

## Financial Services

Canada is a global leader in financial services, employing more than 1.1 million Canadians across the country. The cornerstone of this \$247-billion sector's success is its banking system—ranked the soundest in the world by the World Economic Forum two years in a row.

Foreign investors interested in establishing operations in Canada can expect a deep pool of financial services expertise across the country, competitive cost structures to set up specialized operation, and a large domestic market for their services in Canada.

HOME TO FOUR OF NORTH AMERICA'S ten largest banks, Canada offers investors three globally competitive financial centres, in Toronto, Montréal and Vancouver. As many of the world's largest banks, insurers, equity funds and investment dealers know, Canada delivers exceptional value to them.

One major advantage for investors in the financial services sector is Canada's proximity to the U.S. and its strategic location between Europe and Asia. In 2009, six Canadian cities finished among the Top 20 internationally for overall competitiveness of their financial services sectors, according to IBM *Plant Location International*.<sup>1</sup> And in 2009, Toronto, Vancouver and Montréal placed third, seventh and eighth in North America, respectively, in the *Global Financial Centres Index* (GFCI).<sup>2</sup>

Canada offers a wide range of niche financial services clusters across the country, in centres such as Calgary, Charlottetown, Halifax, Québec City, Waterloo, and Winnipeg. And when it comes to labour supply, Canada has well-qualified financial professionals—12,000 Certified Financial Analysts (CFAs), 17,000 Certified Financial Planners (CFPs), and 74,000 Chartered Accountants (CAs). In 2008, there were more than 4,100 students enrolled in full-time MBA programs at 34 Canadian universities.

In addition to the above advantages, Canada offers large financial services markets in key verticals:

- Canada has the fifth-largest investment fund asset base in the G7. In the third quarter of 2009, US\$544.8 billion in assets were under management in Canada, above both Germany and Italy.<sup>3</sup> The strength of the investment fund industry in Canada is driven by very favourable tax treatments offered to Canadians investing in registered savings plans.
- Canada's insurance markets were the ninth-largest in the world in 2008, with premium volumes standing at US\$105.2 billion, according to reinsurer Swiss Re.<sup>4</sup> Canada's mature and well-regulated insurance industry is home to some of the world's largest insurers, such as **Manulife Financial** and **Sun Life Financial**.
- Canada offers investors a large private wealth management market. According to the *World Wealth Report 2009* produced by Capgemini and Merrill Lynch Wealth Management, Canada ranked seventh in the world for the number of individuals with investable assets of US\$1 million or more. With 213,000 high-net-worth individuals in 2008, Canada had more wealthy individuals per capita than France, the United Kingdom or Italy.

### Banking

Safest, soundest, strongest. Renowned for their stability during the global economic crisis, Canada's Big Eight banks posted a combined net income of \$14.56 billion for the year ended October 31, 2009.<sup>5</sup> Strong balance sheets have helped Canadian banks earn bragging rights such as six of the world's 50 safest banks, according to *Global Finance* magazine.

Many leading international banks have Canadian subsidiaries. Among them are the **Bank of East Asia**, **Barclays plc**, **BNP Paribas**, **BNY Mellon**, **Citigroup**, **Citico**, **Deutsche Bank**, **Mitsubishi UFJ**, **Morgan Stanley**, **Rabobank**, **Société Générale**, **State Bank of India** and **UBS**.

In 2010, the **Royal Bank of Scotland (RBS)** announced that it would open a Calgary office for wealth management and investment banking advisory services. **Barclays plc**—which already operates in Canada through **Barclays Capital**—obtained its Canadian banking licence. And a third British bank, London-based **HSBC Group**, chose Canada as the site of its new global software development centre. Located in Burnaby, British Columbia, this facility will house 850 employees.

### Asset Management

With its financial services expertise and affluent population, Canada is a natural fit for global asset managers. In 2009,