

THE RISE OF TORONTO AS A MAJOR INTERNATIONAL BANKING CENTRE

"Canada's financial capital has enjoyed a rapid expansion in recent years. According to Moody's Analytics, Toronto is on track to overtake London by 2020 in the number employed in the financial services industry."

Mark Hopkins, Senior Economist,
Moody's Analytics

Sound and Stable Financial Sector

Canada's economic strength is underpinned by one of the world's most sophisticated and stable financial and banking systems. The **World Economic Forum** recently (2011) ranked Canada's banking system as the soundest in the world for the fourth year in a row². Many international financial analysts share this view; **Moody's** ranks Canada's banking system number one in the world for financial strength³.

Banks in Canada are among the best capitalized in the world, exceeding **Bank for International Settlements'** norms by significant margins⁴. In fact, during the global financial crisis, no Canadian bank or insurer failed.

Today, as Europe's sovereign debt crisis creates international concerns about financial stability, Canada's banks remain open for business and fully committed to, and capable of, providing credit. Credit conditions in Canada remain favourable, and

firms and banks both benefit from capital costs well below historical averages. Investors find Canadian banks and financial institutions to be receptive to their investment and expansion plans both in Canada and globally. Canada's banks and financial institutions provide competitive financing and risk-management solutions, along with specialized expertise, across a broad range of sectors.

Seven of the world's 50 safest banks are Canadian. Six of the top ten safest banks in North America are Canadian.

-Global Finance Magazine 2011

Moody's, Fitch and Standard & Poor's all give Canada their top credit ratings.

Strong Public Finances

Canada entered the global recession with a strong record of balanced budgets and low debt. Such fiscal strength allowed the Government of Canada to take timely, meaningful action to temper the effects of the global downturn, while delivering on promises to lower corporate taxes and to make strategic investments in public infrastructure and industries of the future.

² World Economic Forum. *Global Competitiveness Report 2011-2012*.

³ Retrieved on May 1, 2012 from <http://www.cbc.ca/news/business/story/2012/04/11/moodys-canada-banks.html>.

⁴ Canadian Bankers Association. 2012.