

Optimism about the Canadian economy among executive CAs on the rebound

TORONTO, November 26, 2009 — Optimism about the Canadian economy is up sharply among executive chartered accountants (CAs), according to the most recent CICA/RBC Business Monitor (Q3 2009).

Forty-six per cent of the respondents expressed optimism in the economy over the next twelve months, compared to 28 per cent in the second quarter of 2009. The optimism level had been considerably lower at four per cent in the first quarter of this year and two per cent in the final quarter of 2008. Despite the solid growth in optimism, levels are still down from those recorded in the final three quarters of 2007 (67 per cent, 66 per cent and 63 per cent).

“The increased optimism is encouraging since it comes from executive CAs who are on the front lines in these unsettled times,” said Kevin Dancey, FCA, president and CEO, Canadian Institute of Chartered Accountants (CICA). “Companies have gained an understanding of the challenges associated with today’s economy and are now better positioned to focus on recovery. However, while optimism has grown considerably, there continues to be a measure of caution.”

The executive CAs who were interviewed also expressed increased optimism about their own companies (55 per cent in Q3, up from 44 per cent in Q2).

“Canadian businesses have faced enormous challenges and pressure from global economic uncertainty in the past year. While no one can predict the speed of economic recovery with any certainty, it is encouraging to see such a big shift in positive economic data when compared to the latter half of 2008,” adds Shauneen Bruder, executive vice president, Business and Commercial Banking, RBC. “At this stage, whether businesses are creating or implementing their recovery plans, the extent and strategic nature of their actions will go a long way to determining future success.”

The *CICA/RBC Business Monitor* also shows that revenues (2.5 per cent), profits (2.3 per cent) and employment numbers (0.5 per cent) are all trending upwards for the first time since Q3 2008.

The *CICA/RBC Business Monitor* is issued quarterly, based on a survey conducted by the Canadian Institute of Chartered Accountants (CICA). The report draws upon business insights of CAs in leadership positions in privately and publicly held companies across Canada.

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For this Q3 2009 report, emailed surveys were completed by 529 CAs of 4,593 identified by the CICA as holding senior positions (CFOs, CEOs and COOs). The response rate was 11.5 per cent, with a margin of error associated with this type of study at ± 4.0 per cent, with a confidence level of 95 per cent.

The *CICA/RBC Business Monitor (Q3 2009)* is part of an international initiative. The American Institute of Certified Public Accountants (AICPA) in the United States and the Institute of Chartered Accountants in England and Wales (ICAEW) in the United Kingdom also undertake quarterly studies that tap the insights of members in senior positions to provide a barometer of economic activity in their nations and as a basis for future comparative analysis across countries. A background document is available online at www.cicarbcbusinessmonitor.com.

About CICA

The Canadian Institute of Chartered Accountants (CICA), together with the provincial, territorial and Bermuda Institutes/Ordre of Chartered Accountants, represents a membership of approximately 75,000 CAs and 12,000 students in Canada and Bermuda. The CICA conducts research into current business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government. It issues guidance on control and governance, publishes professional literature, develops continuing education programs and represents the CA profession nationally and internationally. CICA is a founding member of the International Federation of Accountants (IFAC) and the Global Accounting Alliance (GAA).

About RBC

RBC delivers a wide range of financial services through a variety of channels to individuals, small and medium-sized businesses and commercial clients, including deposit accounts, investments and mutual funds, credit and debit cards, business and personal loans, and residential and commercial mortgages. It is the personal and commercial banking division of Royal Bank of Canada (RY on TSX and NYSE).

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