



## Toronto continues climb in global rankings of financial centres

### Two new reports rank Toronto highly

For the first time, Toronto has climbed into the top ten on the **Global Financial Centres Index** (GFCI) published by London-based think-tank, Z/Yen. The latest ranking represents a two-spot improvement from last fall, and Toronto continues to be ranked as one of the “Global Leaders” among financial centres.

For the first time also, Toronto ranks in the top ten for each of six industry sub-indices – Asset Management (8<sup>th</sup>), Banking (10<sup>th</sup>), Government & Regulatory (9<sup>th</sup>), Insurance (8<sup>th</sup>), Professional Services (8<sup>th</sup>), and Wealth Management/ Private Banking (5<sup>th</sup>) – and in four of five areas of competitiveness measured by the survey: People (10<sup>th</sup>), Business Environment (9<sup>th</sup>), Market Access (9<sup>th</sup>), and General Competitiveness (10<sup>th</sup>). Toronto ranked 11<sup>th</sup> in Infrastructure.

In “Cities of Opportunity,” a separate report published in May by **PwC** and **The Partnership for New York City**



(TPNYC), Toronto is ranked number two in the world, only slightly behind New York City, as a “capital of finance, commerce and culture.” PwC and TPNYC ranked cities in ten categories that distinguish “holistic capital market centres with vibrant economies and strong quality of life.”

Toronto ranked particularly highly in two of the categories, Intellectual Capital & Innovation (2<sup>nd</sup>) and Health, Safety & Security (2<sup>nd</sup>). It also ranked highly on

Demographics and Liveability (3<sup>rd</sup>), Lifestyle Assets (4<sup>th</sup>), Ease of Doing Business (5<sup>th</sup>), Sustainability (5<sup>th</sup>) and Cost (5<sup>th</sup>).

“These findings confirm our view that Toronto’s real strength lies in its quality of life which serves as a powerful magnet for the talented people we need,” said **Janet Ecker**, President, Toronto Financial Services Alliance. “We recognize, however, that many countries around the world are competing to attract financial services to their shores and that we will have to continue to work intensely to sustain our leadership.”



## TMX-LSE merger sparks debate

The future of Toronto’s **TMX Group**, operators of the Toronto Stock Exchange and the TSX-Venture exchange, is up in the air as its proposed merger with the **London Stock Exchange Group** continues to meet new hurdles.

As *Update* was going to press, a competing proposal to acquire TMX had been advanced by **Maple Group Acquisition Corp.**, a consortium led by some of Canada’s largest banks and pension and investment funds.

Whatever the outcome, most agree that an important goal is to preserve Toronto’s leadership position in mining and metals financing and listings.

## New government taps experience for economic portfolios

Following re-election with a majority on May 2, the Conservative government led by Prime Minister **Stephen Harper** has familiar faces in most economic portfolios, starting with Finance Minister **Jim Flaherty**. **Ted Menzies** is Minister of State (Finance). **Tony Clement** becomes President of the Treasury Board, **Christian Paradis** is Industry Minister. Toronto’s newly-elected **Joe Oliver** becomes Minister of Natural Resources.

# A new career tool for job seekers in financial services

## Centre of Excellence in Financial Services Education launches “Career Advisor” website

Looking for a career in financial services? Not sure if you have the right skill-set to land the job? Or maybe you’re not even sure if financial services is right for you.

A newly launched interactive website, called **Career Advisor**, will be able to answer all those questions ... and more.

A powerful tool developed by the **Centre of Excellence in Financial Services Education (CoE)**, the website ([www.explorefinancialservices.com](http://www.explorefinancialservices.com)) helps visitors determine the best path to an in-demand career within Toronto’s financial services industry.

The site caters to people just starting their careers as well as those who are considering career changes.

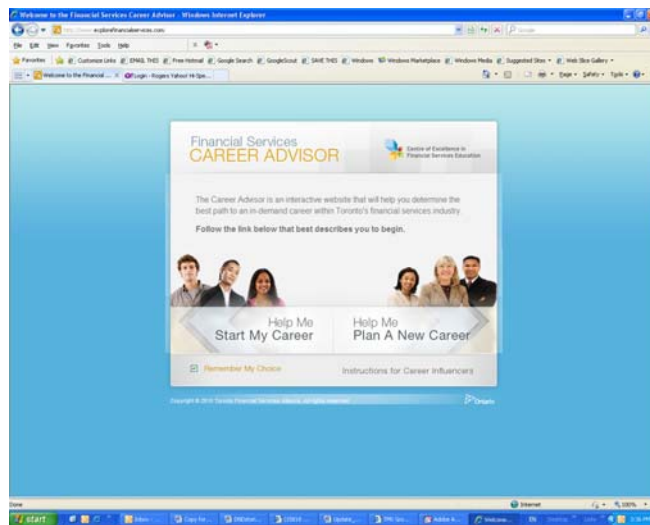
Career Advisor uses the information you supply to suggest in-demand careers that match your professional interests. The tool also highlights qualifications that might be missing for roles within your areas of interest.

The site includes profiles of career opportunities that are in demand in financial services and information about the job category and each specific role, including the duties, education, certification and other important factors required for these posts.

“We find that people are surprised when they learn how many different and exciting career opportunities exist in financial services,” said Centre of Excellence Executive Director **Catherine Chandler-Crichlow**. “Career Advisor helps them navigate this rich landscape and find the career that’s right for them.”

The job categories currently featured on the website are: Compliance/Audit, Risk Management, Financial Advisory and Investment Management, Insurance Underwriting and Technology.

The Career Advisor tool was created in close collaboration with human resources specialists within the financial services industry, educators, career counsellors and prospective users. The tool is a key offering of the Centre of Excellence, which was created and funded by the Ontario government with the support of the City of Toronto. The CoE is operated by the Toronto Financial Services Alliance.



## CIC opens office in Toronto – sign of mounting Chinese interest in Canada

One of the world’s largest sovereign wealth funds, **China Investment Corporation (CIC)**, has opened a representative office in Toronto – the first permanent foreign location for the \$300-billion state-backed institution.

The decision to locate in Toronto as a first step – rather than other financial centres such as London or New York – is seen as evidence that CIC has plans to continue to increase its Canadian holdings, particularly in the resource sector.

CIC has made headlines with its investment in Teck Resources, as well as its stake in the oil sands. Toronto is home to many Chinese companies, and this is the first year that Chinese investments in Canada have exceeded Canadian investments in China.

TFSA has been working with several Chinese delegations over recent months whose members are expressing interest in pursuing deeper ties with Canada.

## TFSA explores opportunities with London FS sector

TFSA Chair **Doug Turnbull** and TFSA President **Janet Ecker** join Ontario finance minister **Dwight Duncan** on a visit to London this month.

A highlight of the visit is a dinner with financial services leaders from the U.K. and Europe who are based in London. The goal of the trip is to ensure that Toronto’s value proposition as a site for global financial services jobs and investment remains front and centre in London.

# New and Noteworthy

Five of Canada's largest banks have been named to a list of the world's strongest banks. **National Bank**, Canada's sixth-largest bank, is considered the world's third-strongest bank, according to a study by **Bloomberg Markets**, which looked at the quality and stability of a particular firm's holdings. The magazine ranked each bank based on five sets of data, and Tier 1 capital ratio was given a 40-per-cent weighting in the scoring system.

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Venture capital market activity in Canada edged upwards in 2010, with deals and dollars invested rising compared to 2009. However, continued financing of innovative companies has become increasingly threatened by the on-going decline in VC fund-raising, according to statistics released by **CVCA - Canada's Venture Capital & Private Equity Association** and its research partner **Thomson Reuters**. The data reveal that Canadian VC deal-making increased moderately in 2010, with \$1.1 billion invested in total, up 10% from the year before. The year-over-year increase in disbursement levels was the first since 2007. However, VC activity has yet to approach the \$1.4 billion invested in 2008, the first year of the most recent market downturn.

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Long-time CBA executive **Terry Campbell** has been named President and Chief Executive Officer of the **Canadian Bankers Association**. Mr. Campbell succeeds **Nancy Hughes Anthony**, who announced her retirement in September 2010 after nearly four years with the association.

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**RBC Capital Markets**, the corporate and investment banking arm of Royal Bank of Canada, has appointed **Stephen Krag**, formerly of Daiwa Capital Markets Europe, as Chief Financial Officer Europe. Mr. Krag will be based in London.

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**BMO Financial Group** has acquired Hong Kong-based **Lloyd George Management**, an independent investment manager specializing in Asia and global emerging markets. In addition to Hong Kong, the company has a local presence in London, Singapore, Mumbai and Florida.

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The **Rotman International Centre for Pension Management (ICPM)** at University of Toronto is launching a global education program for directors and trustees who oversee pension plans, sovereign wealth funds and other long-horizon investment institutions around the world. It will be the first of its kind. The program acknowledges the need to provide specialized training for these board members who, in many cases, do not have expertise in pension management.

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A Conservative majority government was elected in Canada on May 2. Of the 42 seats in Toronto region, Conservatives were elected in 27. Among Toronto's new Members of Parliament are three with financial services backgrounds: **Joe Oliver**, a long-time investment banker, appointed Minister of Natural Resources, and insurance brokers **Stella Amber** and **Paul Calandra**.

## UPDATE: Canada's leading insurers and banks post strong earnings

Canada's insurance companies reported first quarter earnings in May and continued to perform strongly.

**Manulife Financial** reported first quarter earnings of \$985 million following a record fourth quarter, while **Sun Life Financial** reported earnings of \$472 million in the same period – an improvement from 2010.

Canada's banks begin to report their second quarter earnings at the end of May. In the first quarter, the six largest banks collectively reported net income in excess of \$6.4 billion, up more than \$1 billion from the same period a year earlier. Most of the banks indicated that their figures represented record highs – increases of 15%-20% over 2010, which had already been substantially higher than 2009.

## Global Risk Institute ramps up

While the **Global Risk Institute in Financial Services (GRI)** is still ramping up, it is already playing a role getting the conversation started around important issues of risk management.

It holds its inaugural round table event on May 26, at which it will ask participants to help set GRI's research priorities for the issues confronting financial services risk practitioners, regulators and policy makers.

**Timothy Hodgson**, Special Advisor to the Governor of the Bank of Canada, will kick off the invitation-only session with his observations on the latest developments in risk research in other countries, and how Canada should respond.

## New and Noteworthy (continued)

New numbers back up the business case for hiring skilled immigrants. **Toronto Region Immigrant Employment Council** (TRIEC) surveyed employers about their hiring practices with regard to newcomers. According to the results, one in five employers has hired a skilled immigrant to help them expand globally and locally, and feels that employees with international education and experience are effective in helping them meet their business goals. Of those who hired immigrants to help diversify their company's client base globally, more than nine in ten felt the skilled immigrants hired had helped them do so.

**HSBC Bank Canada** recently completed the first Canadian international renminbi (RMB) trade settlement transaction. As one of the fastest growing economies in the world, China provides enormous business opportunities for Canadian companies doing business internationally, the bank noted. The ability to conduct trade in RMB may assist these companies in taking advantage of these opportunities.

The University of Toronto recently announced that **Roger Martin**, dean of the **Rotman School of Management**, has been reappointed to serve a rare third term as dean, beginning May 1. Mr. Martin joined Rotman in 1998.

The numbers are in, and there's some good news mixed with the generally disappointing results of the "**2010 Catalyst Census: Financial Post 500 Women Senior Officers and Top Earners.**" Public companies continue to do better, with an increase of nearly 8 percentage points of those reporting 25% or more women senior officers. Overall, however, companies in the FP500 continue to lag in advancing women, with more than 30% reporting no women officers. The finance and insurance industry has the fourth-highest percentage of women in senior office positions, according to the research.

**The Heritage Foundation–Wall Street Journal's Index of Economic Freedom** says Canada has edged upward in capitalist sentiment and free-market rights, earning an elite ranking as a "free economy" in its latest report. Only six economies qualify for this distinction (by scoring more than 80 points on the Index's 100-point scale). The others are Hong Kong, Singapore, Australia, New Zealand and Switzerland.

**Agricultural Bank of China** and **BMO Financial Group** have launched a referral arrangement between the two banks that will provide their respective clients with access to cross-border private banking financial services. As part of the agreement, representatives of ABC and BMO will provide high net worth clients in China with information about overseas studies, immigration and other cross-border financial services and solutions.

## Upcoming events

### May 25, 2011

Canadian Bankers Association  
President Terry Campbell addresses  
Toronto Board of Trade, in Toronto  
([www.bot.com](http://www.bot.com))

### May 26, 2011

Global Risk Institute's Inaugural Round  
Table on Risk in Financial Services, in  
Toronto ([www.globalriskinstitute.com](http://www.globalriskinstitute.com))

### June 2, 2011

2011 Investment Industry Association  
of Canada Annual General Meeting, in  
Toronto ([www.iiac.ca](http://www.iiac.ca))

### June 8-10, 2011

"Capitalizing on the Future," Financial  
Executives International conference, in  
Ottawa ([www.feicanada.org](http://www.feicanada.org))

### September 13-16, 2011

2011 Association of Canadian Pension  
Management Annual Conference, in  
St. John's ([www.acpm.com](http://www.acpm.com))

### October 5, 2011

Investment Funds Institute of Canada  
Annual Conference, in Toronto  
([www.iffc.ca](http://www.iffc.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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