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Good day everyone and thank you Daniel.

My personal thanks to the Consulate for inviting me to speak here today. The Consulate continues to be an active partner to TMX in its efforts to develop our capital markets.

It's always a pleasure to come to New York. Such a vibrant city in so many ways.

The irony of me being here today is not lost. I am an American citizen, here representing a storied Canadian institution, before an audience of Americans on US soil, at an event organized by the Canadian government.

Ironic perhaps, but also very telling.

It speaks to the fluidity which with people, goods, transactions, technology and ideas flow back and forth between our common border.

And it speaks to the fluency with which we can relate because of our common issues, aspirations, our shared cultural and social priorities.

Certainly Canada and the United States, as two sovereign countries, have far more in common to unite them than they have in differences to divide them – *Olympic hockey teams aside*.

Today I want to give you a quick overview of TMX Group, what was once known only for its equity exchange, Toronto Stock Exchange, and is now defined as a universal exchange group due to the broad diversification of our business.

And I want to raise a few topical issues that I believe have implications for businesses on both sides of the border.

But first a few points on what Canada and the Canadian market look like.

Canadians like to joke about their national reputation for being reserved in expressing their patriotism and conducting themselves with unfailing politeness. As for the modest part, I think the country's response to the Vancouver Olympics showed the contrary. And as for the always polite part... well, just try driving in downtown Montreal during rush hour.

But when it comes to financial institutions, having reserve and being predictable is a good thing, as we have all seen in the past couple of years. Canada is routinely judged by the World Economic Forum as having the safest, most sound financial system in the world. It's a solid and reliable environment for the conduct of commerce.

Canada and the United States are each others largest trading partners. A few facts:

- In 2008, 77.6 per cent of Canadian merchandise exports were to the United States and 52.4 per cent of Canada's imports of merchandise came from the United States -- more than \$600 billion combined.

- More than 300,000 people cross the border between the two countries every day.
- At the end of 2008, Canadian foreign direct investment in the United States stood at \$310.7 billion. Foreign direct investment in Canada by the United States was \$293.6 billion, making the United States the largest foreign investor in Canada.
- Canada and the US are also each other's largest trading partners. For example, the two-way trade at the Ambassador Bridge between Detroit and Windsor alone equals all American exports to Japan.

So obviously the relationship between the two countries is critically and mutually important.

Turning to TMX Group specifically, we are the seventh largest exchange in the world based on domestic market capitalization and the second largest based on the number of listed issuers.

Last year on Toronto Stock Exchange and TSX Venture Exchange – which is our junior board -- we saw about \$65 billion raised in new financing. That's \$65 billion in new equity for listed issuers – allowing them to grow and innovate, invest and compete. That figure set a record for our 157-year-old company and made us the number six exchange in the world based on this metric. We also set a trading volume record ...

TMX Group looks far different now than it did just a decade ago. Like most exchanges we demutualized in 2000 and now operate as an independent, publicly traded company with a diverse mix of shareholders. Beyond that significant change, we have also become highly diversified beyond our core equities business. The most significant change came in 2008 when we merged with the Montreal Exchange propelling us into the world of listed derivatives.

So let me give you a quick tour of our operations:

Cash Equities:

- We have the TSX and the TSX Venture Exchange.
- As our senior market, the TSX counts several multi-billion dollar issuers.
- However, we also deliver a unique expertise at listing, working with, and caring for mid- or smaller-cap companies.
- The TSX Venture Exchange is dedicated to small-cap, early-stage companies.
- We are the only public venture capital exchange of this size and scope in the world.
- Companies that require funds to launch or expand find in our Venture Exchange a market opportunity that is unparalleled in the world.

Derivatives

- The Montreal Exchange – or MX -- houses our derivatives business including our neutral and highly regarded derivatives clearing house.
- Montreal Exchange is the majority owner of the Boston Options Exchange.

- Last year, we struck a strategic partnership with the London Stock Exchange Group whereby our technology will be used by their derivatives business – known as EDX London, and we took a minority position and Board seat in that company.

Energy

- Natural Gas Exchange -- NGX -- is our electronic platform providing trading, clearing and settlement services for natural gas and electricity contracts in both Canada and the United States.
- NGX revenues in 2009 grew by roughly 30 per cent making it one of the fastest growing areas of our business.
- Through a relationship with IntercontinentalExchange, or ICE, NGX has become the clearing house for North American physical natural gas and Canadian electricity products.
- Last year's acquisition of NetThruPut made NGX the leading Canadian electronic trading and clearing platform for crude oil with operations in both Canada and the United States.

Market Data

- Our market data operation is also growing quickly and becoming diversified in content to match the diversification of our operations – providing data on derivatives, fixed income and equity products.

Fixed Income

- New area for us.
- Will be using our clearing house technology platform to develop a central counterparty and netting solution for Canada's fixed income market, in response to a mandate from the dealer association, the Investment Industry Association of Canada.
- Will make Canada's fixed income markets more attractive to domestic and international market participants.
- We also own 47% of a centralized market for fixed income trading called CandDeal and Canada's first inter-dealer broker – Shorcan.

Issuer Services:

- Offering services such as investor relations and corporate communications –advice and expertise on how to market issuers' equities and increase liquidity.

So, as I said, we can rightly be viewed as a universal exchange group with diversified operations and a wide variety of products.

And while diversification has expanded the scale of our business, we have taken recent steps to extend its scope as well. We have taken an international focus and I have personally spent a good deal of my time on the job travelling to countries in South America, Asia and Europe. Those efforts have paid off: we currently have more than 250 international issuers listed on the TSX and the TSX Venture Exchange. And, of particular note for this audience, up to half of our trading volume now comes from outside of Canada, demonstrating the size and reach of the capital pool our issuers have to offer.

So we see ourselves as a gateway to North American financial markets, giving access to one of the world's largest and robust economies and a G8 member. And we facilitate your ability to trade, list and access capital.

It's important to understand that the purpose of the changes we have made in recent years has been to access opportunity for ourselves and deliver opportunity to our clients. Our exchanges have particular weightings in energy, financial services, resources and emerging "cleantech" companies. These are economic sectors considered among the pillars of the future economy, the sectors that will drive growth and innovation in the years to come.

We enjoy that weighting, that representation of economic critical mass, because of our proven expertise to attract it and serve it. We know their businesses, their priorities, their aspirations. And we have shaped the various elements and services within TMX Group to serve those imperatives. And frankly – and not particularly surprisingly – I think we do it better than anyone else in the world.

Beyond our own growth and financial concerns, we know we have a broader role to play. As a modern exchange, we provide an important underpinning of the economy. Stock exchanges are the conduit for capital investment. Enabling even the smallest retail investor to participate in the profits of major companies. Allowing companies to raise funds – to expand their businesses – thus fortifying their balance sheets and driving innovation and prosperity.

Stock exchanges are also about providing transparency, something that has become particularly topical in the past few years. We have seen and felt the fallout from the lack of transparency – over-the-counter derivatives immediately come to mind -- and we have watched the regulations grow to mandate transparency's return.

In fact the impetus for the trend to demutualize stock exchanges was to improve their transparency. This was accomplished by removing restrictive and conflicted ownership by brokerage houses and subjecting exchanges themselves to the same disclosure rules and regulations all issuers face in exchange for access to additional sources of capital.

It was the smart thing to do, the right thing to do.

The pivotal function of any securities exchange is the process we call “price discovery” – establishing the price at which a trade takes place. And again it must take place in a transparent fashion which is the case with traditional exchanges such as TSX and the NYSE. It’s the foundation of the “public trust” we enjoy because we ensure the integrity of each and every transaction.

The U.S. government’s proposal to alter the regulation of financial markets garnered headlines around the world. As you know, the proposals foresee a number of changes, including the processing of over-the-counter derivatives through clearing houses.

Bloomberg pegs the value of the derivative market at US\$684 trillion with 90 per cent of it “over the counter” -- meaning transactions typically conducted over the phone between banks and customers.

While the root cause of the current financial crisis lies in over-leveraging by a number of parties, many, myself included, believe that the opacity of the OTC market served to hide the toxic transactions from balance sheets and regulators. By obliging derivatives to be traded and or cleared on exchanges we will bring transactional integrity and transparency to the process, serving to strengthen the financial system overall.

Another development that I find particularly encouraging is the introduction of International Financial Reporting Standards, or IFRS, for publicly traded companies.

IFRS will replace the 10,000-page GAAP manual with a much shorter and simplified 3000-page manual that will be used as the guidebook for all publicly traded companies when it comes to explaining their financials. That's extremely important for an investor in China, for example, trying to evaluate various mining companies in Canada, Mexico and the United States. IFRS will allow true "apples to apples" comparisons.

Canada will convert to IFRS next year in 2011 following the lead of some other 100 countries around the globe. At the moment, unfortunately, the United States has not yet set a date for its conversion. Given the size and weight of the US market, it's imperative that your publicly traded companies get on board with their global counterparts as quickly as possible. The conversion process does take some lead time so selection of a US conversion date is imperative to the momentum of this global initiative.

Finally, I would like to raise an issue that particularly grates on the common sense – free trade in equities, and the lack of it between our two countries. Canada and the United States pioneered the concept of free trade back in 1988 and we made it a tripartite endeavour in 1994 with the inclusion of Mexico.

I mentioned earlier that foreign direct investment in Canada by the United States stood at \$293 billion at the end of 2008. Consider that is three times greater than the investment in place just prior to the introduction of NAFTA.

That's what free trade accomplishes.

So why then do we still have a situation where it's extremely difficult for an American investor wanting to buy shares of a Canadian company listed only on the TSX?

Of course, what's at stake here is the requirement for our two countries to give mutual recognition of one another's regulatory systems – such as the United States now has with Australia. Governments need to provide leadership on this issue, but I think exchanges have a major support role to play and certainly at the TMX, we're anxious to get the ball rolling.

So in conclusion, ladies and gentlemen, and in irony perhaps, you have in me an unabashed Canada booster, a cheerleader for the country, for its possibilities, its potential.

It has exceptional bench depth in areas of the global economy – such as energy, mining and technology – that will fuel the engines of growth for many years to come.

Financial markets in the country are strong. The financial industry – from banking to capital markets to insurance – is robust and resilient, and the approach to risk management a prudent and productive one.

It has a well-educated and resourceful population with access to capital and with solid disposable incomes.

And of course a stable political environment with judicial and regulatory regimes very similar to those here in the United States.

In short, an ideal place to do business.

Because when it comes to Canada, as I have discovered, prowess on the ice is just the beginning of the story, but it does define the pattern.

Thank you again for the opportunity to join you today.