

LONDON LEADS AGAIN

IFC rankings

London has come out on top in its annual battle with New York to be named the world's leading international financial centre. Beyond the behemoths, however, the big story comes from Latin America, where Mexico City has jumped 15 places to crown an impressive year for the financial hub. **WRITER** *Silvia Pavoni*

London leads this year's international financial centres (IFCs) ranking, which measures the performance of the IFCs in a series of financial market, business and economic indicators, and puts a premium on international appeal rather than size.

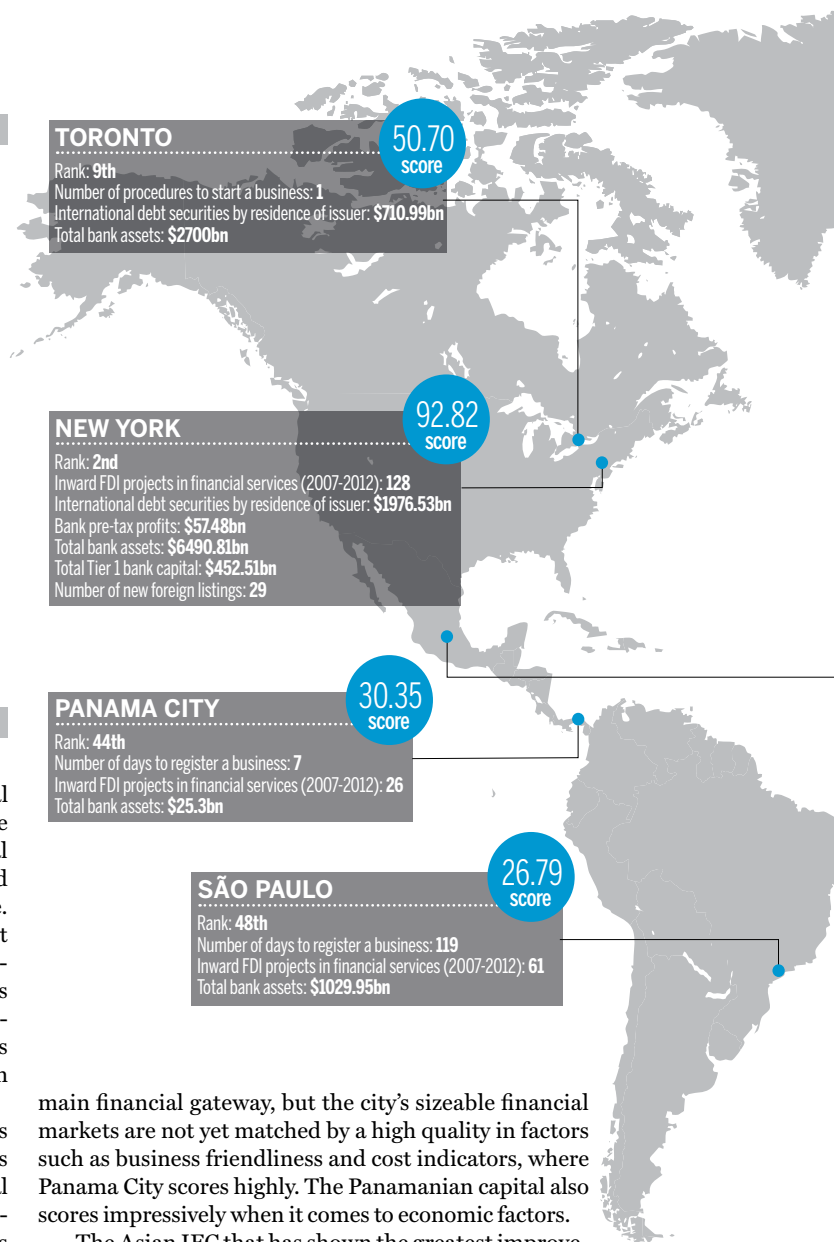
The UK capital scores similarly to New York – last year's leader and now in second place – within the financial markets data category, but excelled in factors such as business friendliness and the depth of the various business clusters present in the city. London also generates the largest value of outward as well as inward foreign direct investment in the financial sector.

It is worth noting London's leadership in various components that contributed to its financial markets score, such as the number of new foreign listings (a total of 36 against New York's 29) and the issuance of international debt securities (\$3401bn against New York's \$1977bn). However, New York still boasts the largest volumes of assets under management – \$920bn – among the firms that it plays host to.

SMALL SHIFTS

Singapore and Hong Kong are in third and fourth positions, respectively, the latter displacing Frankfurt, which is now in fifth place. Small shifts are present throughout the ranking, with the only noticeable exception being Mexico City, which jumped from 30th place in the 2012 ranking to 15th position this year. The Latin American centre, the highest scoring in its region, boasts a growing international stock exchange, which last year hosted its largest ever initial public offering. The \$4.13bn listing of the Mexican operations of Spanish bank Santander at the end of 2012 confirmed the rising international reputation of Mexico City as an IFC to be reckoned with.

Also of note is that the second highest placed Latin American IFC is Panama City, ahead of São Paulo. The Brazilian metropolis is widely perceived to be the region's



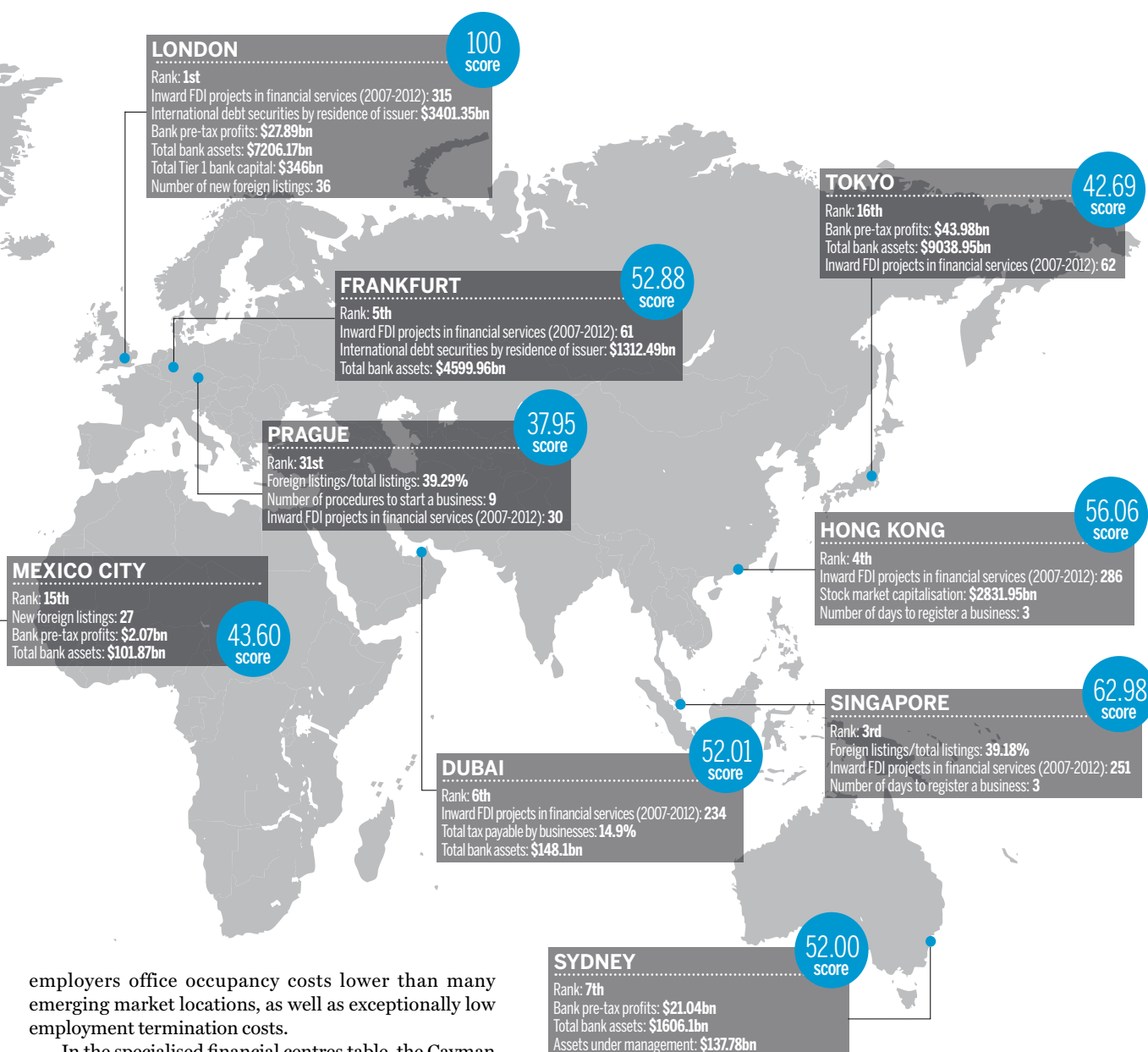
main financial gateway, but the city's sizeable financial markets are not yet matched by a high quality in factors such as business friendliness and cost indicators, where Panama City scores highly. The Panamanian capital also scores impressively when it comes to economic factors.

The Asian IFC that has shown the greatest improvement is Beijing, moving from 36th position in 2012 to 32nd this year in the overall ranking. It now ranks seventh among Asian IFCs, overtaking eighth placed Kuala Lumpur. Like Beijing, Bangkok has also climbed up four positions in the global ranking and comes in ninth regionally.

Despite dropping one place in the global ranking, San Francisco has improved its regional standing and now is third in North America, up from fourth position last year. San Francisco-based Wells Fargo's stellar performance in the latest financial year has pushed the Californian city to fifth place from eighth in the banking pre-tax profit table. Wells Fargo, the world's eighth largest bank by Tier 1 capital, posted pre-tax profits of \$28bn in 2012, up 20% on 2011.

LOW COSTS

In terms of cost factors, the number one global IFC is Copenhagen. The Danish capital, widely perceived to have expensive labour and cost of living levels, offers



employers office occupancy costs lower than many emerging market locations, as well as exceptionally low employment termination costs.

In the specialised financial centres table, the Cayman Islands retains its lead, although Jersey replaces Guernsey in second position. Bermuda and Barbados are the most improved, each jumping three positions to sit in fifth and eighth place, respectively. Most of the data for the specialised financial centres ranking is supplied to *The Banker* by each centre. In the current financial environment, some chose not to respond to our survey, which is why Cyprus, for example, does not feature in this year's tables.

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 main-land 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 Intelligence. **IF** >>

SPECIALISED FINANCIAL CENTRES RANKING

Location	2013		2012		Movement	
	Rank	Score	Rank	Score	By position	By score
Cayman Islands	1	55.09	1	49.91	0	5.18
Jersey	2	40.00	4	35.71	2	4.28
Guernsey	3	34.74	2	37.06	-1	-2.31
Bahamas	4	33.00	3	36.33	-1	-3.33
Bermuda	5	27.19	8	24.91	3	2.28
Mauritius	6	24.85	7	26.49	1	-1.64
Isle of Man	7	23.18	6	27.07	-1	-3.89
Barbados	8	18.06	11	15.83	3	2.23
Gibraltar	9	14.30	10	19.37	1	-5.07
British Virgin Islands	10	10.63	n/e	n/e	n/e	n/e
Turks and Caicos	11	10.02	11	11.04	0	-1.02
St Vincent and the Grenadines	12	8.82	12	6.08	0	2.74
Montserrat	13	4.67	13	4.89	0	-0.22

Source: The Banker/fDi Intelligence

RANKINGS

AFRICA

Rank	World rank	Location	Score
1	35	Johannesburg	36.10

ASIA-PACIFIC

Rank	World rank	Location	Score
1	3	Singapore	62.98
2	4	Hong Kong	56.06
3	7	Sydney	52.00
4	16	Tokyo	42.68
5	22	Melbourne	40.51
6	29	Seoul	38.92
7	32	Beijing	37.64
8	33	Kuala Lumpur	37.08
9	37	Bangkok	34.85
10	38	Shanghai	34.50
11	42	Osaka	30.66
12	45	Shenzen	29.58
13	47	Mumbai	26.80
14	49	Manila	25.34
15	51	Jakarta	23.78

NORTH AMERICA

Rank	World rank	Location	Score
1	2	New York	92.82
2	9	Toronto	50.70
3	18	San Francisco	41.35
4	19	Boston	40.98
5	21	Chicago	40.59
6	27	Montreal	39.39

CENTRAL AND EASTERN EUROPE

Rank	World rank	Location	Score
1	31	Prague	37.95
2	39	Warsaw	33.90
3	40	Budapest	31.90
4	41	Moscow	31.73

LATIN AMERICA

Rank	World rank	Location	Score
1	15	Mexico City	43.60
2	44	Panama	30.35
3	48	São Paulo	26.79
4	50	San Jose	24.31
5	53	Rio de Janeiro	20.39
6	54	Buenos Aires	20.00

MIDDLE EAST

Rank	World rank	Location	Score
1	6	Dubai	52.01
2	26	Doha	39.54
3	28	Manama	39.13

WESTERN EUROPE

Rank	World rank	Location	Score
1	1	London	100.00
2	5	Frankfurt	52.88
3	8	Amsterdam	51.20
4	10	Luxembourg	50.00
5	11	Paris	49.39
6	12	Zurich	46.24
7	13	Dublin	46.07
8	14	Copenhagen	45.98
9	17	Oslo	41.92
10	20	Vienna	40.82
11	23	Brussels	40.09
12	24	Stockholm	39.98
13	25	Geneva	39.71
14	30	Edinburgh	38.01
15	34	Madrid	36.35
16	36	Munich	35.54
17	43	Milan	30.61
18	46	Lisbon	29.37
19	52	Athens	23.72

TOP INTERNATIONAL FINANCIAL CENTRES

Location	2013		2012		Movement	
	Rank	Score	Rank	Score	By position	By score
London	1	100.00	2	90.12	1	9.88
New York	2	92.82	1	100.00	-1	-7.18
Singapore	3	62.98	3	55.52	0	7.46
Hong Kong	4	56.06	5	47.05	1	9.02
Frankfurt	5	52.88	4	48.18	-1	4.70
Dubai	6	52.01	6	42.35	0	9.66
Sydney	7	52.00	8	38.60	1	13.40
Amsterdam	8	51.20	9	38.45	1	12.75
Toronto	9	50.70	7	40.29	-2	10.41
Luxembourg	10	50.00	12	36.37	2	13.63
Paris	11	49.39	10	38.00	-1	11.39
Zurich	12	46.24	11	36.48	-1	9.76
Dublin	13	46.07	13	34.70	0	11.37
Copenhagen	14	45.98	16	33.58	2	12.40
Mexico City	15	43.60	30	23.67	15	19.93
Tokyo	16	42.68	14	34.42	-2	8.26
Oslo	17	41.92	23	27.60	6	14.32
San Francisco	18	41.35	17	30.95	-1	10.40
Boston	19	40.98	18	30.79	-1	10.19
Vienna	20	40.82	20	28.20	0	12.62
Chicago	21	40.59	15	33.73	-6	6.86
Melbourne	22	40.51	22	28.08	0	12.43
Brussels	23	40.09	21	28.13	-2	11.97
Stockholm	24	39.98	29	24.57	5	15.40
Geneva	25	39.71	19	28.47	-6	11.23
Doha	26	39.54	25	26.60	-1	12.94
Montreal	27	39.39	24	27.32	-3	12.06
Manama	28	39.13	26	26.44	-2	12.69
Seoul	29	38.92	28	25.72	-1	13.20
Edinburgh	30	38.01	27	26.13	-3	11.87
Prague	31	37.95	31	22.73	0	15.22
Beijing	32	37.64	36	20.66	4	16.98
Kuala Lumpur	33	37.08	35	20.72	2	16.37
Madrid	34	36.35	32	22.36	-2	13.98
Johannesburg	35	36.10	34	20.98	-1	15.12
Munich	36	35.54	33	22.31	-3	13.23
Bangkok	37	34.85	41	14.82	4	20.04
Shanghai	38	34.50	37	17.71	-1	16.79
Warsaw	39	33.90	42	14.20	3	19.70
Budapest	40	31.90	38	17.60	-2	14.30
Moscow	41	31.73	40	16.25	-1	15.48
Osaka	42	30.66	39	16.72	-3	13.94
Milan	43	30.61	43	13.49	0	17.12
Panama	44	30.35	-	-	-	-
Shenzen	45	29.58	45	9.23	0	20.35
Lisbon	46	29.37	44	12.52	-2	16.85
Mumbai	47	26.80	49	3.76	2	23.04
São Paulo	48	26.79	46	7.68	-2	19.11
Manila	49	25.34	51	3.22	2	22.12
San Jose	50	24.31	48	4.50	-2	19.81
Jakarta	51	23.78	50	3.69	-1	20.09
Athens	52	23.72	47	5.62	-5	18.10
Rio de Janeiro	53	20.39	53	1.00	0	19.39
Buenos Aires	54	20.00	52	2.68	-2	17.32

Source for all tables: The Banker/fDi Intelligence



RANKINGS

OUTWARD FDI IN FINANCIAL SECTOR

Rank	Location	Score
1	London	10.00
2	New York	7.75
3	Paris	4.90
4	Zurich	3.95
5	Toronto	3.22
6	Mumbai	3.03
7	Frankfurt	3.00
8	Tokyo	2.93
9	Beijing	2.74
10	Seoul	2.45

INWARD FDI IN FINANCIAL SECTOR

Rank	Location	Score
1	London	10.00
2	Hong Kong	9.16
3	Singapore	8.15
4	Dubai	7.66
5	Shanghai	5.50
6	Beijing	5.01
7	New York	4.61
8	Sydney	3.22
9	Dublin	3.13
10	Moscow	3.11

INTERNATIONAL DEBT SECURITIES

Rank	Location	Score
1	London	10.00
2	Amsterdam	6.44
3	New York	6.23
4	Paris	5.16
5	Frankfurt	4.47
6	Dublin	3.72
7	Milan	3.36
8	Madrid	3.04
9	Toronto	2.88
10	Sydney	2.57

COST FACTORS

Rank	Location	Score
1	Copenhagen	10.00
2	Johannesburg	9.81
3	Manama	9.71
4	Dublin	9.22
5	Montreal	9.17
6	Toronto	9.09
7	Chicago	9.07
8	Boston	8.98
9	San Francisco	8.94
10	Singapore	8.89

ASSETS UNDER MANAGEMENT

Rank	Location	Score
1	New York	10.00
2	London	6.41
3	Chicago	2.71
4	Boston	2.56
5	Sydney	2.35
6	Toronto	2.12
7	Paris	1.88
8	Frankfurt	1.56
9	Amsterdam	1.40
10	Edinburgh	1.36

FINANCIAL MARKETS

Rank	Location	Score
1	New York	10.00
2	London	9.92
3	Luxembourg	5.02
4	Mexico City	4.39
5	Amsterdam	4.06
6	Frankfurt	3.99
7	Singapore	3.68
8	Sydney	3.55
9	Paris	3.49
10	Toronto	3.06

NEW FOREIGN LISTINGS

Rank	Location	Score
1	London	10.00
2	New York	8.25
3	Mexico City	7.75
4	Frankfurt	4.25
5	Sydney	4.00
6	Luxembourg	2.75
7	Singapore	2.75
8	São Paulo	2.00
9	Toronto	2.00
10	Hong Kong	1.75

STOCK MARKET CAPITALISATION

Rank	Location	Score
1	New York	10.00
2	Tokyo	3.22
3	London	3.17
4	Hong Kong	2.81
5	Shanghai	2.63
6	Mumbai	2.60
7	Toronto	2.32
8	Paris	2.13
9	Frankfurt	1.95
10	Sydney	1.89

BUSINESS FRIENDLINESS

Rank	Location	Score
1	London	10.00
2	Amsterdam	9.94
3	Singapore	9.90
4	Seoul	9.59
5	Dubai	9.55
6	Toronto	9.47
7	Paris	9.25
8	Copenhagen	9.22
9	Oslo	9.17
10	Hong Kong	9.16

FOREIGN LISTINGS (% OF TOTAL LISTINGS)

Rank	Location	Score
1	Luxembourg	10.00
2	Mexico City	8.19
3	Prague	4.87
4	Singapore	4.85
5	Dubai	4.23
6	Amsterdam	3.33
7	New York	3.20
8	London	3.09
9	Brussels	2.94
10	Oslo	2.90

BANK PRE-TAX PROFITS

Rank	Location	Score
1	Beijing	10.00
2	New York	4.27
3	Tokyo	3.61
4	Toronto	2.89
5	San Francisco	2.82
6	London	2.82
7	Paris	2.69
8	Shanghai	2.49
9	Sydney	2.48
10	São Paulo	2.43

TOTAL BANK ASSETS

Rank	Location	Score
1	Beijing	10.00
2	Tokyo	8.42
3	London	6.92
4	Paris	6.37
5	New York	6.33
6	Frankfurt	4.78
7	Zurich	3.22
8	Toronto	3.22
9	Madrid	2.77
10	Edinburgh	2.70

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 and cost factors, 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.