

Toronto's Financial Services Sector will be key player in global public-private partnerships to address infrastructure gap
Sector's capabilities ranked third in the world

TORONTO, February 21, 2018: Toronto's financial sector is uniquely positioned to help governments across the globe leverage public-private partnerships (P3) to address the growing infrastructure gap in Canada, finds a new report from the Toronto Financial Services Alliance (TFSA) in collaboration with KPMG in Canada.

The report, [*Knowing When to Partner*](#), ranks Toronto's financial services sector only behind New York and London in its strength and ability to provide the expertise and funding to deliver on these large-scale capital projects.

"What separates Toronto from its international peers in P3 transactions is the broad-based participation of so many players in one place," said Steve Beatty, Chairman, Cities Center of Excellence, KPMG LLP. "This clustering of investors, investees, developers, advisors and service providers located in and around Toronto makes it a truly unique P3 marketplace."

The report highlights that Toronto's strength in P3 transactions is built on the expertise and resources that Toronto's banks, life and health insurers, and infrastructure funds bring to the structuring of deals, strong lender oversight and effective asset management. Robust competition amongst capital providers, established access to long-term bond and bank financing, and committed fixed-rate financing have allowed for the successful completion of 270 projects in the Canadian marketplace over the past two decades.

"Without question, Toronto is a leading global financial centre for public-private partnerships," said Jennifer Reynolds, President and CEO, Toronto Financial Services Alliance. "When governments require new or renewed infrastructure assets, they turn to the expertise, capital and leadership present in Toronto's financial services sector."

Underinvestment, aging assets and climbing infrastructure demands all contribute to an increasing "infrastructure gap". Some analyses find the shortfall as high as \$75 trillion globally. Policymakers are increasingly turning to P3s as vehicles for leveraging private-sector discipline, expertise, innovation and investment to tackle these needs.

"As infrastructure needs grow, federal to municipal governments are finding they can't keep up with the costs on their own and can benefit from the efficiency and resilience that public-private partnerships provide," continued Reynolds. "Toronto is an excellent example of how these partnerships have been used to address pressing challenges that we continue to see on the global scale."

The report points out that, collectively Toronto's financial institutions are already internationally renowned for enabling P3 projects that have resulted in numerous economic, institutional and social benefits at the local and national levels. Contributing to Toronto's potential in P3 transactions is a deep pool of resident capital and significant ongoing Canadian activity in the P3 space.

"Toronto's financial services (FS) sector is mature, stable and vigorously competitive," adds Mr. Beatty. "As governments around the world look to the P3 model as a way of meeting rapidly growing global infrastructure needs, Toronto's FS sector can play a leading role. It has proven it understands the trade-

offs required to make the P3 model work and has built a robust platform that gives the city a significant competitive advantage.”

He notes, however, that to remain a leader in the P3 space, the sector will have to continue to innovate and try new things. “The sector will continue to evolve and be subject to changing economic and geopolitical pressures that will not only define the success of individual P3 projects but of the Toronto sector’s ability to deliver.”

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About KPMG:

KPMG LLP, an Audit, Tax and Advisory firm (kpmg.ca) and a Canadian limited liability partnership established under the laws of Ontario, is the Canadian member firm of KPMG International Cooperative (“KPMG International”). KPMG member firms around the world have 200,000 professionals, in 154 countries

About Toronto Financial Services Alliance (TFSA):

TFSA is a public-private partnership between three levels of government, the financial services industry and academia. TFSA’s mission is to lead collective action that drives the competitiveness and growth of Toronto’s financial sector and establishes its prominence as a leading international financial centre. For more information, please visit fsa.ca

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