

2021

ANNUAL REPORT

READ

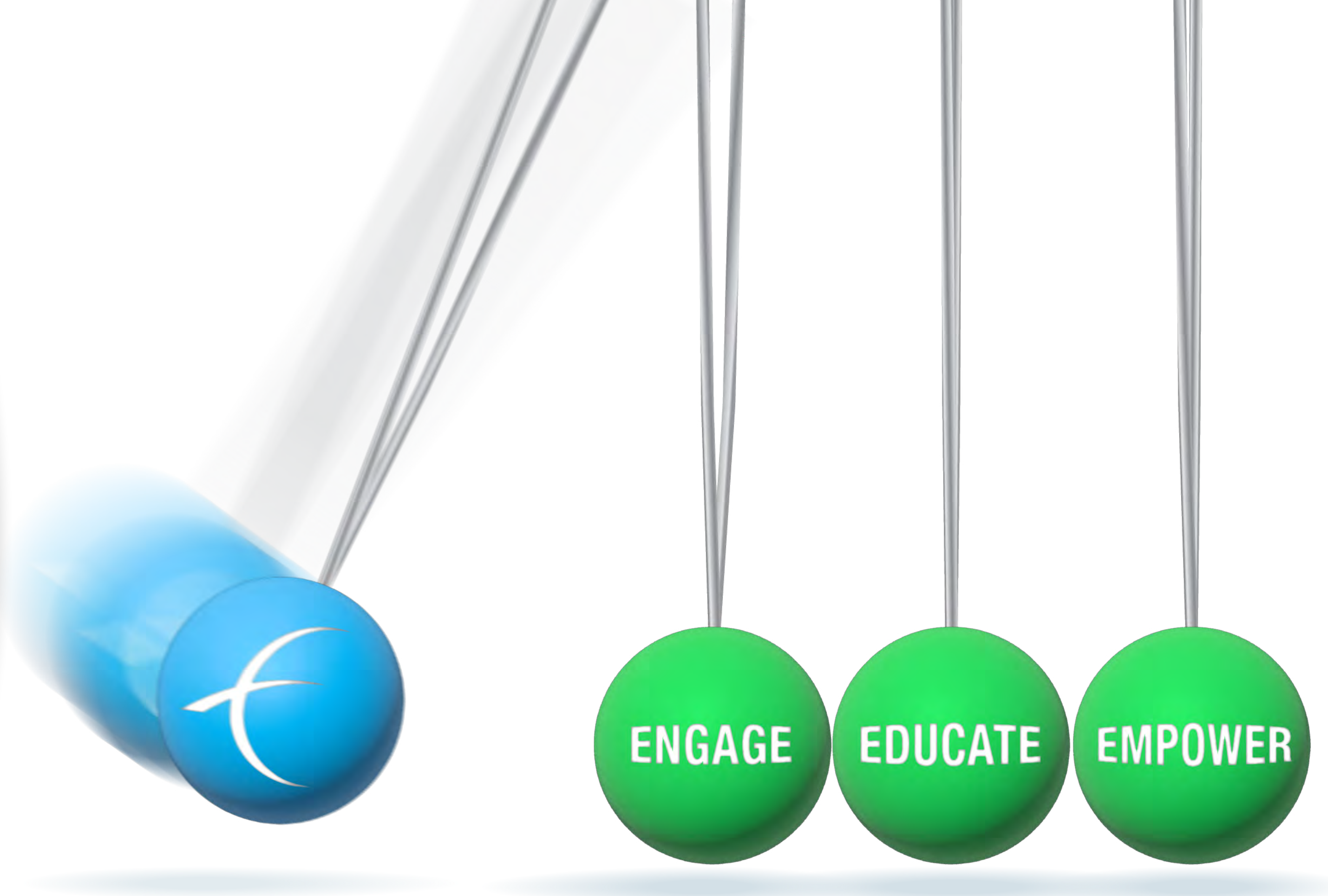




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VISION, MISSION, OBJECTIVES

OUR VISION I

A world where financial systems are stable and accessible to all

OUR MISSION I

To provide high-quality capacity building programs for financial supervisors and regulators

OBJECTIVES I

- Increase supervisors' and regulators' knowledge and skills to implement sound practices across all sectors
- Develop leaders who have the capability to promote and implement sustainable change
- Enhance financial stability, crisis preparedness, and consumer protection
- Promote sound and inclusive financial systems that will foster sustainable economic growth, reduce poverty, and benefit women and children



MESSAGE FROM THE CHAIR OF THE BOARD



2021 proved to be another extremely challenging year as the COVID-19 pandemic raged on.

Inequitable global vaccine distribution and emerging new variants have taken their toll, especially in the poorest countries. In addition to the disruptions to lives and people's health, countries are now struggling to deal with healthcare capacity, supply chain problems, and inflationary pressures. Coupled with the sharp increase in climate change disasters, the pandemic elevates the risks to financial stability and inclusion. It also poses a threat to achieving the [UN Sustainable Development Goals](#).

One silver lining of the pandemic is the rapid growth of digital financial products and services. Without safe access to financial services, people, especially women and children, will be more vulnerable. Innovations in this area can increase access to low-cost financial products and services, allowing more people to save, borrow, and safely make payments.

These challenges and opportunities have increased the pressure on supervisors and regulators. I am pleased that Toronto Centre responded with resilience and agility. **In 2021, we delivered a record number of high-quality programs and supervisory guidance materials to educate supervisors and regulators to help meet their expanding mandates.**

The board undertook a strategic review this year and confirmed the important role of supervisors and regulators in sustainable economic development and the ongoing need for Toronto Centre's programming in these turbulent times. We aim to equip supervisors and regulators with the skills and knowledge to empower them to bring about lasting change that contributes to sustainable economic development and poverty reduction.

The board expects Toronto Centre to continue broadening its reach and impact by using technology and innovative ways to engage supervisors and regulators.

I am fortunate to be supported by an expert board with a depth of knowledge and experience. We are pleased to welcome Peter Routledge, Canada's new Superintendent,

Office of the Superintendent of Financial Institutions, to the board. We also thank Jeremy Rudin, who retired from the board in 2021, for his contributions.

On behalf of the board, I thank Toronto Centre's staff, Advisory Board Chairs, and external program leaders who helped us deliver a record number of programs and supervisory guidance materials.

Finally, Toronto Centre is indebted to our funders. Without their support, this valuable work would not be possible. We appreciate the generous institutional support of Global Affairs Canada, the Swedish International Development Cooperation Agency, and the International Monetary Fund. We're also grateful for project-specific funding from Jersey Overseas Aid, Comic Relief and United States Agency for International Development (USAID).



STEFAN INGVES



“WITHOUT SAFE ACCESS TO FINANCIAL SERVICES, PEOPLE, ESPECIALLY WOMEN AND CHILDREN, WILL BE MORE VULNERABLE.”

MESSAGE FROM THE PRESIDENT & CEO



**BABAK
ABBASZADEH**

In 2021, I witnessed the highest demand for supervisory and regulatory capacity building in my 11-year tenure at Toronto Centre. The pandemic continued to dominate the work of supervisors and regulators. While they focused their efforts primarily on maintaining financial stability, they also helped their citizens securely access financial services. These included payments, remittances, and access to capital.

Having pivoted rapidly to virtual programming in 2020, TC was well-positioned to respond to the unprecedented demand. And I am proud to say TC has exceeded its objectives in another challenging year.

We delivered a record-breaking 95 virtual capacity building programs, educating more than 3,000 regulators and supervisors. We continued to invest in people and technology to ensure high-quality, engaging programming. We expanded our team to support delivery across multiple time zones. We also introduced a learning management system, digitized content, and developed good practices for interactive virtual training. I am pleased by the positive feedback we received.

We continue to expand the supervisory guidance function that supports our capacity building programs. We provided virtual supervisory guidance on urgent needs to eight authorities. [We also published nine TC Notes, two research reports, and our first toolkit.](#) Webinars, podcasts and communities of practice rounded out our offerings to engage the TC Community on the most pressing issues.

Fourteen long-term country engagements were in progress during 2021. Many of these were focused on helping central banks and supervisory agencies implement risk-based supervision while applying the principle of proportionality, to better focus resources and support sustainable market development.

TC responded to the rapid growth in digital finance in many emerging markets and developing economies. We provided programs on technology risks, cyber risks, the linkages between digital finance and financial inclusion, and the use of data and technology by financial supervisors (Suptech). A major objective was to embrace technology and data analytics to improve gender-aware supervision.

TC collaborated closely with USAID to produce a report on how supervisors can use sex-disaggregated data to enhance financial inclusion.

CONTINUE

“WE DELIVERED A RECORD-BREAKING 95 VIRTUAL CAPACITY BUILDING PROGRAMS, EDUCATING MORE THAN 3,000 REGULATORS AND SUPERVISORS. WE CONTINUED TO INVEST IN PEOPLE AND TECHNOLOGY TO ENSURE HIGH-QUALITY, ENGAGING PROGRAMMING.”



MESSAGE FROM THE PRESIDENT & CEO

CONTINUED

In 2021, we saw that no one is immune to the devastating impacts of climate change. Floods, forest fires, droughts, and forced migration dominated the news. TC published a [Climate Risk Toolkit](#) to help supervisors incorporate climate-related risks when assessing risks facing financial institutions. The toolkit also supports higher standards of disclosure to enable investors and consumers to make well-informed decisions, and address the impact of climate change on financial inclusion. TC also developed a climate risk crisis simulation exercise to help financial authorities test their readiness to address a climate crisis.

Looking forward, TC plans to engage with supervisors and regulators through a combination of in-person, virtual, and blended programs. While face-to-face contact will remain important, virtual and blended programs offer numerous advantages. They allow us to deliver high-quality training and capacity building at a lower cost; reduce harmful emissions from air travel; and enable supervisors who could not afford to attend in-person to benefit from TC programs. TC will continue to invest in people and technology to improve our program delivery.

With the guidance of the board, we updated our strategic direction to ensure we are poised to meet the needs of regulators and supervisors in these turbulent times. We are thrilled to announce we are developing a “Certified Financial Supervisor” designation. This designation aims to strengthen supervisors’ qualitative decision-making abilities and leadership skills.

TC is grateful to Jersey Overseas Aid and United Nations Capital Development Fund for new funding to support programming in Ethiopia and Rwanda and digital financial inclusion in Africa. We appreciate the commitment of these organizations to TC’s vision.

TC is also pleased to be an implementation partner of the [International Association of Insurance Supervisors](#).

I also thank my staff for their hard work, dedication, and enthusiasm; our international cadre of program leaders for their commitment; the board for its leadership and guidance; and the Advisory Board Chairs for their valuable advice and support.

I join the Chair in thanking our funders, Global Affairs Canada, Sida, IMF, Comic Relief, JOA, and USAID, for their generous support in 2021. Without them, we could not achieve our important mission.



BABAK ABBASZADEH



FOUNDERS AND FUNDERS

Toronto Centre’s mission would not be possible without the shared vision of our founders and funders. These leading development organizations share our mandate for advancing financial stability, fostering financial inclusion, working towards achieving the UN 2030 Sustainable Development Goals, and reducing poverty.

Our funding partners help to make our vision a reality. We thank Global Affairs Canada, Sida, and the IMF for their institutional support, and Comic Relief, Jersey Overseas Aid, and USAID for project-specific support. We also thank our founders, Schulich School of Business and the World Bank Group, for their guidance and advice.

WE ARE GRATEFUL TO THE FOLLOWING ORGANIZATIONS WHO RENEWED OR PROVIDED NEW FUNDING TO TORONTO CENTRE IN 2022:

IMF | Renewal of institutional support for 2022-2023.

UNITED NATIONS CAPITAL DEVELOPMENT FUND |

New project-specific funding to deliver digital financial supervision programming, primarily in francophone Africa.



Global Affairs
Canada

Affaires mondiales
Canada



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP



COMIC RELIEF



Unlocking Public and Private
Finance for the Poor



Schulich
School of Business
York University

“ Under its Branching Out: Financial Inclusion at the Margins programme, Comic Relief found in the Toronto Centre an ideal partner in helping strengthen the capacity of Zambian financial supervisors and regulators. By promoting and building financial inclusion, financial stability and by supporting inclusive and effective governance, the Toronto Centre has had an indelible positive impact upon our programme and the future of financial supervision in Zambia. We look forward to continuing our work together on the impact of Covid-19 measures on face-to-face delivery of financial services to vulnerable populations and count the Toronto Centre as a key partner in helping achieve financial inclusion in Sub-Saharan Africa. ”

— JOSÉ MORELL-DUCÓS, PORTFOLIO MANAGER | FINANCIAL INCLUSION | COMIC RELIEF

PROGRAMMING HIGHLIGHTS

95 PROGRAMS DELIVERED

3,765 PARTICIPANTS TRAINED

75% FROM ODA COUNTRIES

42% WOMEN

DELIVERED TRAINING TO **36** AGENCIES FROM **23** DIFFERENT COUNTRIES

OVER **90%** OF FUNDING SPENT ON CAPACITY BUILDING PROGRAMMING

PROVIDED VIRTUAL SUPERVISORY GUIDANCE ASSISTANCE TO **8** AGENCIES

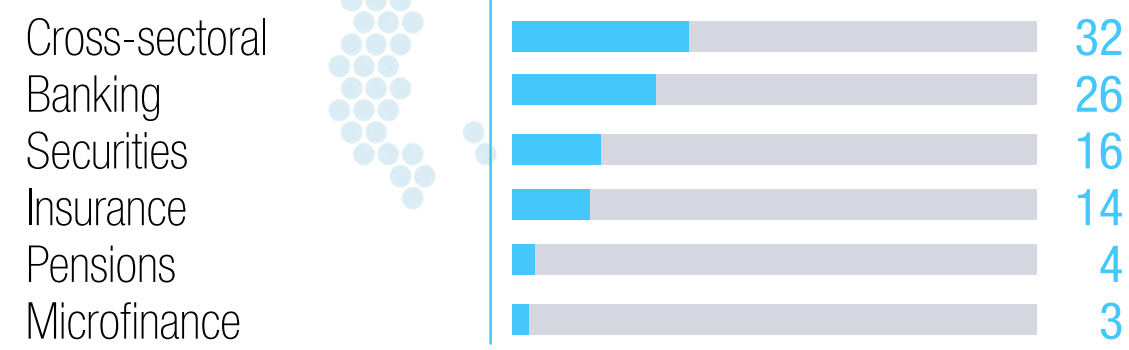
320 DAYS OF TRAINING

55 SCHOLARSHIPS VALUED AT **\$105,000** AWARDED

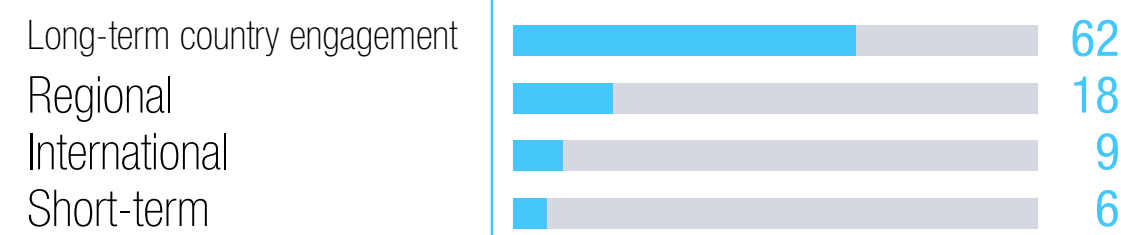
89% AWARDED TO WOMEN



PROGRAM SECTOR NUMBER OF PROGRAMS



PROGRAM TYPE NUMBER OF PROGRAMS



TC NOTES, RESEARCH PUBLICATIONS AND TOOLKITS

DOWNLOADS 9,141 (TOTAL) [↓](#)

Topics

Climate Risk, Gender Equality, Microprudential Supervision and Macroprudential Policy, Resilient and Inclusive Financial Services, Risk-Based Supervision

12 published in 2021

[↓](#) 4,393 downloads

57 published pre-2021

[↓](#) 4,748 downloads



37 PODCASTS

[▶](#) 4,185 LISTENS

Topics

Building Back Better, Business Continuity Planning, Climate Risk, Digital Transformation, Employee Engagement and Retention, Gender Equality, Principles-Based Regulation, Risk-Based Supervision, Sustainable Finance



14 WEBINARS

[▶](#) 3,733 VIEWS

Topics

Climate Risk, Digitization, Financial Inclusion, Financial Stability, Gender Equality, Green Finance



6 COMMUNITIES OF PRACTICE (COP)

- FINANCIAL INCLUSION AND GENDER EQUALITY
- RISK-BASED SUPERVISION
- FINTECH-REGTECH-SUPTECH
- BUSINESS CONTINUITY PLANNING
- CLIMATE RISK
- WOMEN'S LEADERSHIP PROGRAM ALUMNI

4 EXECUTIVE PANEL DISCUSSIONS

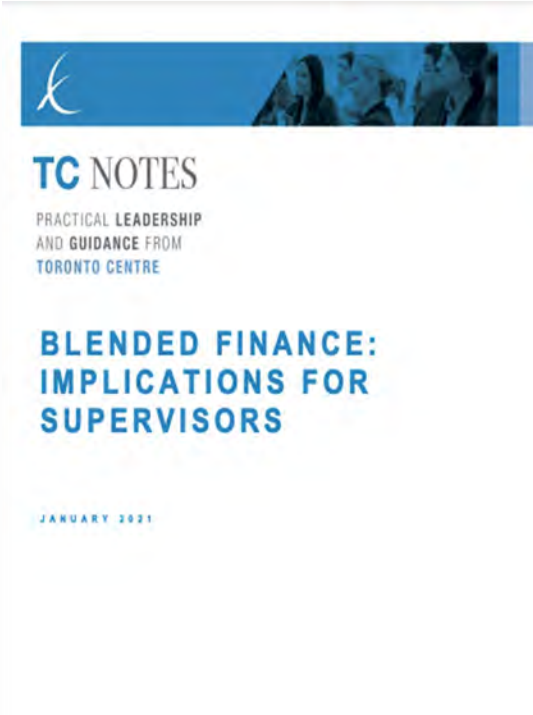
[▶](#) 2,111 VIEWS

2 ROUNDTABLE DISCUSSIONS

[▶](#) 71 ATTENDEES

EDUCATE

Providing high-quality capacity building programming to equip supervisors and regulators with essential knowledge, skills, and sound judgement to build more stable and inclusive financial systems.



9 TC NOTES



1 TOOLKIT



2 RESEARCH REPORTS:



SEX-DISAGGREGATED DATA

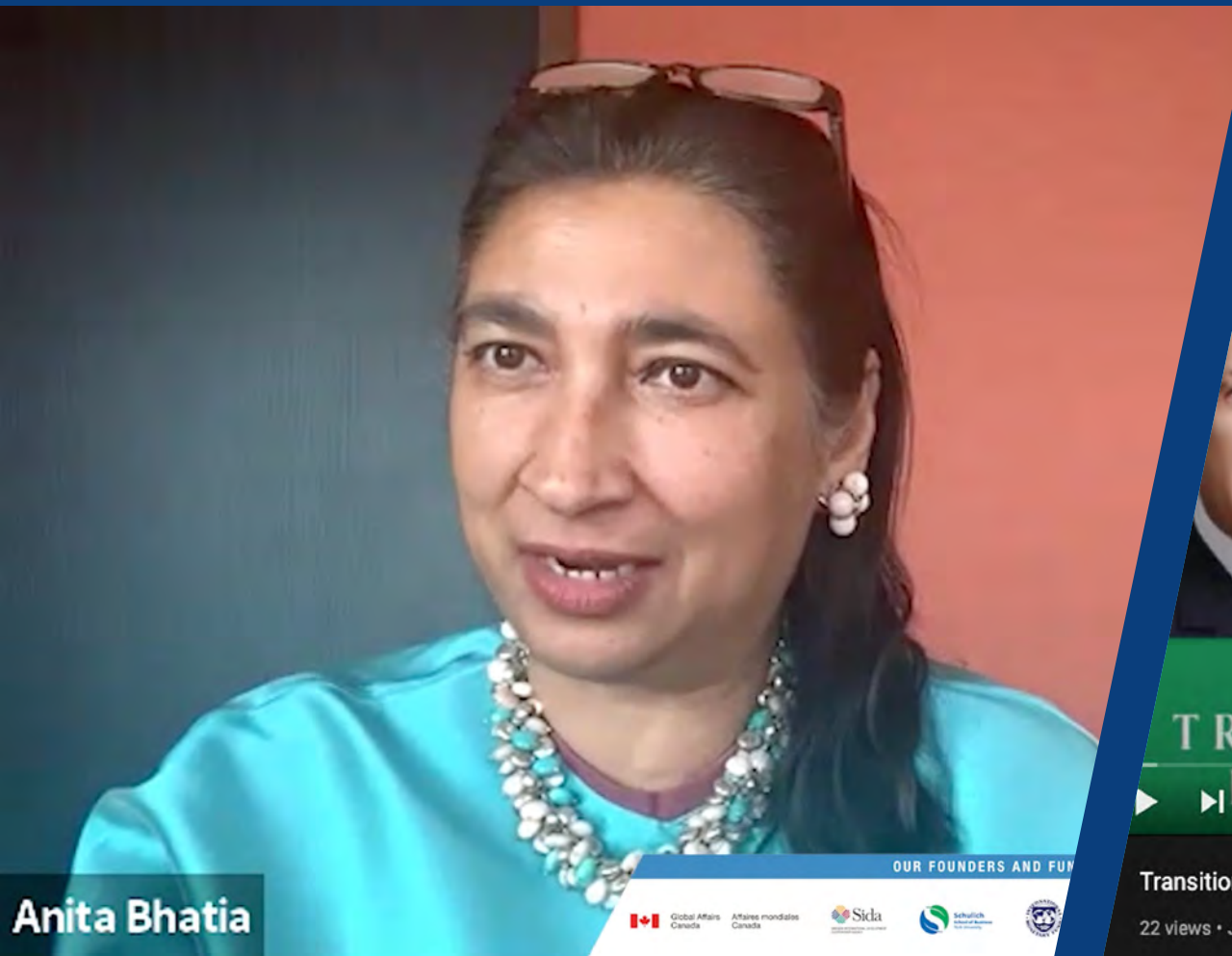


FINANCIAL SERVICES DURING COVID-19



ENGAGE

Convening thought leaders, building networks through continuous interaction and collaboration, and leveraging technology to broaden reach.



CONVENED 40 THOUGHT LEADERS | 2021 YEAR IN REVIEW



MOST ATTENDED WEBINAR | TRANSITIONING TO A GREEN ECONOMY: FINANCIAL STABILITY IMPLICATIONS



MOST LISTENED TO PODCAST | WOMEN'S LEADERSHIP PROGRAM



A GROWING COMMUNITY | 3,765 NEW ALUMNI



EMPOWER

Creating leaders who champion inclusive and stable financial systems to foster sustainable economic development that will reduce poverty and benefit women and children.

CONTINUE



**MATUMELO
RALEBAKENG**

DIRECTOR OF FINANCE,
CENTRAL BANK OF LESOTHO

**WOMEN'S LEADERSHIP
PROGRAM (WLP) |**

Alumni success story of
how WLP changed her life



EMPOWER

Creating leaders who champion inclusive and stable financial systems to foster sustainable economic development that will reduce poverty and benefit women and children.

CONTINUE

BELIZE

Belize Virtual Supervisory Guidance Assistance (VSGA)



CENTRAL BANK OF BELIZE |

The Bank received complimentary Virtual Supervisory Guidance Assistance (VSGA) on its BCP from the Toronto Centre (TC). The VSGA focused on the technical aspects of developing the Business Impact Analysis (BIA) component of the BCP. Particularly, it offered guidance on identifying the critical operational functions, predicting the consequences of disruption of an operational function, and developing recovery strategies. The experience and knowledge that the TC shared increased the Bank's awareness and capabilities to incorporate proactive measures to mitigate disruptive events and evaluate recovery. Finally, the VSGA helped to cultivate a resilient organizational culture at the Bank.

EMPOWER

Creating leaders who champion inclusive and stable financial systems to foster sustainable economic development that will reduce poverty and benefit women and children.

CONTINUE

JAMAICA

3-year LTCE, July 2018-September 2021



FSC JAMAICA I

The Financial Services Commission of Jamaica (FSC) has been working closely with Toronto Centre (TC) in developing the Risk-Based Supervision (RBS) framework.

WATCH VIDEO

FSC JAMAICA I

Probably the most outstanding accomplishment for the FSC was the greater level of confidence among the staff as they have gained an improved understanding of risks and their supervisory skills were enhanced.

With the TC's tested and proven training approach and style, there was a high degree of appreciation and adoption of the RBS framework across the three non-banking industries – insurance, securities, and private pensions. Another noteworthy success was the elimination of work silo tendencies which will lead to greater efficiency and increased proactivity.

FSC JAMAICA I

RBS application and sustainable organizational capacity change in action. The FSC's RBS will officially launch in the first quarter of 2022.

Watch the videos prepared by FSC on RBS:

VIDEO 1

VIDEO 2

VIDEO 3

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Creating leaders who champion inclusive and stable financial systems to foster sustainable economic development that will reduce poverty and benefit women and children.

CONTINUE

NAMIBIA

2nd SSA Program on 'Coping with Common Challenges of Developing Markets' in partnership with the World Bank

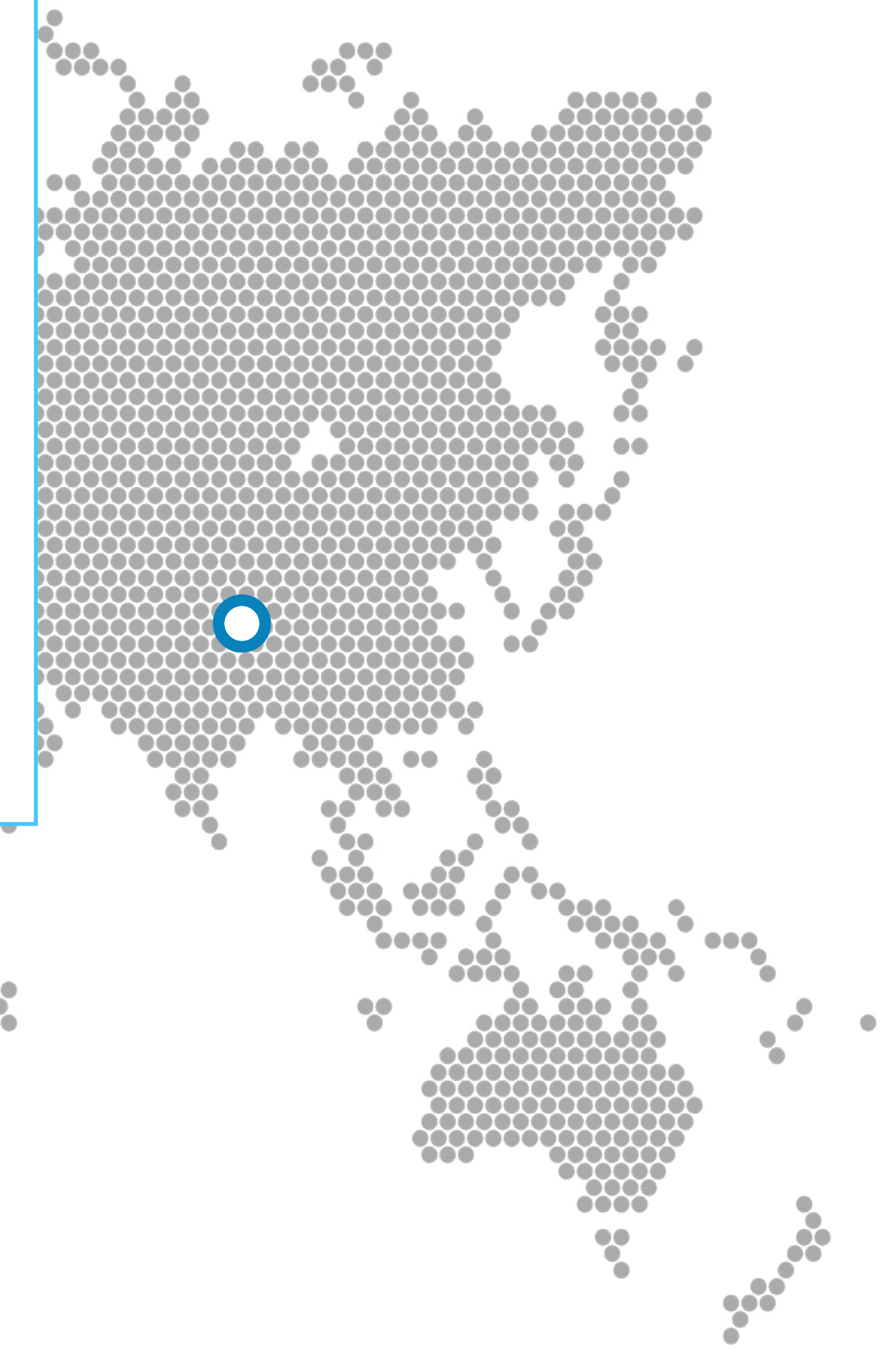


NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY (NAMFISA) |

In our (NAMFISA's) action plan summary, we cited old and outdated legislation as one of the root causes for the emerging risk that NAMFISA may face with regards to insight on the Namibian insurance products and insurance operations that make use of Insuretech. We are happy to report that the Financial Institutions and Markets Act, No. 2 of 2021 ("FIM Act") was officially gazetted on 1 October 2021. The FIM Act will become operational on the date to be determined by the Minister of Finance. There will be a transitional period within which NAMFISA must finalize formal consultations with the industry on the subordinate legislation (Regulations and Standards) issued under the FIM Act and when all financial institutions must prepare to comply with the new legislation. The FIM Act enables NAMFISA to implement risk-based supervision (RBS) which includes the supervision of Insuretech.

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY (NAMFISA) |

The Namibia Financial Institutions Supervisory Authority (NAMFISA) has made good progress on the action plan it developed during TC training. Specifically, action plan to develop an Insuretech regulatory framework that allows insurance companies to conduct live experiments in a controlled environment under NAMFISA's supervision by February 2024.



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CONTINUE

ZAMBIA

CR-JOA, COVID-19 Resiliency LTCE,
October 2020 – December 2021



SECURITIES AND EXCHANGE COMMISSION |

This capacity build will go a long way in helping me and the Commission to effectively supervise and regulate the capital market in Zambia.

SECURITIES AND EXCHANGE COMMISSION |

The Climate Risk Supervision was an excellent program that was carefully tailored to the Zambian scenario. The program was practical and for me the highlight was when the class zeroed in on the Green Bonds Guidelines issued by the SECZ. I was left with a clear picture on how SECZ can incorporate climate risk in the RBS methodology which is in development.

BANK OF ZAMBIA |

I am confident that the value addition from this training programme will inform and feed into the process that is underway to implement a Consumer Protection and Market Conduct (CPMC) Framework for the Bank of Zambia.

BANK OF ZAMBIA |

All the activities listed in the action plan to address the identified issues on “Inadequate security practices among users of digital financial services” were operationalized and implemented by the Payment Systems Development & Operations Division of the Bank of Zambia.

BANK OF ZAMBIA |

The Bank of Zambia (BOZ) indicated that the action plan developed during the FLIS programme was instrumental in the work underway to develop a concept paper on green finance policy. TC is helping BOZ with its action plan to develop and implement an inclusive green finance policy framework as it has been included in the Bank’s Financial Inclusion Strategy. The policy will provide an overarching framework to BOZ for integration of financial inclusion and climate change in Zambia’s financial sector. The plan for 2022 is to develop Green Loans Guidelines; submit the Inclusive Green Finance Policy and Implementation Framework for approval.

ZAMBIAN FINANCIAL SECTOR DEEPENING (FSD ZAMBIA) |

FSD Zambia has greatly appreciated the opportunity to engage with you on your important contributions to Zambian regulators. We are grateful that you know how important it is to adjust and address the multiple demands women have.

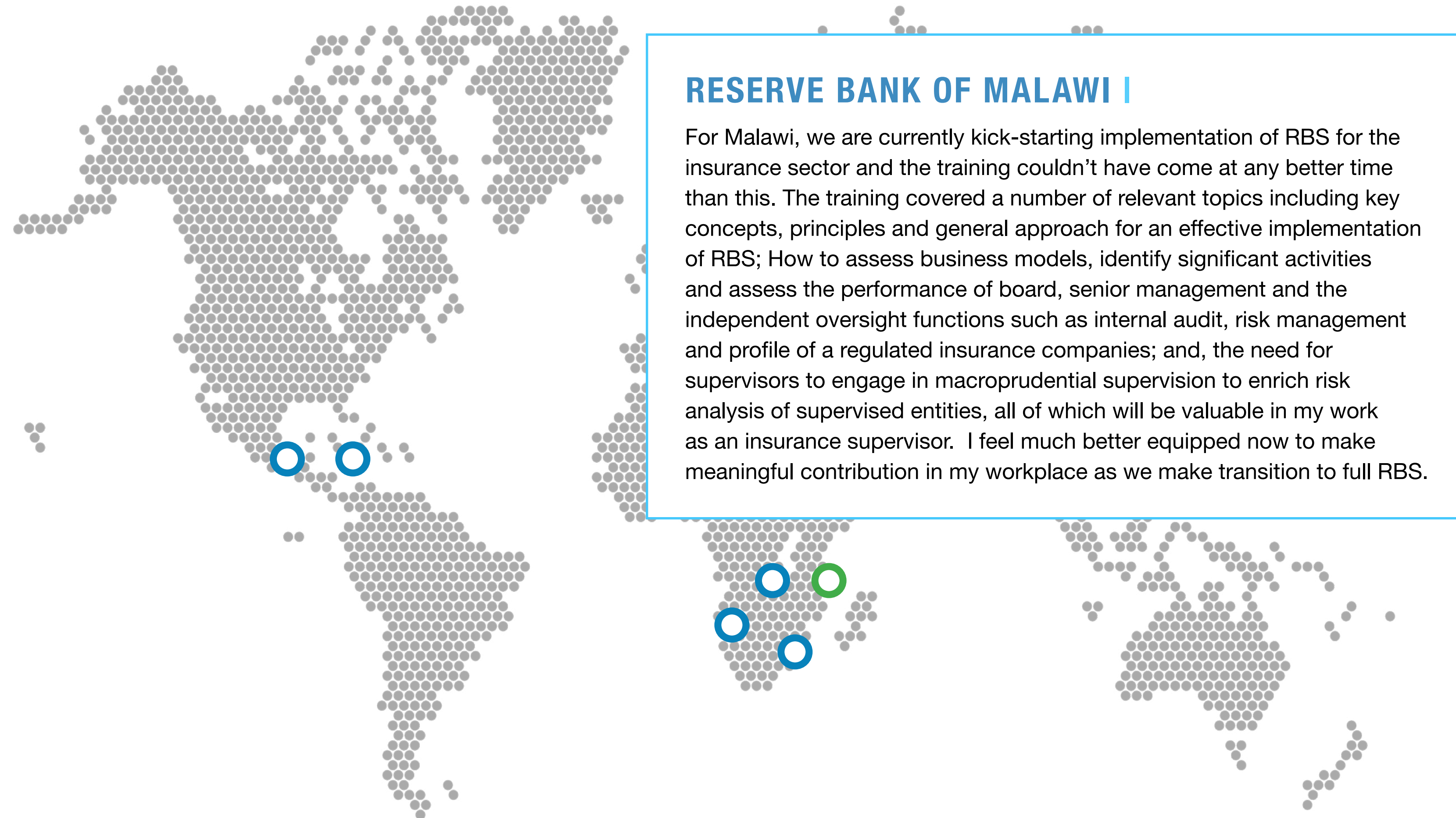
EMPOWER

Creating leaders who champion inclusive and stable financial systems to foster sustainable economic development that will reduce poverty and benefit women and children.

CONTINUE

MALAWI

2nd SSA Cross-Cutting RBS and Proportionality Program



RESERVE BANK OF MALAWI |

For Malawi, we are currently kick-starting implementation of RBS for the insurance sector and the training couldn't have come at any better time than this. The training covered a number of relevant topics including key concepts, principles and general approach for an effective implementation of RBS; How to assess business models, identify significant activities and assess the performance of board, senior management and the independent oversight functions such as internal audit, risk management and profile of a regulated insurance companies; and, the need for supervisors to engage in macroprudential supervision to enrich risk analysis of supervised entities, all of which will be valuable in my work as an insurance supervisor. I feel much better equipped now to make meaningful contribution in my workplace as we make transition to full RBS.

EMPOWER

Creating leaders who champion inclusive and stable financial systems to foster sustainable economic development that will reduce poverty and benefit women and children.

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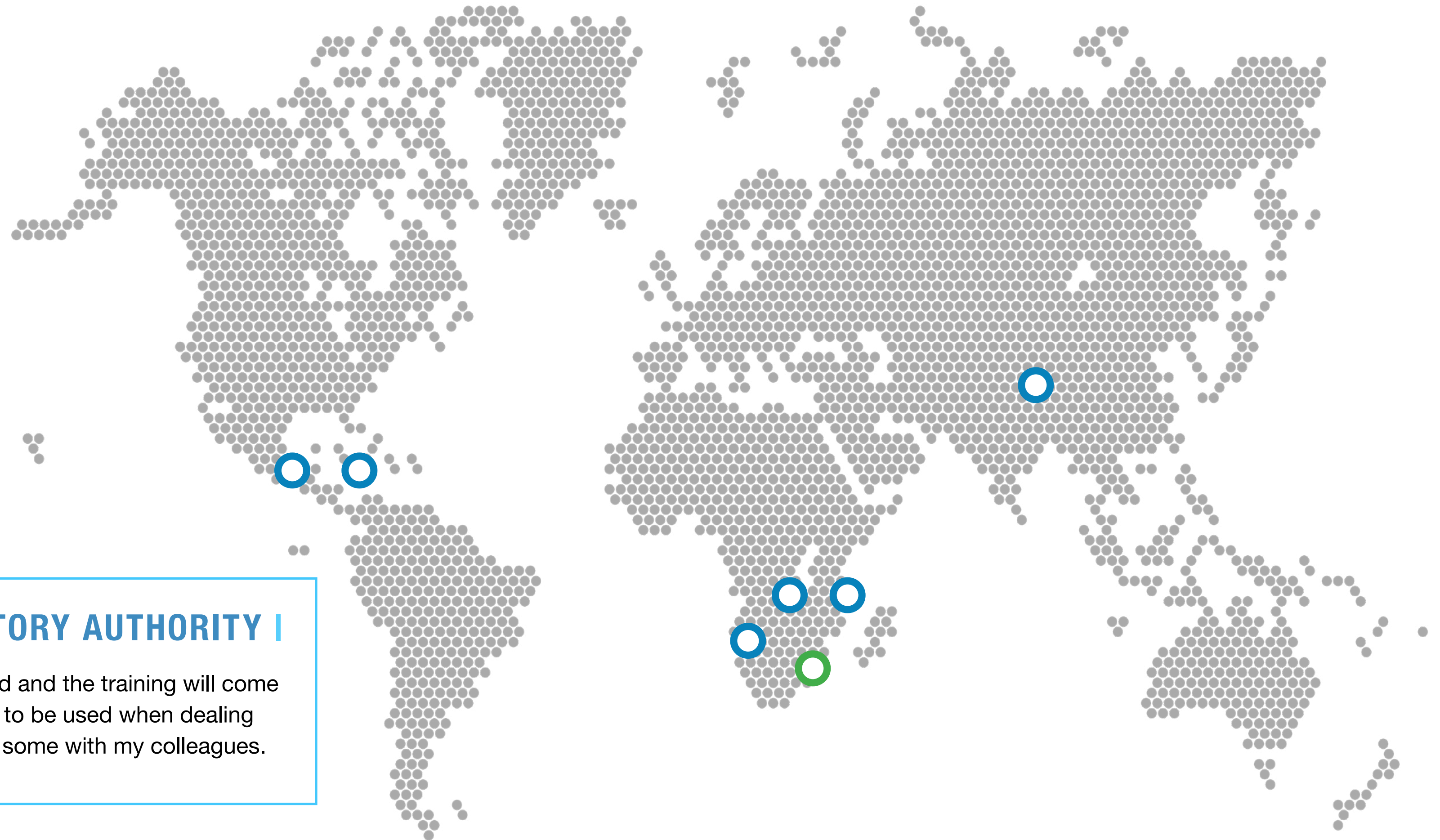
SWAZILAND

2nd SSA Cross-Cutting RBS and Proportionality Program



FINANCIAL SERVICES REGULATORY AUTHORITY |

I will be preparing a proposal on the way forward and the training will come in very handy. I also gained insight on soft skills to be used when dealing with stakeholders and have applied and shared some with my colleagues.



EMPOWER

Creating leaders who champion inclusive and stable financial systems to foster sustainable economic development that will reduce poverty and benefit women and children.

NEPAL

Nepal Rastra Bank



The TC program's focus on risk-based AML/CFT assessments contributed to building capacity in financial supervisors to undertake such assessments.

Technology risk supervision (TRS) would continue to be folded into routine supervision in NRB and financial supervisors will need to have an understanding of how to supervise for these risks. The TC program contributed to building capacity to financial supervisors in this area.

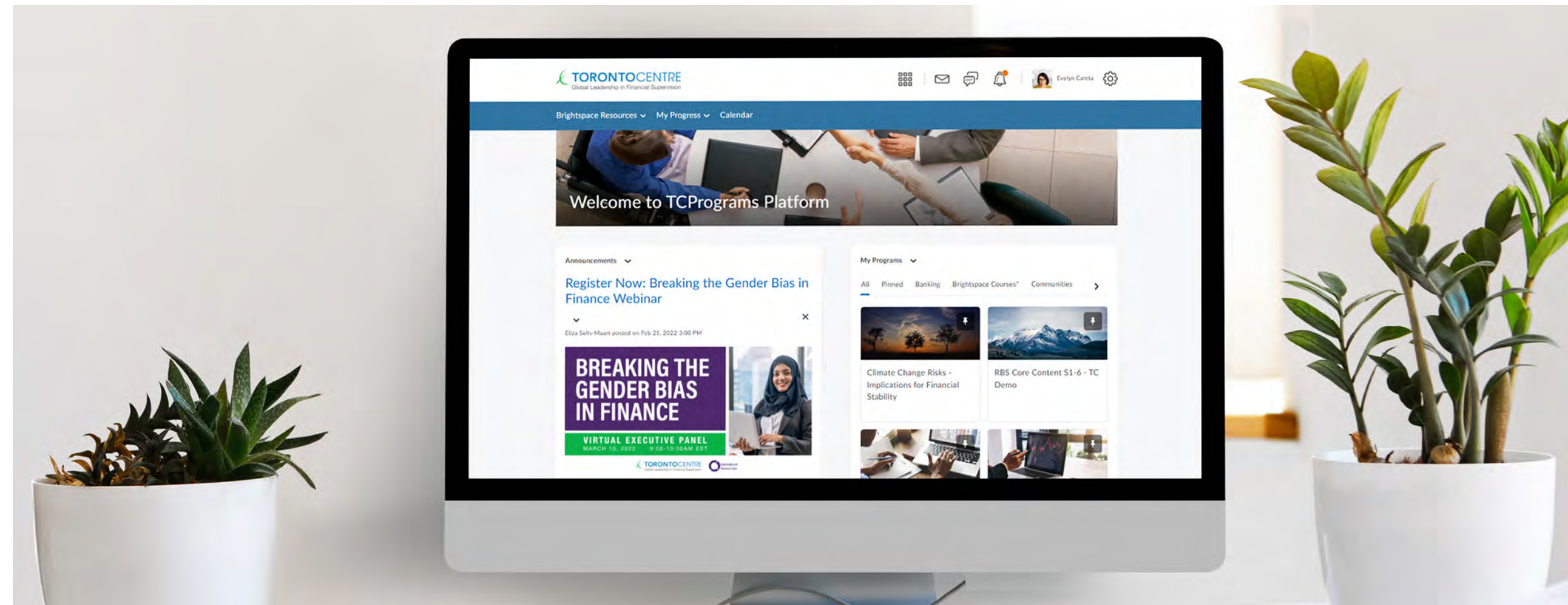
To this end, the training sessions have provided insight upon the overall understanding of the topic focusing on how the conduct supervision is embedded with the overall risk-based supervision and should be an integral part of Risk-Based Supervision. Moreover, it provided the idea of assessing the market conduct risk separately. Additionally, NRB is planning to draft conduct guidelines for the financial institutions it supervises, as well as practice guidelines for its supervisors on conduct issues. In this background, the ideas from these sessions would be instrumental for all the group members who have attended this program and involving in preparing the guideline.

SPOTLIGHT ON INNOVATIVE PROGRAMMING

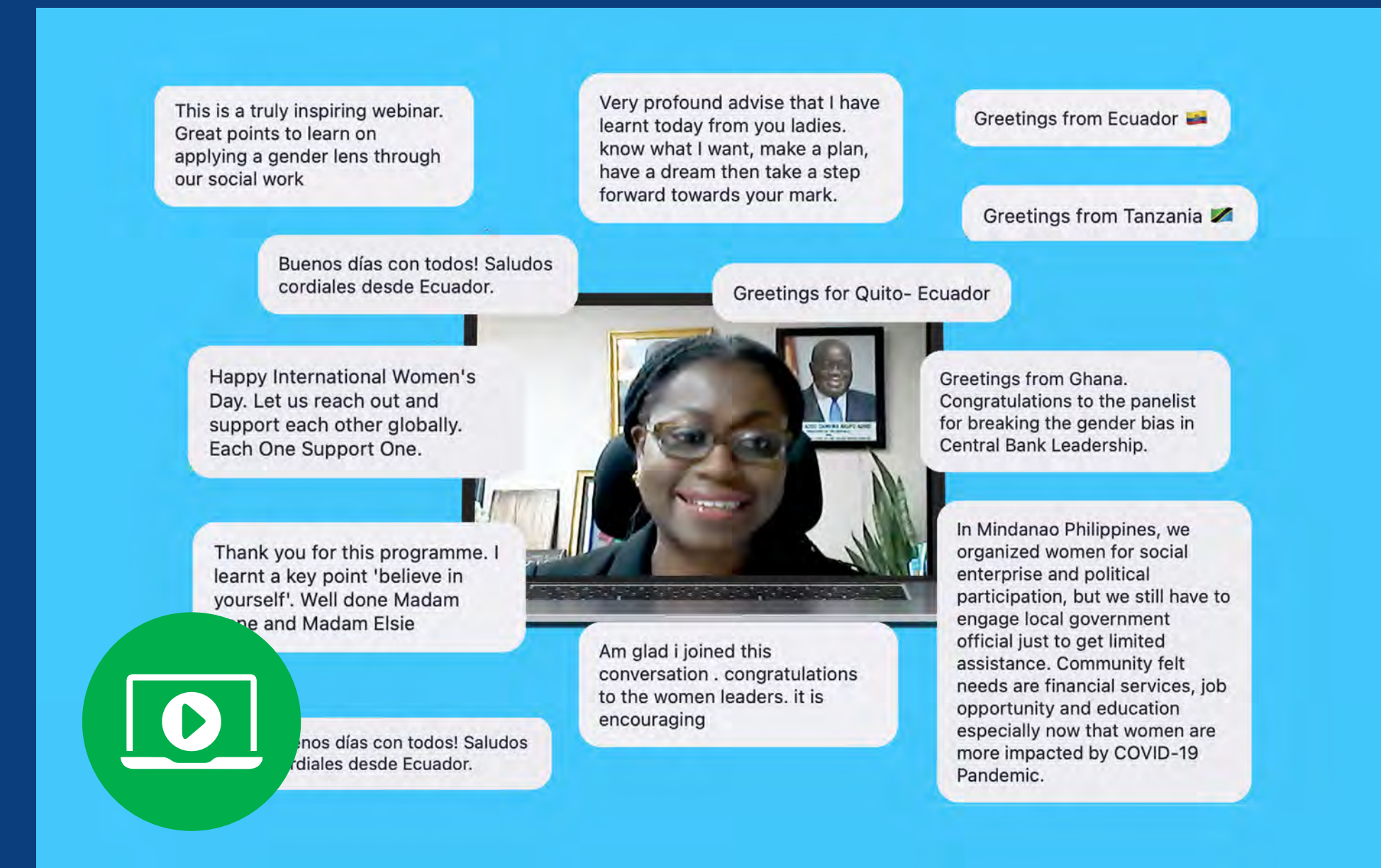
TC PROGRAMS PLATFORM (TCP) AND DIGITAL CONTENT I

In 2021, we focused our efforts on leveraging technology to expand our reach and impact while continuing to deliver quality virtual capacity-building programming. We implemented a state-of-the-art learning management system called TCP.

TCP is an online education hub that facilitates the delivery of our programming activities, whether in-person, virtual or blended. Program materials including publications, videos, and quizzes are available on-demand so participants can learn at their own pace. TCP's interactive tools help us identify in what areas participants require additional support and allow participants to connect and network with their peers.



We continued to engage with our TC Community virtually through live webinars, a record-breaking number of programs, CoPs, and more, broadening our reach and impact!



We are creating engaging digital content to enhance participants' learning.



These investments help to maintain our hallmark methodology to improve the participant's learning experience.

 ACTION PLANNING

CONTINUE

SPOTLIGHT ON INNOVATIVE PROGRAMMING

CONTINUED

RISK-BASED SUPERVISION (RBS) AND PROPORTIONALITY PROGRAMMING |

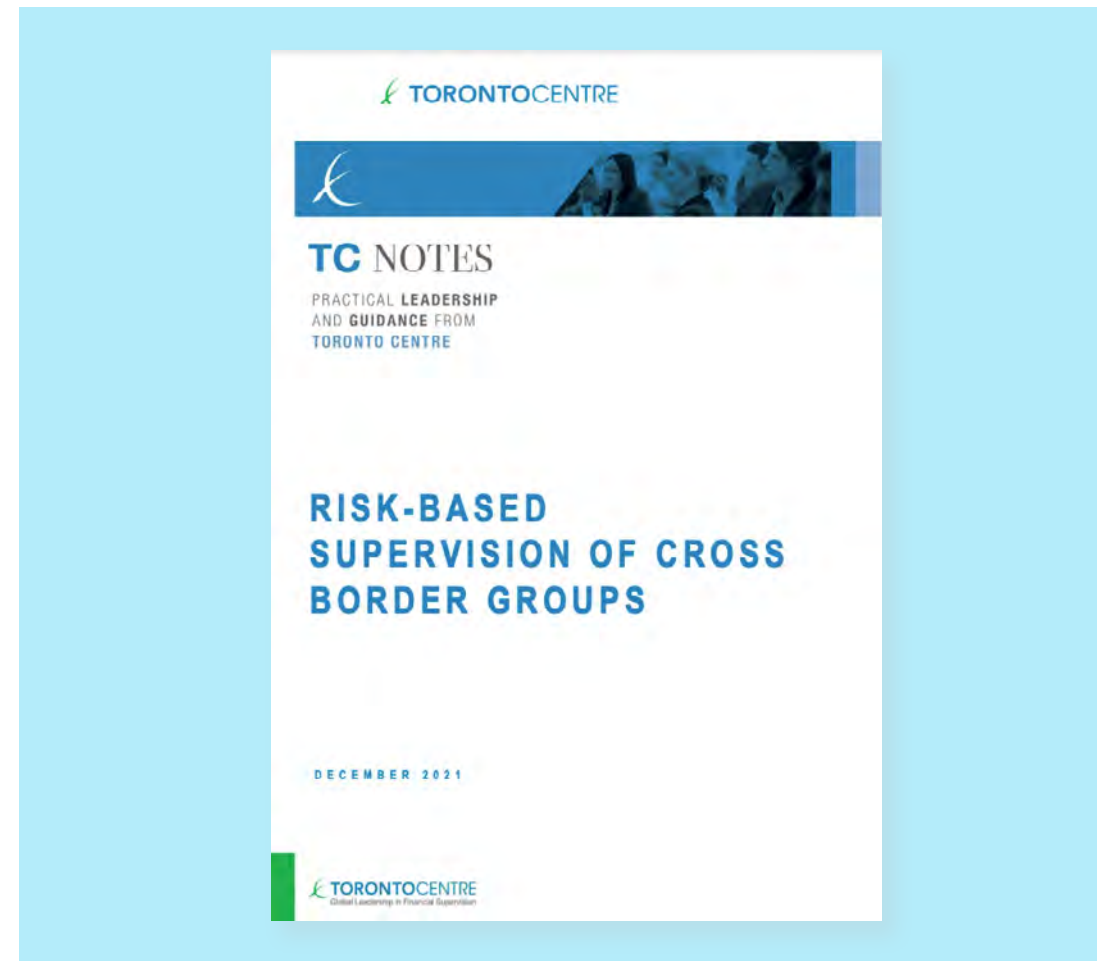
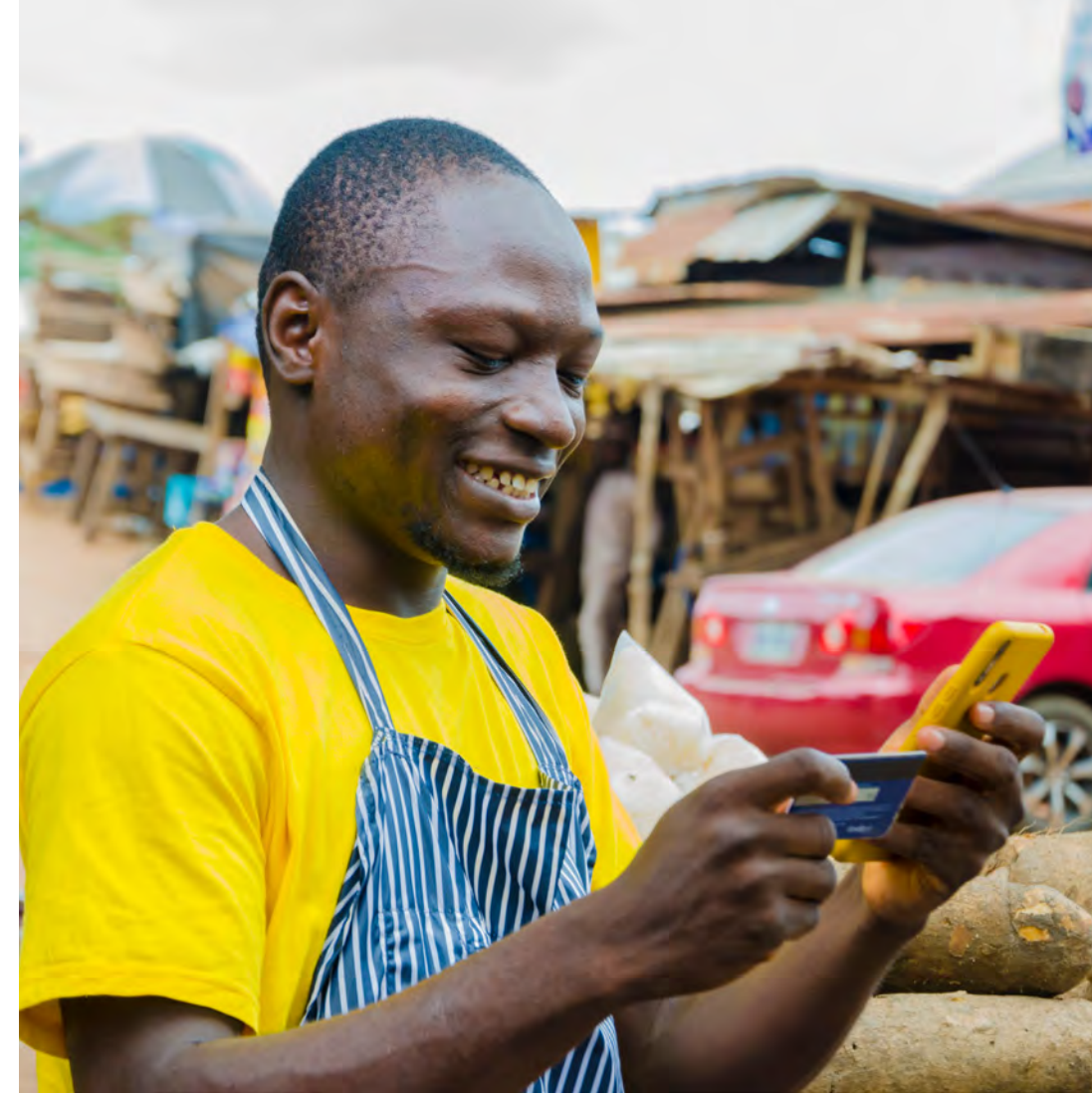
It is essential that the treatment of financial institutions is fair, proportionate, and consistent. RBS is an international supervisory approach that is forward-looking, based on informed judgement, and is part of Financial Sector Assessment Programs (FSAPs). Properly designed and implemented, RBS can facilitate:

- More efficient, targeted supervision;
- Early detection of emerging problems and measured and proportional intervention action;
- Financial inclusion; and
- Responsible market development.

RBS also reduces the burden on smaller firms.

Toronto Centre incorporates cross-cutting themes of gender equality, financial inclusion, and climate and biodiversity risks in its programs.

Toronto Centre is a leader in RBS and proportionality programming building capacity for supervisors and regulators. [Toronto Centre published 6 TC Notes on RBS, including this one in 2021.](#)



In 2021, we delivered 49 RBS programs. We're working with the following agencies on long-term engagements to support their RBS implementation:

- Superintendência de Seguros Privados (Brazil)
- Superintendencia Financiera de Colombia
- Superintendencia General de Entidades Financieras (Costa Rica)
- Deposit Insurance, Liquidity Fund and Private Insurance Fund Corporation of Ecuador
- Superintendencia de Bancos (Ecuador)
- National Bank of Ethiopia
- Comisión Nacional de Bancos y Seguros (Honduras)
- Financial Services Commission (Jamaica)
- Bank of the Lao P.D.R.
- Reserve Bank of Malawi
- Namibia Financial Institutions Supervisory Authority
- Insurance Board of Nepal
- Nepal Rastra Bank
- Securities Board of Nepal
- Central Bank of Pakistan
- National Institute of Banking and Finance (Pakistan)
- National Bank of Rwanda
- Securities and Exchange Commission of Zambia

CONTINUE

SPOTLIGHT ON INNOVATIVE PROGRAMMING

CONTINUED

CRISIS PROGRAMS I

The costs of financial crises are enormous. Economic growth falters or stalls, and the poor are disproportionately affected; more people, especially women, fall into poverty.

Financial sector supervisors must react quickly when a crisis occurs. Whether the crisis originates at home or in another part of the world, they want to limit the impact on their country and prevent it from spreading.

Toronto Centre created its [Crisis Centre of Excellence](#) to help supervisors more effectively prepare for and better manage crises. Since its inception, Toronto Centre has delivered over 150 crisis programs. These programs include crisis simulation exercises that help supervisors test their readiness. Our simulations echo real-life events such as bank failures, cyber-attacks, and climate events. The programs include modules on stakeholder management and media communication, which are critical skills during a crisis.

In 2021, Toronto Centre published [“Resilient and Inclusive Financial Services During COVID-19”](#) with the support of Comic Relief and Jersey Overseas Aid. We’re incorporating the findings of this important work into our programming to help supervisors and regulators better prepare for a crisis.

CONTINUE



SPOTLIGHT ON INNOVATIVE PROGRAMMING

CONTINUED

SUSTAINABLE DEVELOPMENT: GENDER EQUALITY AND CLIMATE |

Since 2016, Toronto Centre has raised awareness about the link between financial stability and sustainable development. We were the first supervisory capacity-building organization to apply a sustainability lens and incorporate cross-cutting themes of gender equality and climate risk in all programming. Toronto Centre continues to lead the way. In collaboration with USAID, we published [How Regulators Use Sex-Disaggregated Data and RegTech to Enhance Financial Inclusion](#) and the [Gender Aware Supervision Toolkit in January 2022](#).

In 2021, the second cohort graduated from Toronto Centre's Leadership Program for Women Supervisors from Sub-Saharan Africa. The program addresses the challenges women supervisors face and equips them with the skills to advance their careers. The graduates of the first and second cohorts formed the Toronto Centre Women's Leadership Alumni Network to continue their leadership journey.

Climate change and biodiversity losses present immense risks to the environment, as well as financial stability, human health, and livelihoods. Innumerable species, including our own, are at risk. The poor, women and children, and vulnerable communities continue to be disproportionately affected.

TC is committed to helping supervisors and regulators address the risk and opportunities climate-related change present to the financial system. Our [Climate Risk Toolkit](#) helps supervisors incorporate climate-related hazards when assessing risks facing financial institutions. The toolkit also supports higher standards of disclosure to enable investors and consumers to make informed decisions and address the impact of climate change on financial inclusion. TC also developed a climate risk crisis simulation exercise to help financial authorities test their readiness to address a climate crisis.

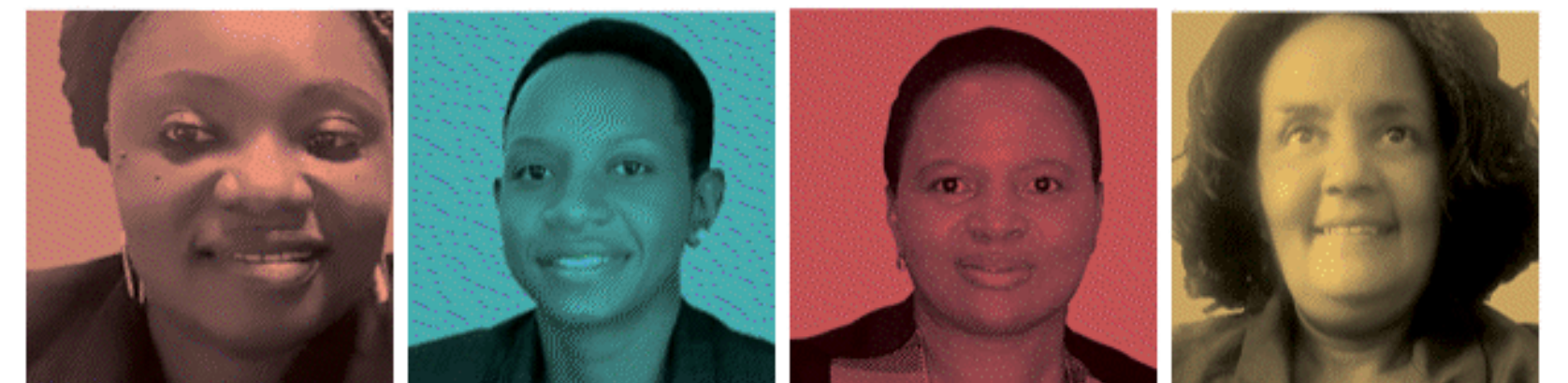
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A NEW WAVE



OF WOMEN LEADERS



SPOTLIGHT ON INNOVATIVE PROGRAMMING

CONTINUED

VIRTUAL SUPERVISORY GUIDANCE ASSISTANCE I

Toronto Centre provided guidance to the following supervisory agencies on urgent or pressing challenges. These include business continuity planning, COVID-19 impacts on supervision, leadership, and crisis preparedness.

- Central Bank of Belize
- Bank of Jamaica
- Jamaica Deposit Insurance Corporation
- Instituto para la Protección al Ahorro Bancario (Mexico)
- Superintendency of Banks of the Dominican Republic
- Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones (Peru)
- Superintendencia de Pensiones (Costa Rica)
- Bank of Zambia



THE WAY FORWARD

EMPOWERING THROUGH EDUCATION AND ENGAGEMENT

From our origins in 1998, Toronto Centre’s mission has remained constant: to build more stable, resilient, and inclusive financial systems. The COVID-19 pandemic and geopolitical uncertainty underscore the importance of financial supervisors and regulators in managing risks to financial systems, especially during a crisis.

Lessons learned from the pandemic and other crises will guide future programming. Toronto Centre will build on our success delivering virtual capacity-building and training over the past two years. We will use technology and the efficiency it brings and seek innovative ways to educate, engage, and empower supervisors and regulators.

The 2020 World Economic Forum’s Annual Global Risk Report identified the most likely risks to the global economy over the next decade to be environmental – extreme weather, climate action failure, natural disasters, and biodiversity loss. Climate risk and biodiversity loss have emerged as “twin crises” facing



WE’LL LAUNCH OUR CERTIFIED FINANCIAL SUPERVISOR DESIGNATION IN LATE 2022, FOLLOWED BY MULTI-YEAR IMPLEMENTATION PHASES THROUGH TO 2025.

the global financial system. Toronto Centre has offered programming to address climate change risk to the financial system since 2016, and we will now offer climate crisis simulation and incorporate biodiversity loss.

Women, girls, marginalized communities, and displaced persons continue to be disproportionately affected by crises and climate change. Evidence correlating climate change, gender, and financial inclusion is increasing. Authorities must make this connection when implementing policies and supervisory practices. Women’s financial inclusion enables women in developing countries to save and control their own money, endure financial crisis, and escape poverty.

Toronto Centre will continue to address gender equality and promote women’s economic empowerment through initiatives like our Women’s Leadership Program and International Women’s Day scholarships. We aim to advance the financial inclusion agenda through training, thought-provoking panel discussions, podcasts, TC Notes, and toolkits.

Digitization, technological innovation and increasing interconnectedness present tremendous opportunities to increase access to financial services and expand financial inclusion. This must be balanced with the rising threat of cyber attacks. A key theme for 2022 and beyond will be building cyber resiliency.

Toronto Centre will also build on our brand as an established capacity-building trainer for financial supervisors and regulators. We’ll launch our Certified Financial Supervisor designation in late 2022, followed by multi-year implementation phases through to 2025. This designation will be the first of its kind and will equip supervisors and regulators with the credibility, knowledge, and sound judgement needed to lead in turbulent times.

The level of change and disruption in the financial sector today is unprecedented. Toronto Centre programming will educate, engage, and empower supervisors and regulators. We’ll support them in navigating uncertainty and leading change to build a more resilient and inclusive financial system.

GOVERNANCE, OPERATIONAL RESPONSIBILITY & FINANCES

BOARD OF DIRECTORS & EXECUTIVE COMMITTEE

Toronto Centre is led by the President and CEO and overseen by an international Board of Directors. Board members all have extensive supervisory experience in large and complex organizations, most at the senior executive level.

The board meets quarterly and is responsible for setting strategic direction and broad policies. The board provides input to and approves the annual work plan and budget, and discusses ways to expand the organization's impact and reach. It reviews progress against work plans and strategic objectives, monitors performance and risk, and reviews financial statements and forecasts.

The Executive Committee is composed of a subset of the directors: the Chair, the Vice-Chair, and members representing the Government of Canada, the International Monetary Fund, and the Schulich School of Business. The Executive Committee meets as needed between board meetings.

FINANCE, AUDIT, AND RISK COMMITTEE

The Finance, Audit, and Risk Committee is chaired by a member of the Board of Directors and includes three other board members. The President and CEO attends all meetings.

The committee meets at least twice a year to review the budget, risk policy and framework, and the audited financial statements. The committee is also responsible for conducting a periodic comprehensive review of the external auditor. The committee conducted this review in 2021.

Committee meetings are typically attended by at least one member from Ernst & Young, Toronto Centre's external auditing firm. The Chair meets more frequently with the external auditor and management. From the beginning, Toronto Centre has received clean unqualified audit opinions.

GOVERNANCE & NOMINATING COMMITTEE

The Governance and Nominating Committee is led by the Chair of the Board and includes three other board members. The committee fosters 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 as well as developing and overseeing processes, including an annual survey, to assess the effectiveness of the board and its individual directors.

CORPORATE RESPONSIBILITY

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

Though travel has always been a significant part of Toronto Centre's essential operations, we pivoted to virtual delivery as the COVID-19 pandemic ravaged the world over the past two years. We embraced technology and learned we can deliver our programming efficiently, while delivering on quality and limiting our carbon footprint.

To address the urgency of climate change, sustainable behaviour must be widely adopted in organizations and integrated into how we work. Toronto Centre is committed to reducing our carbon footprint. We'll continue to be conscious of the impact of our operations on the environment and continually seek greener practices.



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 Toronto Centre's commitments to its funders.

INTERNAL CONTROLS & 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 our 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 one board member of any large payment.

Our external auditor, Ernst & Young, reviews the draft financial statements and carries out a full, independent

annual audit of our financial statements. Toronto Centre is currently too small to maintain an internal audit function and so our external auditor is asked, from time to time, to extend its 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.

PROTECTION AGAINST CORRUPTION AND FRAUD AND OPERATIONAL PROCEDURES

Toronto Centre staff, board members, and program leaders are held to a Code of Conduct, a Harassment Policy, an Anti-Bribery and Anti-Corruption Policy, a Diversity Policy, a Conflict of Interest Policy, and a 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 as set out in 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 we 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.

2021 AUDITED FINANCIAL STATEMENTS

BOARD OF DIRECTORS



CHAIR
STEFAN INGVES**

Stefan Ingves joined Toronto Centre's board in 1999 and was appointed Chair in 2018. Governor of Sveriges Riksbank. Vice Chairman, Board of Directors of BIS. Member of the General Council of the ECB, First Vice Chair ESRB and Governor for Sweden at the International Monetary Fund (IMF). Former Chair of the Basel Committee on Banking Supervision. Former Director of the Monetary and Financial Systems Department at the IMF.



VICE CHAIR
MAUREEN JENSEN*/**

Maureen Jensen joined Toronto Centre's board in 2017. Former Chair and Chief Executive Officer at Ontario Securities Commission. Former Senior Vice-President of Surveillance and Compliance at the Investment Industry Regulatory Organization of Canada. Former President and CEO of Market Regulation Services Inc.



BARRY CAMPBELL

Barry Campbell joined Toronto Centre's board in 2016. Founder and President of Campbell Strategies. Former Parliamentary Secretary to the Minister of Finance, The Right Honourable Paul Martin from 1993 to 1997. Former partner of McCarthy Tétrault and of Torys. Former Legal Counsellor at the IMF.



SOCORRO HEYSEN

Socorro Heysen joined Toronto Centre's board in 2019. Superintendent of Banks, Insurance and Pension Fund Administrators, Peru. Former Deputy General Manager of Studies at Financiera Confianza. Former Economist – Western Hemisphere Department, IMF. Former Director of Monetary Policy at the Central Bank of Peru.



PETER ROUTLEDGE*

Peter Routledge joined Toronto Centre's board in 2021. Superintendent, Office of the Superintendent of Financial Institutions Canada (OSFI). Former President and Chief Executive Officer of the Canada Deposit Insurance Corporation. Former Senior Advisor at the Department of Finance.



WILLIAM (BILL) COEN*

CHAIR OF THE AUDIT COMMITTEE

Bill Coen joined Toronto Centre's board in 2019. Former Secretary General of the Basel Committee on Banking Supervision. Former Chair of the Basel Committee's Policy Development Group. Former Chair of the Basel Committee's Task Force on Corporate Governance. Current Chair of the IFRS Foundation's Advisory Council.



DEZSŐ J. HORVÁTH**

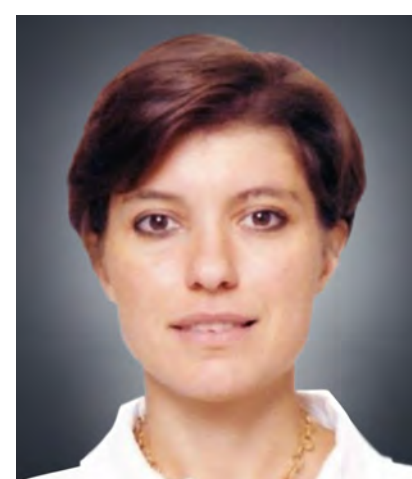
Dezső J. Horváth, PhD, CM, joined Toronto Centre's board in 1998. Dean Emeritus & Professor of Strategic Management at the Schulich School of Business. Founding member of the Toronto Centre. Former fellow at the World Economic Forum. Former member of the Board of Advisors for the Canada Global Leadership Initiative, Canadian Council of Chief Executives. Director, Canada-India Business Council. Advisory Board Member, Canada's Outstanding CEO of the Year Award.



JEREMY RUDIN

RETIRED IN 2021

Jeremy Rudin joined Toronto Centre's board in 2014. Former Superintendent, OSFI.



AURORA FERRARI*/**

Aurora Ferrari joined Toronto Centre's board in 2020. Adviser to the EFI Vice President. Former Manager, Financial Stability in the Bank Regulation and Supervision unit of the World Bank. Former Manager of Financial Sector Policy Advice and Programs in Europe and North Africa.



ADITYA NARAIN*

Aditya Narain joined Toronto Centre's board in 2015. Deputy Director in charge of financial supervision/regulation and technical assistance in the Monetary and Capital Markets Department at the IMF. Former Chief General Manager of Banking Supervision at the Reserve Bank of India.

* Finance, Audit and Risk Committee member
** Governance & Nominating Committee member

MESSAGE FROM THE CHAIR OF THE BOARD

ADVISORY BOARDS

Toronto Centre has three Advisory Boards that are composed of international experts in banking, insurance and pensions, and securities regulation and supervision. Advisory board members suggest themes and issues to be discussed at programs and in case studies, recommend potential program leaders, provide

valuable contacts and promote Toronto Centre, raise interest in its programs, and identify potential sponsors. They provide a valuable service by making sure our programs are relevant to the ever-changing needs of the supervisory community. We would like to thank them for their contributions to Toronto Centre in 2020.

BANKING



**CHAIR |
CLIVE BRIAULT**

Clive Briault became Chair of Toronto Centre's Banking Advisory Board in 2015. Former Managing Director of Retail Markets at the UK Financial Services Authority. Former senior adviser on regulation at KPMG. Consultant to the IMF, World Bank, and Asian Development Bank. Editor of the Toronto Centre Notes series.

MEMBERS

- Elsie Addo Awadzi
- Ruth de Krivoy
- Denise Dias **
- Barry Johnston
- Richard Naylor
- Janet Terblanche
- Rochelle Tomas *
- Paul Wright

* Joined in 2020

** Retired in 2021 | We thank them for all their dedication.

INSURANCE & PENSIONS



**CHAIR |
CARL HIRALAL**

Carl Hiralal became Chair of Toronto Centre's Insurance and Pensions Advisory Board in 2020. Former Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago. Former Senior Director of Banks and Insurance Companies/Pension Plans at the Office of the Superintendent of Financial Institutions.

MEMBERS

- John Ashcroft
- George Brady
- Peter Braumüller
- Jonathan Dixon
- Conor Donaldson **
- Hannah Grant
- Michael Hafeman
- Michael Kofi Andoh
- Peter Kohlhagen
- William Price
- Lawrie Savage
- Fiona Stewart
- Craig Thorburn
- Manuela Zweimueller *

SECURITIES



**CHAIR |
JEAN LORRAIN**

Jean Lorrain became Chair of Toronto Centre's Securities Advisory Board in 2020. Former Senior Director of International Affairs and Strategic Oversight at Autorité des Marchés Financiers du Québec (AMF). Former Chair of the Assessment Committee of IOSCO. Former Compliance Manager at Commission des valeurs mobilières du Québec. Former Co-Director of the Canadian Securities Association National Registration Committee. Former Corporate Secretary at Cambior Inc.

MEMBERS

- Calissa Aldridge
- Carlos Barsallo Pérez
- Françoise Buisson
- Andrea Corcoran
- Cristina Cuervo
- Hicham Elalamy
- Alousia Faisal
- Ana Fiorella Carvajal
- Alison Harwood
- Eduardo Manhaes R. Gomes
- Antonio Más Sirvent
- Paul Muthaura
- Neetasha Rauf
- Suzy St Brice
- Gillian Tan

SENIOR PROGRAM TEAM

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 programming.

Program directors are responsible for the overall design and delivery of our capacity building programs, including liaising with partner agencies and organizations and selecting the right people from our pool of experienced program leaders with the knowledge appropriate to the programming.

BIOGRAPHIES



PHANG HONG LIM
SENIOR DIRECTOR,
SUPERVISORY GUIDANCE



ANATOL MONID
SENIOR DIRECTOR,
PROGRAMS

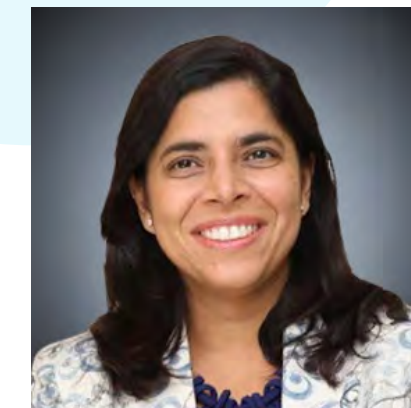


DR. HOOI ENG PHANG
SPECIAL ADVISOR

PROGRAM DIRECTORS:



JUAN ARANGO



RICHA GOYAL



PRASANNA SESHACHELLAM



ARVIND BAGHEL



IVONE MORAIS



PATRICIA VARGAS



DEMET ÇANAKÇI



CHUIN HWEI NG



SHELINA VISRAM

SUMMARIZED FINANCIAL STATEMENTS

Toronto Leadership Centre

Summarized financial statements
December 31, 2021



SUMMARIZED FINANCIAL STATEMENTS

Independent auditor's report

To the Members of
Toronto Leadership Centre

Opinion

The summarized financial statements of Toronto Leadership Centre [the "Organization"], which comprise the summarized statement of financial position as at December 31, 2021, and the summarized statement of operations for the year then ended, and related notes, are derived from the complete audited financial statements of the Organization as at and for the year ended December 31, 2021.

In our opinion, the accompanying summarized financial statements are a fair summary of the audited financial statements, on the basis described in note 1.

Summarized financial statements

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 the Organization. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated May 10, 2022. The audited financial statements and the summarized financial statements do not reflect the effects of events that occurred subsequent to the date our report on the audited financial statements.

Management's responsibility for the summarized financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on whether the summarized financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, *Engagements to Report on Summary Financial Statements*.

Toronto, Canada
May 10, 2022

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants



A member firm of Ernst & Young Global Limited

SUMMARIZED FINANCIAL STATEMENTS

Toronto Leadership Centre

Summary statement of financial position

As at December 31

	2021	2020
	\$	\$
Assets		
Current		
Cash and cash equivalents	6,100,944	463,822
Short-term investments	3,232,540	7,809,487
Internally restricted short-term investments <i>[note 4]</i>	3,160,996	3,127,427
Accounts receivable and other	401,364	358,596
Total current assets	12,895,844	11,759,332
Capital assets, net	44,609	57,038
	12,940,453	11,816,370
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	1,196,433	1,099,669
Deferred contributions and other	7,755,530	7,250,214
Total current liabilities	8,951,963	8,349,883
Net assets		
Unrestricted	827,494	339,060
Internally restricted	3,160,996	3,127,427
Total net assets	3,988,490	3,466,487
	12,940,453	11,816,370

See accompanying notes

On behalf of Toronto Leadership Centre:


CEO and President


Chair

SUMMARIZED FINANCIAL STATEMENTS

Toronto Leadership Centre

Summary statement of operations

Year ended December 31

	2021	2020
	\$	\$
Revenue		
Contributions <i>[note 2]</i>	6,350,362	5,531,245
Program partner fees	1,596,729	1,154,443
Participant registration fees and other	191,947	130,454
	<u>8,139,038</u>	<u>6,816,142</u>
Expenses		
Total programming		
Program delivery	4,012,228	3,966,219
Program development	1,051,461	663,301
Program promotion	563,997	420,473
Supervisory guidance	1,493,332	1,119,012
Total programming expense	7,121,018	6,169,005
General, administrative and other <i>[note 3]</i>	388,355	374,848
Executive and advisory boards	135,714	164,196
	<u>7,645,087</u>	<u>6,708,049</u>
Excess of unrestricted revenue over expenses before undernoted item	493,951	108,093
Foreign exchange loss	(5,517)	(14,780)
Excess of unrestricted revenue over expenses for the year	488,434	93,313
Internally restricted interest income	33,569	62,882
Excess of revenue over expenses for the year	<u>522,003</u>	<u>156,195</u>

See accompanying notes

SUMMARIZED FINANCIAL STATEMENTS

Toronto Leadership Centre

Notes to summarized financial statements

December 31, 2021

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, 2021 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 respects, the summarized financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the complete audited financial statements, including the notes thereto.

Management determined that the statements of changes in net assets and cash flows do 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 Toronto Leadership Centre ["Toronto Centre"] are available upon request by contacting Toronto Centre.

2. Revenue recognition

Toronto 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 in accordance with the respective agreements.

Program partner and participant registration fees are earned upon delivery of programs.

Interest income is recorded on an accrual basis.

3. Allocation of expenses

Costs incurred by Toronto Centre, including external suppliers' fees, staff compensation, travel, meals, facilities and materials, legal, premises and other expenditures directly related to the administration of the programs are allocated to the activities to which they contribute or relate. These costs are directly allocated on the basis of time spent and usage. Fundraising costs are not allocated.

1

SUMMARIZED FINANCIAL STATEMENTS

Toronto Leadership Centre

Notes to summarized financial statements

December 31, 2021

4. Internally restricted net assets

The Board of Directors [the "Board"] has internally restricted net assets for the purpose of assisting Toronto Centre in dealing with extraordinary events outside of normal operations. The Board reviews annually the need for, and adequacy of, these internally restricted net assets. The investments are segregated from assets used in the day-to-day operations of Toronto Centre, are invested under the supervision of the Board and are released only with the authorization of the Board. Annually, all interest earned on these investments is invested back into the restricted net assets. During the year, these assets were invested in short-term 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, 2021, Toronto Centre's members and supervisory agencies and regulatory authorities from Toronto Centre's funders' countries, including the World Bank, the Central Bank of Sweden [Riksbank], the Schulich School of Business at York University, the International Monetary Fund, and the Office of the Superintendent of Financial Institutions, and many other financial supervisory experts, provided in-kind contributions to Toronto Centre. These contributions are not recorded in these summarized financial statements.

2

PROGRAM PARTNERS



A LOOK BACK ON 2021



