

LONDON STAYS TOP OF IFC TREE

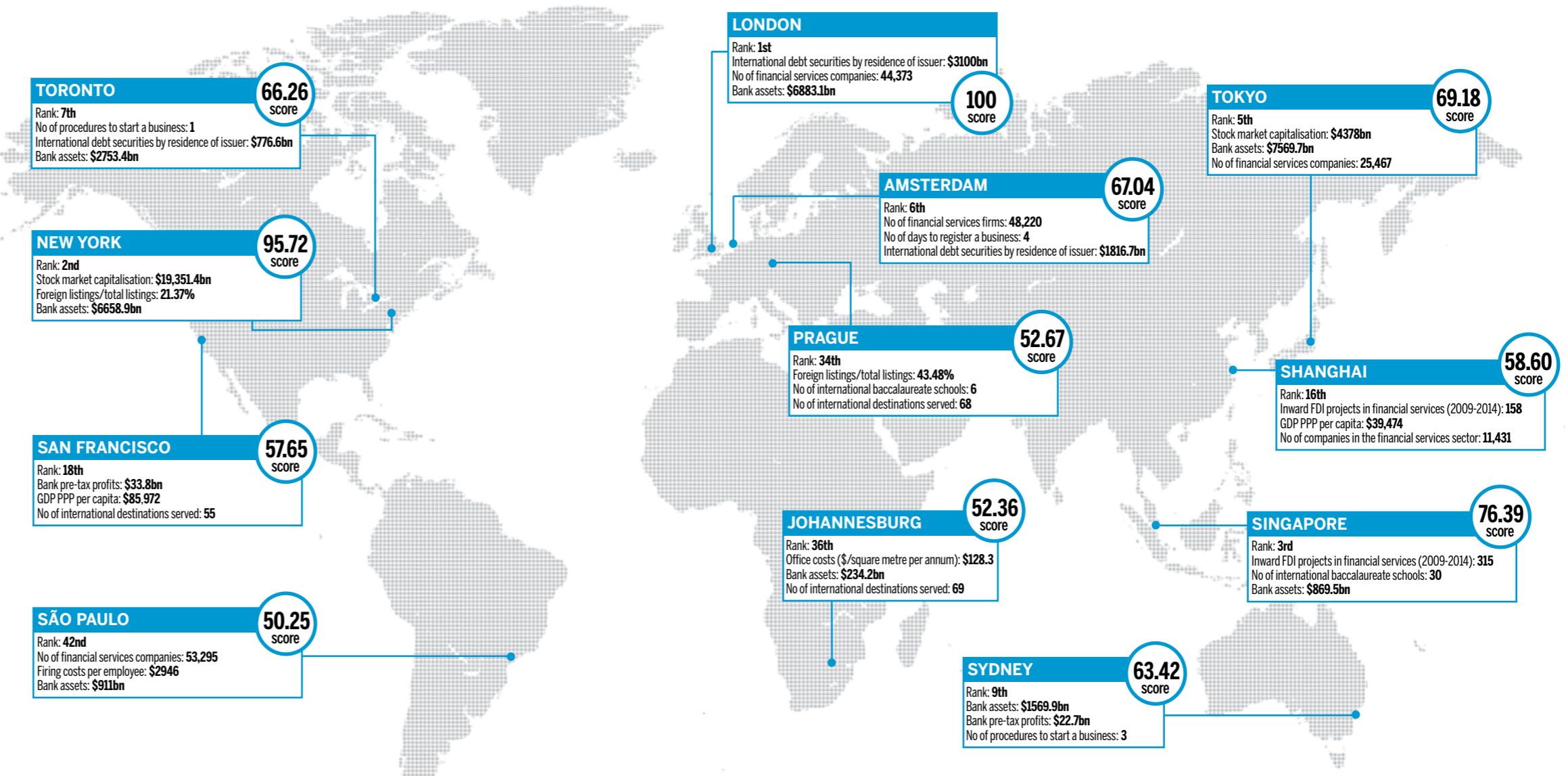
IFC rankings

In The Banker's ranking of the world's international financial centres, London continues to lead over close rival New York, but competitors from China and Japan are rising through the ranks. **WRITER Silvia Pavoni**

For better or for worse, London continues to generate much international attention around its financial centre. The debate over a possible UK exit from the EU is very much alive, with a referendum on the matter likely to take place in 2016. The news of the UK government starting the sale of Royal Bank of Scotland, which it was forced to rescue during the financial crisis, attracted as much criticism as it did praise. And the first conviction in the Libor rigging affair was delivered in a London court, bringing the scandal nearer to closure but also providing a reminder of which city stood at the epicentre.

But away from these headline-grabbing developments, looking closer to figures and data, London continues to reign as the world's leading international financial centre (IFC). *The Banker* has analysed a number of leading IFCs and has crunched numbers reflecting macroeconomic factors, size of financial markets, appeal to international investors and ease of doing business, among many others. In our latest list, new data on numbers of financial services firms present in the 56 hubs studied was introduced to better capture the support network that each IFC has developed over the years. London scores well in this respect. It hosts the third largest community of such firms after São Paulo and Amsterdam, according to data provider Dun and Bradstreet: 44,373 between depository institutions, brokers, insurance agents and others.

More impressively, London continues to attract as well as generate the largest numbers of foreign direct investment projects of any city in the world: 390 and 870, respectively, for the five years to the end of 2014, according to greenfield investment database fDi Markets. It has also surpassed Singapore – first in this area in last year's ranking – as the easiest environment in which to conduct businesses, based on speed to register and start a business,



register a property, enforce a contract as well as number of international destinations served from the city.

Also of note is the performance of Japanese and Chinese hubs. In fifth place after London, New York, Singapore and Hong Kong, Tokyo has moved up three positions in the ranking, mainly thanks to the higher stock market capitalisation of its bourse. Beijing climbed the ranking on the wave of exceptional banking results, while the growth of Shanghai's stock market, as well as its banks' profits, gave the IFC an even bigger push – Shanghai has now surpassed Beijing in the ranking and sits in 16th place. As concerns over equity valuations emerged earlier this year, however, Shanghai's upward trend may change in the future.

New York continues to dominate when it comes to financial markets indicators that take into consideration the size, depth and level of internationalisation of an IFC's markets.

Europe's second best scoring IFC after London is Amsterdam – a financial hub that hosts large numbers of financial services firms, but also scores particularly well in terms of value of international debt securities issued. In

North America, Toronto is the best performer after New York, while the Latin American crown goes to São Paulo.

The Cayman Islands leads the specialised centres list, where the top five positions remain unchanged from the 2014 ranking. A few moves affect the table further down, with Bermuda and Gibraltar climbing up one place to sixth and ninth, respectively, and the Turks and Caicos Islands moving upwards by three positions.

METHODOLOGY

The Banker's ranking of IFCs is based on data ranging from financial markets indicators to economic potential to business environment factors. The ranking focuses on the level of international business and the value offered to institutions seeking to expand their international operations.

In recognition of the fact that data for specialised financial centres is seldom consistent with that for mainland financial centres, *The Banker* has surveyed each specialised IFC and has compiled a separate table using information relevant to these locations. Publicly available data sources were used as well as *The Banker* Database and fDi Markets. >>

SPECIALISED FINANCIAL CENTRES RANKING

IFC	2015		2014		Movement	
	Rank	Score	Rank	Score	By position	By score
Cayman Islands	1	100.00	1	100.00	0	0.00
Jersey	2	88.04	2	85.03	0	3.01
Guernsey	3	82.06	3	81.49	0	0.57
Bahamas	4	79.29	4	76.22	0	3.07
Mauritius	5	70.85	5	72.06	0	-1.21
Bermuda	6	63.93	7	60.59	1	3.34
Isle of Man	7	59.32	6	62.19	-1	-2.87
Liechtenstein	8	51.54	8	50.21	0	1.33
Gibraltar	9	45.47	10	41.95	1	3.52
Barbados	10	39.57	9	49.55	-1	-9.98
Turks and Caicos Islands	11	31.32	14	16.29	3	15.03
Antigua and Barbuda	12	29.60	13	16.74	1	12.86
Seychelles	13	25.38	new entry			new entry
Montserrat	14	20.01	new entry			new entry

Source: The Banker/fDi Intelligence

AFRICA

Rank	World rank	IFC	Score
1	36	Johannesburg	52.36

ASIA-PACIFIC

Rank	World rank	IFC	Score
1	3	Singapore	76.39
2	4	Hong Kong	74.63
3	5	Tokyo	69.18
4	9	Sydney	63.42
5	16	Shanghai	58.60
6	17	Osaka	57.95
7	19	Beijing	57.24
8	20	Wellington	56.78
9	22	Melbourne	55.94
10	28	Seoul	54.52
11	30	Kuala Lumpur	54.22
12	31	Taipei	53.92
13	35	Mumbai	52.56
14	41	Bangkok	50.48
15	48	Shenzhen	48.43
16	51	Manila	45.24
17	53	Jakarta	44.78

NORTH AMERICA

Rank	World rank	IFC	Score
1	2	New York	95.72
2	7	Toronto	66.26
3	18	San Francisco	57.65
4	21	Chicago	56.03
5	26	Montreal	54.99
6	27	Boston	54.77

CENTRAL AND EASTERN EUROPE

Rank	World rank	IFC	Score
1	34	Prague	52.67
2	37	Warsaw	51.82
3	43	Moscow	50.03
4	46	Budapest	48.81

LATIN AMERICA

Rank	World rank	IFC	Score
1	42	São Paulo	50.25
2	50	Panama City	46.83
3	52	Mexico City	44.94
4	55	Rio de Janeiro	39.80
5	56	Buenos Aires	39.10

MIDDLE EAST

Rank	World rank	IFC	Score
1	10	Dubai	62.27
2	40	Doha	51.45
3	44	Manama	49.84

WESTERN EUROPE

Rank	World rank	IFC	Score
1	1	London	100.00
2	6	Amsterdam	67.04
3	8	Paris	65.83
4	11	Zurich	60.87
5	12	Dublin	60.57
6	13	Frankfurt	59.90
7	14	Luxembourg	59.73
8	15	Copenhagen	58.98
9	23	Stockholm	55.65
10	24	Vienna	55.20
11	25	Madrid	55.07
12	29	Oslo	54.25
13	32	Geneva	53.87
14	33	Edinburgh	53.40
15	38	Brussels	51.76
16	39	Helsinki	51.72
17	45	Lisbon	49.57
18	47	Munich	48.72
19	49	Milan	48.26
20	54	Athens	43.90

TOP INTERNATIONAL FINANCIAL CENTRES

Rank	IFC	Country	Region	Score	2014 rank	Change in rank
1	London	UK	Western Europe	100.00	1	0
2	New York	US	North America	95.72	2	0
3	Singapore	Singapore	Asia-Pacific	76.39	3	0
4	Hong Kong	Hong Kong	Asia-Pacific	74.63	4	0
5	Tokyo	Japan	Asia-Pacific	69.18	8	3
6	Amsterdam	Netherlands	Western Europe	67.04	9	3
7	Toronto	Canada	North America	66.26	6	-1
8	Paris	France	Western Europe	65.83	7	-1
9	Sydney	Australia	Asia-Pacific	63.42	10	1
10	Dubai	UAE	Middle East	62.27	5	-5
11	Zurich	Switzerland	Western Europe	60.87	13	2
12	Dublin	Ireland	Western Europe	60.57	12	0
13	Frankfurt	Germany	Western Europe	59.90	11	-2
14	Luxembourg	Luxembourg	Western Europe	59.73	14	0
15	Copenhagen	Denmark	Western Europe	58.98	29	14
16	Shanghai	China	Asia-Pacific	58.60	25	9
17	Osaka	Japan	Asia-Pacific	57.95	38	21
18	San Francisco	US	North America	57.65	42	24
19	Beijing	China	Asia-Pacific	57.24	23	4
20	Wellington	New Zealand	Asia-Pacific	56.78	24	4
21	Chicago	US	North America	56.03	45	24
22	Melbourne	Australia	Asia-Pacific	55.94	20	-2
23	Stockholm	Sweden	Western Europe	55.65	15	-8
24	Vienna	Austria	Western Europe	55.20	30	6
25	Madrid	Spain	Western Europe	55.07	28	3
26	Montreal	Canada	North America	54.99	22	-4
27	Boston	US	North America	54.77	47	20
28	Seoul	South Korea	Asia-Pacific	54.52	18	-10
29	Oslo	Norway	Western Europe	54.25	16	-13
30	Kuala Lumpur	Malaysia	Asia-Pacific	54.22	26	-4
31	Taipei	Taiwan, China	Asia-Pacific	53.92	21	-10
32	Geneva	Switzerland	Western Europe	53.87	34	2
33	Edinburgh	UK	Western Europe	53.40	31	-2
34	Prague	Czech Republic	CEE	52.67	46	12
35	Mumbai	India	Asia-Pacific	52.56	49	14
36	Johannesburg	South Africa	Africa	52.36	17	-19
37	Warsaw	Poland	CEE	51.82	35	-2
38	Brussels	Belgium	Western Europe	51.76	32	-6
39	Helsinki	Finland	Western Europe	51.72	27	-12
40	Doha	Qatar	Middle East	51.45	33	-7
41	Bangkok	Thailand	Asia-Pacific	50.48	40	-1
42	São Paulo	Brazil	Latin America	50.25	53	11
43	Moscow	Russia	CEE	50.03	36	-7
44	Manama	Bahrain	Middle East	49.84	19	-25
45	Lisbon	Portugal	Western Europe	49.57	37	-8
46	Budapest	Hungary	CEE	48.81	43	-3
47	Munich	Germany	Western Europe	48.72	39	-8
48	Shenzhen	China	Asia-Pacific	48.43	44	-4
49	Milan	Italy	Western Europe	48.26	48	-1
50	Panama City	Panama	Latin America	46.83	41	-9
51	Manila	Philippines	Asia-Pacific	45.24	51	0
52	Mexico City	Mexico	Latin America	44.94	52	0
53	Jakarta	Indonesia	Asia-Pacific	44.78	54	1
54	Athens	Greece	Western Europe	43.90	50	-4
55	Rio de Janeiro	Brazil	Latin America	39.80	55	0
56	Buenos Aires	Argentina	Latin America	39.10	56	0

Source for all tables: The Banker/IFDI Intelligence

OUTWARD FDI IN FINANCIAL SERVICES SECTOR

Rank	IFC	Score
1	London	10.00
2	New York	7.55
3	Paris	5.17
4	Tokyo	3.69
5	Zurich	3.65
6	Toronto	3.07
7	Beijing	2.92
8	Mumbai	2.79
9	Seoul	2.56
10	Frankfurt	2.55

INWARD FDI IN FINANCIAL SERVICES SECTOR

Rank	IFC	Score
1	London	10.00
2	Hong Kong	8.65
3	Singapore	8.26
4	Dubai	6.21
5	New York	4.79
6	Shanghai	4.60
7	Sydney	3.70
8	Dublin	3.35
9	Beijing	3.28
10	São Paulo	2.88

INTERNATIONAL DEBT SECURITIES

Rank	IFC	Score
1	London	10.00
2	New York	7.18
3	Amsterdam	6.27
4	Paris	5.19
5	Frankfurt	4.41
6	Toronto	3.25
7	Milan	3.24
8	Dublin	3.18
9	Sydney	2.71
10	Madrid	2.70

FOREIGN LISTINGS (% OF TOTAL LISTINGS)

Rank	IFC	Score
1	Luxembourg	10.00
2	Prague	5.41
3	Singapore	4.81
4	Dubai	4.22
5	Amsterdam	3.50
=6	New York	3.17
=6	Oslo	3.17
8	London	3.11
9	Dublin	2.76
10	Vienna	2.74

ECONOMIC STABILITY AND POTENTIAL

Rank	IFC	Score
1	Doha	10.00
2	Singapore	6.15
3	Panama City	5.96
4	San Francisco	5.94
5	Manila	5.85
6	Dubai	5.83
7	Boston	5.80
8	Shanghai	5.79
9	Beijing	5.77
10	Shenzhen	5.76

FINANCIAL MARKETS

Rank	IFC	Score
1	New York	10.00
2	London	9.09
3	Tokyo	5.96
4	Luxembourg	5.46
5	Amsterdam	5.35
6	Paris	5.30
7	Osaka	5.11
=8	Toronto	5.06
=8	Frankfurt	5.06
10	Hong Kong	4.99

FINANCIAL SERVICES CLUSTER

Rank	IFC	Score
1	London	10.00
2	New York	6.63
3	Singapore	6.46
4	Hong Kong	6.28
5	Paris	4.87
6	Beijing	4.86
7	São Paulo	4.70
8	Dubai	4.43
9	Tokyo	4.41
10	Amsterdam	4.13

STOCK MARKET CAPITALISATION

Rank	IFC	Score
1	New York	10.00
=2	Osaka	6.93
=2	Tokyo	6.93
4	London	6.44
5	Shanghai	6.33
6	Hong Kong	5.38
7	Mumbai	5.17
8	Paris	3.85
9	Toronto	3.84
10	Shenzhen	3.81

BUSINESS FRIENDLINESS

Rank	IFC	Score
1	London	10.00
2	Singapore	9.98
3	Amsterdam	9.80
4	Seoul	9.76
5	Dubai	9.53
6	Moscow	9.24
=7	Wellington	9.21
=7	Toronto	9.21
9	Paris	9.15
10	Oslo	9.12

COST FACTORS

Rank	IFC	Score
1	Copenhagen	10.00
2	Johannesburg	9.96
3	Manama	9.60
4	Wellington	9.57
5	Bangkok	9.51
6	Montreal	9.13
7	Manila	9.08
8	Toronto	9.06
9	Chicago	8.99
10	Jakarta	8.90

BANK PRE-TAX PROFITS

Rank	IFC	Score
1	Beijing	10.00
2	New York	7.43
3	Tokyo	5.00
4	San Francisco	4.25
5	London	4.03
6	Toronto	3.99
7	Shanghai	3.76
8	Sydney	3.41
9	Paris	3.38
10	São Paulo	3.22

TOTAL BANK ASSETS

Rank	IFC	Score
1	Beijing	10.00
2	Tokyo	5.65
3	London	5.22
4	Paris	5.12
5	New York	5.09
6	Frankfurt	3.28
7	Toronto	2.69
8	Zurich	2.44
9	Shanghai	2.22
10	Madrid	2.19

Note: tables represent a selection of indicators used to compile the global IFC ranking. All tables represent individual data points used to compile the IFC global ranking, except for financial markets, business friendliness, cost factors, financial services cluster and economic stability and potential, which are based on multiple data points. Top IFCs in individual and multiple data point tables are assigned a score of 10 and lower ranking IFCs' scores are assigned in relation to the distance to the top scorer.