



AWARDS

COUNTRY

**CANADA'S BEST
INVESTMENT BANK
TD SECURITIES**

CANADA INVESTMENT BANK

TD Securities is far from being the biggest investment bank in Canada, but its performance in the awards period saw it post impressive gains in both its investment banking and markets businesses. After many years, it dislodges its bigger rival RBC Capital Markets to win Euromoney's award for Canada's best investment bank.

The bank has punched well above its weight, posting admirable league table rankings for the period under review, ranking first for announced M&A, third for completed M&A, second for debt capital markets and fourth for equity capital markets, making it the most consistent performer across the board.

Wholesale revenues rose 26% for the 12 months to the end of April 2021, the Canadian bank sector reporting period that most closely matches our awards year, making TD narrowly the best performer on that basis.

Within that was a particularly strong performance in TD's global markets division, which typically generates up to three times as much revenue as corporate and investment banking. For the full year 2020, global markets revenues rose 70%, bolstered by a strong equity franchise.

A 17% rise in investment banking, on the back of higher advisory and equity capital markets revenues, provided solid support.

"We continue to demonstrate deep sector and product expertise, prioritize seamless execution and, most importantly, focus on a client-centric approach," says Bob Dorrance, chief executive of TD Securities, who announced in late June that he would be stepping down after a 40-year career that includes leading TD Securities since 2005.

"We believe bringing trusted advice to help our clients achieve their unique goals is



Bob Dorrance, TD Securities

integral to building strong and long-lasting relationships," he says.

And those clients included some of the best. Standout transactions in equity capital markets included a C\$1.3 billion bought deal of Telus Corporation stock to finance the build-out of fibre infrastructure and the rollout of the company's 5G network in Canada. The bank was lead left bookrunner on two important deals for Air Canada, the first of which came in May 2020 in the teeth of the pandemic. The C\$1.6 billion combination offering of variable voting shares and convertible bonds was followed up by another \$900 million deal in December.

The bank's global markets franchise was also bolstered by its strong equity franchise. TD was the leader in block equity trading market share in Toronto for the period, with nearly double the volume of its nearest rival. The bank can access more than 500 institutional investors in Canada.

DCM is the premier capital markets business at the firm, with the bank a major force in international markets in everything from private placements, high-yield bonds, investment grade corporates and government finance.

Deals for Canadian investment grade corporates included Manulife (\$2 billion), Thomson Reuters (C\$1.4 billion) and TC Energy (C\$2 billion). It also led Maple bonds for marquee names, including Verizon, Heathrow and JPMorgan. In government finance the bank's deal roster was as impressive as ever, with deals for Alberta,

British Columbia, Manitoba, Ontario and Nova Scotia, as well as entities such as the Ontario Teachers' Pension Plan.

But it was in M&A advisory that the bank notched up a particularly impressive result, with market shares higher than its domestic rivals and trumping many of the biggest international advisory giants. Its third-place ranking for completed deals was greatly helped by working on the acquisition of TD Ameritrade by Charles Schwab, but it also advised on other landmark trades including the merger of Cenovus Energy and Husky Energy, the acquisition of Verafin by Nasdaq and the acquisition of Norbord by West Fraser Timber.

And the outlook for its deal pipeline is excellent: the bank ranked top for all announced M&A deals with a Canadian element in the period, having secured the mandate as exclusive financial adviser to Shaw Communications on its sale to Rogers Communications, a C\$26 billion transaction that will create a coast-to-coast network and which showcases the bank's deep sector knowledge as well as its trusted adviser relationship with Shaw.

As Dorrance brings down the curtain on his day-to-day management of TD Securities – he will remain as chairman of the business and as a special adviser to TD Bank Group chief executive Bharat Masrani – he is able to hand it over in good shape to his successor Riaz Ahmed, who is moving from the CFO seat at TD Bank Group, the wholesale bank's parent.

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