial Position

As at December 31

ASSETS	2015	2014
Current	\$	\$
Cash and cash equivalents	923,747	368,051
Short-term investments	3,052,695	2,515,379
Internally restricted short-term investments	1,396,036	1,281,480
Accounts receivable and others	193,751	409,383
Total current assets	5,566,229	4,574,293
Capital assets, net	26,958	25,453
	5,593,187	4,599,746

LIABILITIES AND NET ASSETS	2015	2014
Current	\$	\$
Accounts payable and accrued liabilities	925,019	839,065
Deferred contributions and others	2,390,900	2,120,785
Total current liabilities	3,315,919	2,959,850
Net assets		
Unrestricted	881,232	358,416
Internally restricted	1,396,036	1,281,480
Total net assets	2,277,268	1,639,896
	5,593,187	4,599,746

On behalf of the Board:



Director



Director

These financial statements are an abridged version of the audited financial statements of the Toronto Leadership Centre.

Summarized Statement Of Operations

Year ended December 31

REVENUE	2015	2014
	\$	\$
Contributions	4,912,760	5,587,749
Program partners	1,228,803	1,154,503
Participant registration fees and others	320,056	211,256
	6,461,619	6,953,508

EXPENSES	2015	2014
	\$	\$
Program delivery	3,324,395	4,298,188
Program development	723,710	810,548
Program promotion	389,025	376,391
Projects	739,792	578,618
Administrative and general and others	647,325	777,088
	5,824,247	6,840,833
Excess of revenue over expenses for the year	637,372	112,675

Notes To Summarized Financial Statements

December 31, 2015

1. Summarized Financial Statements

The summarized financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations as at December 31, 2015 and for the year then ended.

The preparation of these summarized financial statements requires management to determine the information that needs to be reflected in the summarized financial statements so that they are consistent in all material respects, with or represent a fair summary of the audited financial statements.

These summarized financial statements have been prepared by management using the following criteria:

[a] the information in the summarized financial statements is in agreement with the related information in the complete audited financial statements' and

[b] that, in all material respect, the summarized financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements, including the notes thereto.

Management determined that the statement of changes in net assets and cash flows does not provide additional useful information and as such, has not included them as part of the summarized financial statements.

The complete audited financial statements of the Toronto Leadership Centre are available upon request by contacting the Toronto Leadership Centre [the "Centre"].

2. Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Program partner and participant registration fees are earned upon delivery of programs for which the participants have registered.

Interest income is recorded on an accrual basis.

3. Allocation Of Expenses

Costs incurred by the Centre, including external suppliers' fees, staff compensation, travel, meals, facilities and materials, are allocated to the activities to which they contribute or relate. These costs are directly allocated on the basis of time spent and usage. General support and other costs not relating to specific activities are allocated according to the terms of the funding agreements.

4. Internally Restricted Net Assets

The Board of Directors [the "Board"] has internally restricted net assets for the purpose of assisting the Centre in dealing with extraordinary events outside of normal operations. The Board will review annually the need for, and adequacy of, these internally restricted net assets. Shortterm investments will be segregated from assets used in the daytoday operations of the Centre, invested under the supervision of the Board and released only with the authorization of the Board. Interest on these short-term investments will be accumulated in unrestricted net assets and transferred to the internally restricted net assets each year. During the year, these assets were invested in shortterm Canadian dollar deposits to reflect the fact that costs arising from possible extraordinary events outside of normal operations for which the internally restricted net assets have been established are likely to be incurred largely in Canadian dollars.

5. In-Kind Contributions

During the year ended December 31, 2015, a number of organizations, including the World Bank, the Central Bank of Sweden ["Riksbank"], the SEACEN Centre, the Schulich School of Business, the IMF and the Office of the Superintendent of Financial Institutions ["OSFI"] provided contributions inkind to the Centre by way of personnel and seminar leaders. These contributions are not recorded in these financial statements.



 **TORONTOCENTRE**
Global Leadership in Financial Supervision





Toronto Centre

2 Toronto Street, Suite 200
Toronto, Ontario, Canada
M5C 2B5

www.torontocentre.org