

Fintech Investment Growing in Toronto Region, with Opportunity to Increase Its Share of Global Deals, Report Says

TORONTO; March 25, 2019 – Canada’s largest fintech ecosystem, in the Toronto-Kitchener-Waterloo corridor, has continued to grow in recent years and has a significant opportunity to increase its share of global deals, according to a new report from Toronto Finance International (TFI), researched and written by Accenture (NYSE: ACN) and McMillan LLP.

The report, [“Seizing the Opportunity: Building the Toronto Region into a Global Fintech Leader – Update 2019.”](#) is the follow-up to the original report released in 2017. Its purpose is to assess the progression of the Toronto region fintech ecosystem through interviews with executives and stakeholders in the government and in the financial services and fintech sectors. This year’s report found that fintech investment in the Toronto region has grown dramatically during the past five years, from \$24M and eight deals in 2013 to \$221M and 25 deals in 2018. Yet despite this accelerated growth and impressive concentration of innovation hubs, the region still has a smaller share of global fintech investment in terms of the number and size of deals than do other major financial centers.

“We have one of the highest investment growth rates globally, with a compound annual growth rate of 118 per cent since 2010,” said Jennifer Reynolds, president and CEO of Toronto Finance International. “While this is a much smaller absolute investment base than that of global hubs like London, New York and San Francisco, we have the opportunity to leverage North America’s second-largest financial centre, combined with its third-largest tech cluster, and use this momentum to become a global fintech leader.”

The report identifies three broad areas that the region’s fintech ecosystem should focus on to foster continued innovation and strengthen its position globally:

- **Openness:** Create an environment that encourages innovation and drives collaboration among ecosystem partners.
- **Proximity:** Encourage closer and more frequent engagement between participants in the fintech ecosystem to share and collaborate on ideas that result in technological improvements.
- **Global awareness:** Elevate the Toronto region’s global reputation as an international fintech hub in order to attract and retain start-ups, talent and investments both nationally and globally.

“The Toronto-Kitchener-Waterloo corridor is already making a name for itself with its high concentration of incubators and accelerators, which is attractive for fintech investors, and we’re home to the top-ranked university incubator in the world—DMZ at Ryerson University,” said Vikas Shreedhar, a managing director in Accenture’s Financial Services practice in Canada. “There is room to improve this position with closer university-industry collaboration on research and development and by promoting a strong culture of innovation that truly sets us apart on the global stage.”

The report includes a market scan of the Toronto region fintech ecosystem; a discussion of technology trends that are enabling fintech start-ups within the region; an analysis of the regulatory and policy environment in Canada and in the Toronto region; a global ranking of fintech ecosystems; and key findings and recommendations on positioning the Toronto region as a global leader in fintech.

“Since the original report was published in 2017, government and regulatory bodies have taken positive steps to start addressing some of the concerns and needs of the fintech industry both in the form of legislative action and policy recommendations,” said Pat Forgione, a partner in the financial services practice group at McMillan LLP. “However, it will be important as we move forward that all stakeholders continue to actively participate in policy discussions that support this momentum, in order to develop an environment that enables new and established fintech companies to thrive.”

The report can be found [here](#). Additionally, a supporting infographic can be found [here](#).

About Toronto Finance International (TFI)

TFI is a public-private partnership between Canada’s three levels of government, the financial services sector and academia. TFI’s mission is to lead collective action that drives the competitiveness and growth of Toronto’s financial sector and establishes its prominence as a leading global financial centre. (TFI was formerly known as Toronto Financial Services Alliance.) Visit us at www.tfi.ca.

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McMillan is a leading business law firm focused on serving clients across key industries in Canada, the United States and internationally. Using its collaborative approach to ensure clients receive the high-quality expertise they need, McMillan offers pragmatic and solutions-oriented legal advice through its offices in Vancouver, Calgary, Toronto, Ottawa, Montreal and Hong Kong. For more information, please visit www.mcmillan.ca.

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