

LONDON RETAINS ITS IFC LEAD

IFC rankings

London retains its title as the top international finance centre in the world, although New York's stock market capitalisation is almost four times that of the UK capital. Meanwhile, Johannesburg has made the most dramatic of advances up the rankings, jumping 18 places to rank 17th.

WRITER *Silvia Pavoni*

London once again tops *The Banker's* ranking of international financial centres (IFCs), which measures both the size and potential of IFCs around the world based on a series of financial markets, business and economic indicators.

Financial markets indicators continue to be the dominant data group in our research – and London continues to perform well in this area, particularly when it comes to the amount of international debt securities issued by companies based in the UK capital.

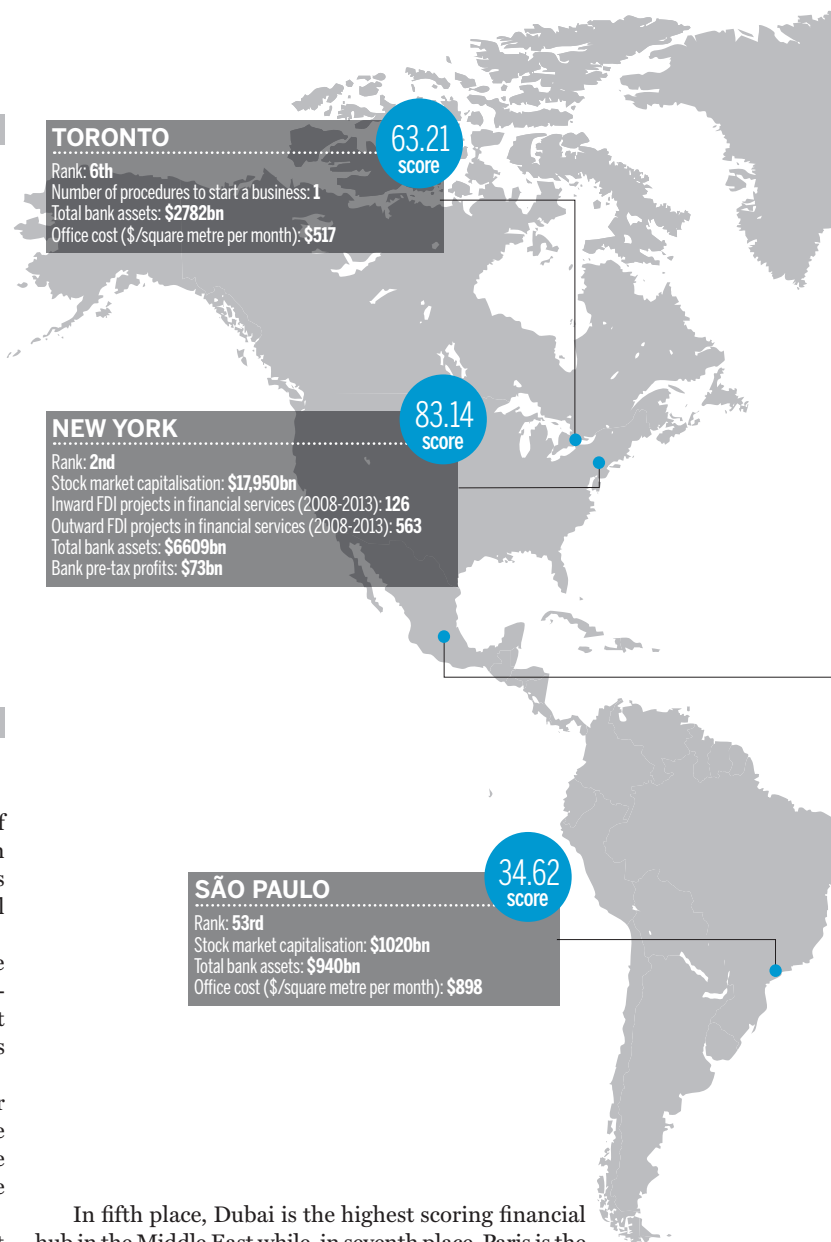
But in this year's rankings, we decided to give greater weight to data representing the size and potential of the financial services cluster within each hub, to emphasise the importance of an interconnected and full-service financial services sector to the development of IFCs.

Data on both inward and outward foreign direct investment (FDI) confirmed London's leadership. The English city attracted a total 298 FDI projects to its shores between 2008 and 2013, and directed an impressive 804 financial FDI deals to other jurisdictions – the largest figures across the world's financial hubs.

NEW YORK TOP FOR STOCK

In second place, New York outperformed its English rival by the total stock market capitalisation of its exchanges, nearly \$18,000bn at the end of last year – almost four times the size of London's. Total pre-tax profits of banks based in New York also surpassed London's: \$73bn for the American IFC against \$37bn for the UK capital.

Singapore and Hong Kong retained their third and fourth positions, respectively. Singapore continued to distinguish itself for its efficient business environment: enforcing a contract, for example, takes only 150 days – the quickest of all IFCs. Its Asian rival, Hong Kong, was better at attracting FDI to its financial sector with a total of 274 projects, second only to London.



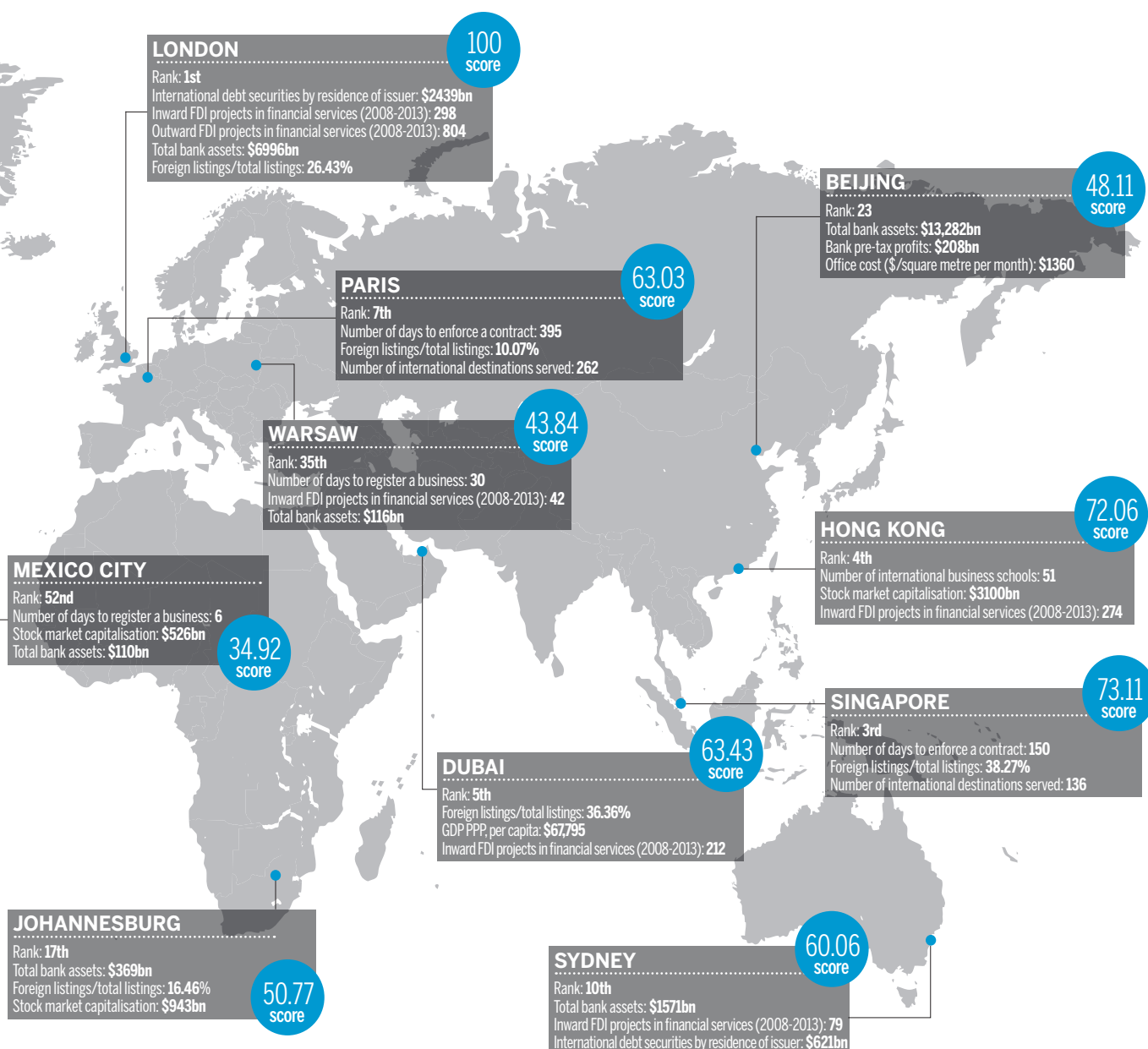
In fifth place, Dubai is the highest scoring financial hub in the Middle East while, in seventh place, Paris is the best performer in continental Europe – second best across western Europe, after London. Paris hosts the fourth largest banking community in the world, after Beijing, Tokyo and London, with \$6645bn of total bank assets.

Warsaw tops the central and eastern Europe ranking, displacing Prague – last year's top IFC in the region – and sits in 35th place in the overall list.

The largest improvement among the top 10 IFCs was by Tokyo, which goes to eighth place from 16th last year, while Johannesburg was the most improved overall, jumping 18 positions to 17th place.

Helped by impressive macroeconomic economic data and ease-of-doing-business indicators, Panama City tops the Latin American list. The more sizeable São Paulo and Mexico City boast the largest banking sectors in the region, with total assets of \$940bn and \$110bn, respectively, compared with Panama's \$28bn.

Of the specialised financial centres, the Cayman Islands retains its lead, followed by Jersey, Guernsey and the Bahamas. Mauritius climbed one place to fifth. With



the Isle of Man, in sixth position, the only other specialised hub that has improved its standing.

METHODOLOGY

The Banker's IFC rankings are 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 for 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 compiled a separate ranking using information relevant to these locations. Publicly available data sources were used as well as The Banker Database and fDi Markets. **IF**

Mexico City's severe drop in the global ranking, to 52nd from 15th place, is explained by a mistake in our data collection last year, rather than a real deterioration in the IFC's size and appeal, for which we apologise. The Latin American financial centre should not have scored so highly in last year's global list. **>>**

SPECIALISED FINANCIAL CENTRES RANKING

IFC	2014		2013		Movement	
	Rank	Score	Rank	Score	By position	By score
Cayman Islands	1	100	1	100	0	0.00
Jersey	2	85.03	2	72.61	0	12.42
Guernsey	3	81.49	3	63.07	0	18.42
Bahamas	4	76.22	4	59.91	0	16.31
Mauritius	5	72.06	6	45.12	1	26.94
Isle of Man	6	62.19	7	42.07	1	20.12
Bermuda	7	60.59	5	49.35	-2	11.24
Liechtenstein	8	50.21	new	-	new	-
Barbados	9	49.55	8	32.79	-1	16.76
Gibraltar	10	41.95	9	25.95	-1	16.00
British Virgin Islands	11	26.13	10	19.29	-1	6.84
St Vincent and the Grenadines	12	19.39	12	16.01	0	3.38
Antigua and Barbuda	13	16.74	new	-	new	-
Turks and Caicos	14	16.29	11	18.2	-3	-1.91

Source: The Banker/fDi Intelligence

AFRICA

Rank	World rank	IFC	Score
1	17	Johannesburg	50.77

ASIA-PACIFIC

Rank	World rank	IFC	Score
1	3	Singapore	73.11
2	4	Hong Kong	72.06
3	8	Tokyo	61.79
4	10	Sydney	60.06
5	18	Seoul	50.46
6	20	Melbourne	49.60
7	21	Taipei	48.53
8	23	Beijing	48.11
9	24	Wellington	47.80
10	25	Shanghai	47.47
11	26	Kuala Lumpur	47.15
12	38	Osaka	42.44
13	40	Bangkok	42.15
14	44	Shenzhen	38.19
15	49	Mumbai	36.89
16	51	Manila	36.22
17	54	Jakarta	33.12

NORTH AMERICA

Rank	World rank	IFC	Score
1	2	New York	83.14
2	6	Toronto	63.21
3	22	Montreal	48.42
4	42	San Francisco	39.86
5	45	Chicago	37.91
6	47	Boston	37.32

CENTRAL AND EASTERN EUROPE

Rank	World rank	IFC	Score
1	35	Warsaw	43.84
2	36	Moscow	43.34
3	43	Budapest	39.71
4	46	Prague	37.53

LATIN AMERICA

Rank	World rank	IFC	Score
1	41	Panama City	40.79
2	52	Mexico City	34.92
3	53	São Paulo	34.62
4	55	Rio de Janeiro	22.43
5	56	Buenos Aires	22.15

MIDDLE EAST

Rank	World rank	IFC	Score
1	5	Dubai	63.43
2	19	Manama	50.14
3	33	Doha	44.60

WESTERN EUROPE

Rank	World rank	IFC	Score
1	1	London	100.00
2	7	Paris	63.06
3	9	Amsterdam	60.56
4	11	Frankfurt	58.75
5	12	Dublin	56.90
6	13	Zurich	55.99
7	14	Luxembourg	54.08
8	15	Stockholm	51.55
9	16	Oslo	51.21
10	27	Helsinki	46.91
11	28	Madrid	46.84
12	29	Copenhagen	46.59
13	30	Vienna	46.52
14	31	Edinburgh	45.29
15	32	Brussels	45.25
16	34	Geneva	44.40
17	37	Lisbon	42.82
18	39	Munich	42.16
19	48	Milan	36.92
20	50	Athens	36.70

TOP INTERNATIONAL FINANCIAL CENTRES

Rank	IFC	Country	Region	Score	2013 rank	Change in rank
1	London	UK	Western Europe	100.00	1	0
2	New York	US	North America	83.14	2	0
3	Singapore	Singapore	Asia-Pacific	73.11	3	0
4	Hong Kong	Hong Kong	Asia-Pacific	72.06	4	0
5	Dubai	UAE	Middle East	63.43	6	1
6	Toronto	Canada	North America	63.21	9	3
7	Paris	France	Western Europe	63.06	11	4
8	Tokyo	Japan	Asia-Pacific	61.79	16	8
9	Amsterdam	Netherlands	Western Europe	60.56	8	-1
10	Sydney	Australia	Asia-Pacific	60.06	7	-3
11	Frankfurt	Germany	Western Europe	58.75	5	-6
12	Dublin	Ireland	Western Europe	56.90	13	1
13	Zurich	Switzerland	Western Europe	55.99	12	-1
14	Luxembourg	Luxembourg	Western Europe	54.08	10	-4
15	Stockholm	Sweden	Western Europe	51.55	24	9
16	Oslo	Norway	Western Europe	51.21	17	1
17	Johannesburg	South Africa	Africa	50.77	35	18
18	Seoul	South Korea	Asia-Pacific	50.46	29	11
19	Manama	Bahrain	Middle East	50.14	28	9
20	Melbourne	Australia	Asia-Pacific	49.60	22	2
21	Taipei	Taiwan	Asia-Pacific	48.53	-	-
22	Montreal	Canada	North America	48.42	27	5
23	Beijing	China	Asia-Pacific	48.11	32	9
24	Wellington	New Zealand	Asia-Pacific	47.80	-	-
25	Shanghai	China	Asia-Pacific	47.47	38	13
26	Kuala Lumpur	Malaysia	Asia-Pacific	47.15	33	7
27	Helsinki	Finland	Western Europe	46.91	-	-
28	Madrid	Spain	Western Europe	46.84	34	6
29	Copenhagen	Denmark	Western Europe	46.59	14	-15
30	Vienna	Austria	Western Europe	46.52	20	-10
31	Edinburgh	UK	Western Europe	45.29	30	-1
32	Brussels	Belgium	Western Europe	45.25	23	-9
33	Doha	Qatar	Middle East	44.60	26	-7
34	Geneva	Switzerland	Western Europe	44.40	25	-9
35	Warsaw	Poland	CEE	43.84	39	4
36	Moscow	Russia	CEE	43.34	41	5
37	Lisbon	Portugal	Western Europe	42.82	46	9
38	Osaka	Japan	Asia-Pacific	42.44	42	4
39	Munich	Germany	Western Europe	42.16	36	-3
40	Bangkok	Thailand	Asia-Pacific	42.15	37	-3
41	Panama City	Panama	Latin America	40.79	44	3
42	San Francisco	US	North America	39.86	18	-24
43	Budapest	Hungary	CEE	39.71	40	-3
44	Shenzhen	China	Asia-Pacific	38.19	45	1
45	Chicago	US	North America	37.91	21	-24
46	Prague	Czech Republic	CEE	37.53	31	-15
47	Boston	US	North America	37.32	19	-28
48	Milan	Italy	Western Europe	36.92	43	-5
49	Mumbai	India	Asia-Pacific	36.89	47	-2
50	Athens	Greece	Western Europe	36.70	52	2
51	Manila	Philippines	Asia-Pacific	36.22	49	-2
52	Mexico City	Mexico	Latin America	34.92	15	-37
53	São Paulo	Brazil	Latin America	34.62	48	-5
54	Jakarta	Indonesia	Asia-Pacific	33.12	51	-3
55	Rio de Janeiro	Brazil	Latin America	22.43	53	-2
56	Buenos Aires	Argentina	Latin America	22.15	54	-2

Source for all tables: The Banker/IFI Intelligence

RANKINGS

OUTWARD FDI IN FINANCIAL SECTOR

Rank	IFC	Score
1	London	10.00
2	New York	7.30
3	Paris	4.94
4	Zurich	3.87
5	Toronto	3.19
6	Mumbai	3.19
7	Frankfurt	3.12
8	Tokyo	3.03
9	Beijing	2.85
10	Moscow	2.57

INWARD FDI IN FINANCIAL SECTOR

Rank	IFC	Score
1	London	10.00
2	Hong Kong	9.27
3	Singapore	8.12
4	Dubai	7.39
5	Shanghai	5.27
6	New York	4.79
7	Beijing	4.39
8	Sydney	3.36
9	Dublin	3.33
10	Moscow	3.03

INTERNATIONAL DEBT SECURITIES

Rank	IFC	Score
1	London	10.00
2	Amsterdam	6.64
3	New York	6.31
4	Paris	5.33
5	Frankfurt	4.53
6	Dublin	3.71
7	Milan	3.55
8	Madrid	3.04
9	Toronto	2.97
10	Sydney	2.60

FOREIGN LISTINGS (% OF TOTAL LISTINGS)

Rank	IFC	Score
1	Luxembourg	10.00
2	Prague	5.17
3	Singapore	4.77
4	Dubai	4.59
5	London	3.61
6	Amsterdam	3.23
7	New York	3.16
8	Oslo	2.96
9	Vienna	2.93
10	Brussels	2.90

ECONOMIC STABILITY AND POTENTIAL

Rank	IFC	Score
1	Doha	10.00
2	Shenzhen	9.60
3	Shanghai	8.68
4	Beijing	8.34
5	Dubai	8.26
6	Singapore	8.01
7	London	7.96
8	Manama	7.54
9	Frankfurt	7.17
10	Panama City	6.89

FINANCIAL MARKETS

Rank	IFC	Score
1	New York	10.00
2	London	9.65
3	Tokyo	6.31
4	Paris	5.79
5	Luxembourg	5.64
6	Amsterdam	5.62
7	Frankfurt	5.33
8	Toronto	5.21
9	Hong Kong	5.13
10	Singapore	5.02

FINANCIAL SERVICES CLUSTER

Rank	IFC	Score
1	London	10.00
2	Hong Kong	7.06
3	New York	6.71
4	Singapore	6.42
5	Beijing	6.07
6	Dubai	5.93
7	Shanghai	4.53
8	Paris	4.25
9	Tokyo	4.06
10	Frankfurt	3.67

STOCK MARKET CAPITALISATION

Rank	IFC	Score
1	New York	10.00
2	Tokyo	7.15
3	London	7.00
4	Hong Kong	5.20
5	Shanghai	4.38
6	Paris	4.11
7	Mumbai	4.05
8	Toronto	3.86
9	Frankfurt	3.62
10	Zurich	3.08

BUSINESS FRIENDLINESS

Rank	IFC	Score
1	Singapore	10.00
2	London	9.88
3	Amsterdam	9.87
4	Dubai	9.49
5	Seoul	9.46
6	Paris	9.35
7	Toronto	9.26
8	Wellington	9.20
9	Copenhagen	9.09
10	Hong Kong	9.06

COST FACTORS

Rank	IFC	Score
1	Johannesburg	10.00
2	Manama	9.83
3	Montreal	9.36
4	Toronto	9.28
5	Dublin	9.11
6	Singapore	8.92
7	Edinburgh	8.81
8	Bangkok	8.74
9	Hong Kong	8.73
10	Melbourne	8.70

BANK PRE-TAX PROFITS

Rank	IFC	Score
1	Beijing	10.00
2	New York	7.49
3	Tokyo	5.69
4	Paris	5.12
5	London	4.91
6	San Francisco	4.68
7	Toronto	4.53
8	Shanghai	4.16
9	Sydney	3.99
10	São Paulo	3.82

TOTAL BANK ASSETS

Rank	IFC	Score
1	Beijing	10.00
2	Tokyo	6.39
3	London	5.74
4	Paris	5.50
5	New York	5.47
6	Frankfurt	3.74
7	Toronto	2.88
8	Zurich	2.66
9	Madrid	2.35
10	Stockholm	2.34

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.