



# “Job growth is priority #1,” according to Toronto’s Financial Services Leadership Council

## Premier, Finance Minister and financial sector CEOs bullish on sector’s prospects

Following a year in which Toronto overtook Chicago in terms of employment as a North American financial centre, industry and government leaders here have reaffirmed job growth as the top priority for the sector.

At the annual meeting of Toronto’s **Financial Services Leadership Council** last month, the CEOs of Canada’s largest financial services firms and government leaders reviewed progress on the sector’s “global hub strategy” that was put in place at the Council’s 2010 meeting.

Ontario Premier **Dalton McGuinty** pledged the province’s continuing support for the sector’s activities, and all participants noted that the current environment continues to provide great opportunities for Toronto to attract news jobs and new businesses.

In their report to the Council, Toronto Financial Services Alliance Chair **Doug Turnbull** and TFSA President **Janet Ecker** indicated that 18 new financial services companies had located in the region in 2011. TFSA hopes to attract more than 15,000 new jobs to the region by 2015.

The Financial Services Leadership Council urged the TFSA to redouble its efforts to identify what types of jobs Toronto seeks to attract, target the right companies, and then ensure that we have the right talent available to support the targeted sub-sector.

All agreed that good public policy – in terms of smart regulation and competitive taxation – continues to be a critical element in support of TFSA’s global hub strategy.



*RBC chief executive Gordon Nixon (left) and Ontario Finance Minister Dwight Duncan listen as Premier Dalton McGuinty addresses the Financial Services Leadership Council*

## Michael Wilson chosen to Chair Financial Services Leadership Council

Federal politician, diplomat and veteran investment banker **Michael Wilson** has been unanimously chosen to represent Toronto’s financial services industry as the new Chair of the Financial Services Leadership Council.

Mr. Wilson, who has served as Chairman of **Barclay’s Capital Canada Inc.** since June 2010, was federal Minister of Finance from 1984 to 1991 and later served as Minister of International Trade during negotiations on the North American Free Trade Act.

Mr. Wilson was named Canada’s Ambassador to the United States in 2006 and spent three years in Washington before returning to Canada.

In his business career before joining Barclay’s, Mr. Wilson was Vice-Chair of RBC Dominion Securities



and was Chairman *Hon. Michael Wilson* of UBS Canada, a division of UBS AG.

Mr. Wilson succeeds former Manulife CEO **Dominic D’Alessandro** as Chair of the Council.

# TFSA singled out by World Economic Forum for approach to talent mobility

## Work of Centre of Excellence in Financial Services Education in the spotlight at Davos dinner

The approach adopted by the Toronto Financial Services Alliance to deal with issues of talent mobility was held up as a model for others to emulate in a report discussed during this year's World Economic Forum (WEF) meeting at Davos, Switzerland.

The TFSA's experience is one of five case studies highlighted in *Talent Mobility Best Practices – Collaboration at the Core of Driving Economic Growth* (available at: [www.weforum.org/TalentMobility2012](http://www.weforum.org/TalentMobility2012)), prepared by WEF in collaboration with Mercer. The report features the work of the Centre of Excellence in Financial Services Education (COE) to strengthen and expand Toronto's talent pool and elevate the region's global stature as a financial services capital.

TFSA President **Janet Ecker** presented the case study during a working dinner in Davos in January with talent mobility experts from around the world.

"We are honoured that the success of our efforts has gained such important international recognition," said COE Executive Director **Catherine Chandler-Crichlow**. "It's not easy to do collaborative things with competitive companies, but our industry and government partners recognized the value of working together on a mutual challenge – sustaining our talent advantage."



# Leading VC brings \$100 million clean-tech fund to Toronto

California-based **SAIL Venture Partners**, a leading clean technology investor in North America, has opened a Toronto office and set up a \$100 million fund to invest in early-stage clean technology firms.



"Toronto was already the leader in mining, metals and energy financing," said TFSA president **Janet Ecker**, "and we're becoming leaders in clean-tech, as well."

As part of its global hub strategy, TFSA had singled out clean technology financing as an important growth area for Toronto region's financial sector. More companies in this sector are listed on TMX exchanges than anywhere else – about 130 firms, with a capitalization of more than \$18 billion.

"By fostering clean-tech innovation and business, Ontario will benefit by being at the forefront of this burgeoning industry and job creation," said SAIL Managing Partner **Walter Schindler**. "Ontario is helping to create the next frontier of clean technology, becoming the capital of clean-tech in Canada, and SAIL is excited to be a part of this development"

## Get a view from the top at Second Annual Bloomberg Canada Economic Summit

Top government leaders, key industry executives and investment managers will examine the state of the economy and how Canada is navigating market conditions beyond its borders at the Bloomberg Economic Summit.

Confirmed speakers at the May 8 conference in Toronto include former Prime Minister **Paul Martin**; **Mark Wiseman**, Executive Vice-President, Investments (and incoming CEO), for the CPP Investment Board, and **Gordon Nixon**, President and CEO, Royal Bank of Canada.

The meeting will include discussions on sectors such as energy, finance, mining and technology, and will look at Canada's role as a major destination for investment as well as a supplier of capital around the world.

**TFSA members are eligible to attend the Bloomberg Summit at significantly discounted rates.**

Please contact Ryan Gavaghan ([rgavaghan@bloomberg.net](mailto:rgavaghan@bloomberg.net)) to register for the special TFSA offer.

## TFSA sets up Tax Policy Roundtable

The first meeting of the newly created TFSA Tax Policy Roundtable took place in January.

The Roundtable will assist the TFSA with research and analysis on tax policy issues impacting jobs and investment in the Toronto financial services sector.

The roundtable, chaired by PwC's **Nick Pantaleo**, consists of senior tax practitioners and experts from across the sector and academia.

# New and Noteworthy

Despite a weak macro backdrop and falling commodity prices, 2011 saw more than 2,600 M&A deals worth \$149 billion announced in the global mining sector, according to **PwC**. Canada led the charge in mining sector deal making; 30% of all 2011 global mining acquisitions involved a Canadian buyer, a greater proportion than any other one country. In 2012, the report forecasts continuing high M&A volumes and values in the global mining sector. In terms of M&A, generally, the PwC report showed that Canadian deals represented 10% of the global M&A market in 2011, up from 7% at the 2007 market peak. Also, for the first time in history, the value of Canadian acquisitions into the US outpaced the value of US-led deals in Canada.

Toronto once again took top spot among Canada's major cities in **CIBC World Markets'** Canadian Metropolitan Economic Activity Index. The city's index of economic momentum is currently at its highest level in more than 10 years led by growth in population, employment and housing starts. Since bottoming out in the third quarter of 2009, Toronto's population has risen by 3.9 per cent – much faster than the 2.5 per cent growth seen in the nation as a whole – while employment grew 4.6 per cent in the city vs. 3.4 per cent nationally.

**Intact Financial Corp.**, already the dominant player in the Canadian property and casualty insurance industry, plans to seek growth in international markets. The Toronto-based company plans to establish itself in at least “one or two markets outside Canada,” CEO **Charles Brindamour** said, and warned against assuming a push into the United States was in the works.

**David Denison**, President and CEO of the **Canada Pension Plan Investment Board** (CPPIB) will be retiring from his position on June 30 – to be succeeded by **Mark Wiseman**, currently CPPIB's Executive Vice-President, Investments. In making the succession announcement, the CPPIB Board said Mr. Wiseman has been “instrumental in helping to shape and execute CPPIB's strategy over the last seven years, consistently demonstrating deep knowledge of our business and culture.”

**Catherine Chandler-Crichlow**, Executive Director of TFSA's Centre of Excellence in Financial Services Education, is one of 13 individuals named by the province of Ontario to sit on an expert roundtable to help the province develop its first-ever immigration strategy. The expert roundtable, led by **Julia Deans**, past CEO of Greater Toronto CivicAction Alliance, will examine ways that immigration can best support Ontario's economic development and help new Ontarians find jobs.

**Colleen Johnston**, Group Head Finance and Chief Financial Officer of **TD Bank Group**, has been selected as Canada's **CFO of the Year**, for 2012. Celebrating its tenth anniversary this year, Canada's CFO of the Year Award is presented annually by **Financial Executives International Canada** (FEI Canada), **PwC** and **Robert Half International**. The award honours and recognizes the quality, insight, direction and leadership of Canada's senior financial executives.

## UPDATE:

### Latest GFCI survey ranks Toronto 10<sup>th</sup> – Calgary joins list

Toronto has held on to its top 10 ranking in the latest **Global Financial Centres Index**, published by London-based think tank Z/Yen Consulting.

For the first time, Calgary is ranked among the world's leading financial centres (#28), becoming the fourth Canadian city to appear on the list along with Toronto, Vancouver (#17) and Montreal (#18). Only the U.K. and the U.S. have more global financial centres on the list, while China, like Canada, has four.

### Canada and Ontario pledge to eliminate deficits

All eyes were on Ottawa as federal finance minister **Jim Flaherty** presented the first budget of a majority Conservative government. In Ontario, the Liberal government of Premier **Dalton McGuinty**, in minority since the last election, sought to find a formula that would ensure opposition support.

Both governments preached fiscal responsibility, vowing to eliminate budget deficits – the federal government by 2015, Ontario by 2017. To achieve this, in part, Ontario has postponed planned corporate tax cuts.

The federal budget also pledged significant changes to Canada's immigration policy, promising to transform the system within a year and a half. Under the new system, says Minister **Jason Kenney**, employers, not bureaucrats, will decide who comes to Canada. TFSA believes such changes will help financial services employers tap immigration more effectively to meet their growing talent needs.

## New and Noteworthy (continued)

**RBC Wealth Management**, the global wealth division of **Royal Bank of Canada** is acquiring the Latin American, Caribbean and African private banking business of **Coutts**, the wealth division of **Royal Bank of Scotland Group**. The business has client assets in excess of US\$2 billion. RBC is the sixth-largest wealth manager in the world. The business to be acquired includes clients who reside in Latin America, the Caribbean and Africa, as well as key private banking staff based primarily in Geneva, and also includes a team in the Cayman Islands.

**BMO Financial Group** is expanding its high net worth investment management business in the United States by acquiring CTC Consulting LLC. Terms of the agreement were not disclosed, but BMO said it expected the deal for the Portland, Ore.-based company to close in the second quarter. CTC Consulting will merge with Harris myCFO LLC, BMO's wealth management solutions business serving the ultra-high net worth market in the United States.

A joint study from **PwC**, the **World Bank** and the **International Finance Corporation** (IFC), *Paying Taxes 2012*, revealed that Canada's business tax rate, at 28.8% is significantly lower than the U.S. rate of 46.7%. On a global basis, the report ranks Canada 11th of 183 countries for the ease of paying taxes – lower than its G8 partners and lower than the BRIC economies. A PwC survey of international business leaders shows that tax policy plays a more important role than immigration policy when it comes to CEOs' site decisions across national borders.

Canada's banks are collectively the soundest in the world, according to **Moody's Investors Service**. The New York-based agency has rated all of Canada's big banks at double-A2 or better, higher than bank rankings in the United States, Europe, the Asia-Pacific region and other areas of the world. Canada's big banks also posted good results in the first quarter of 2012, the agency noted. "Canada's banks are more highly rated by Moody's and have higher market-implied ratings than any other banking region globally," senior director Allerton Smith said in the report. "The combination of strong underlying credit fundamentals, a prudent regulatory environment, sound government fiscal management policies, and a more stable real estate market have all contributed to the superior standing of Canada's banks."

**OMERS**, one of Canada's largest pension plans, ended 2011 with an all-time high of \$55.1 billion in net assets. Net assets of the Plan, which administers pensions and invests pension assets for almost 420,000 members, have increased by almost \$12 billion since the 2008 global credit crisis. Through its diversified, global asset base, the Plan generated a positive investment return of 3.17% in 2011, earning \$1.7 billion and exceeding the performance benchmark by 65 basis points.

## Upcoming events

### April 23-25, 2012

"Workforce One-Stop 2012 - Connecting the Skilled Workforce with Workplaces and Marketplaces." National conference organized by The Conference Board of Canada, Toronto ([www.conferenceboard.ca](http://www.conferenceboard.ca))

### May 1, 2012

Bank of Canada Governor Mark Carney to be named "2012 Canadian of the Year," The Canadian Club, Toronto ([www.canadianclub.org](http://www.canadianclub.org))

### May 4, 2012

TFSA celebrates our links with the City of London financial industry. Presentation by Rt. Hon. the Lord Mayor of London and the Chief Executive, TheCityUK, Toronto ([www.explorefinancialservices.com](http://www.explorefinancialservices.com))

### May 8, 2012

Second Annual Bloomberg Canada Economic Summit, Toronto (See story, page 2) ([www.bloomberglink.com](http://www.bloomberglink.com))

### June 22, 2012

14<sup>th</sup> Annual Rotman School of Management Life-Long Learning Conference for Leaders, Toronto ([www.rotman.utoronto.ca](http://www.rotman.utoronto.ca))

## We want your input.

Please contact us if you have comments or questions about TFSA. If you have news items or information about an upcoming event that we should know about, please submit your contributions by email to [info@tfsa.ca](mailto:info@tfsa.ca) and put "TFSA Update" in the subject line.

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