

## Optimism about the Canadian economy has stabilized among Executive CAs

**TORONTO, January 27, 2010** — Optimism about the Canadian economy is holding steady among executive chartered accountants (CAs), according to the most recent CICA/RBC Business Monitor conducted during the fourth quarter of 2009.

After two consecutive quarters of significant growth in optimism, the final quarter of 2009 was virtually unchanged from the previous quarter. Forty-eight per cent of respondents expressed optimism in the economy over the next twelve months, compared to 46 per cent from Q3 2009. Of the remaining Q4 2009 respondents, 39 per cent were neutral while 13 per cent were pessimistic about the year ahead.

Optimism levels are dramatically higher than they were roughly a year ago. In the fourth quarter of 2008, only two per cent of surveyed CAs were optimistic about the economy and only four per cent indicated optimism in the first quarter of 2009.

“The Business Monitor results indicate that many executive CAs believe the Canadian economy is improving, but they remain cautiously optimistic about this being a period of sustainable recovery,” said Kevin Dancey, FCA, president and CEO, Canadian Institute of Chartered Accountants (CICA). “It is encouraging that optimism levels have grown well beyond where they were a year ago because companies now have a better understanding of the challenges associated with today’s economy.”

The *CICA/RBC Business Monitor* also shows positive projections for the next 12 months relating to revenues (+ 3.3 per cent), profits (+3.2 per cent) and employment numbers (+0.8 per cent). In the same quarter a year ago, projections called for decreases in all three categories.

“Canadian businesses have shown strength despite the challenging economic climate, with 23 per cent of respondents stating that their company’s profits did not decline during the recession,” adds Shauneen Bruder, executive vice-president, Business and Commercial Banking, RBC. “Companies that had the proper foresight with stress-tested business plans, are in a better position to deal with difficult times. Canadian companies that keep an eye on the future while setting realistic and achievable goals in the present, can quickly react to both challenges and new opportunities for growth.”

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 Q4 2009 report, emailed surveys were completed by 391 CAs of 4,118 identified by the CICA as holding senior positions (CFOs, CEOs and COOs). The response rate was nine per cent, with a margin of error associated with this type of study at  $\pm 4.0$  per cent, with a confidence level of 95 per cent. The survey was conducted December 1-17, 2009.

The *CICA/RBC Business Monitor (Q4 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](http://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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**Interviews with an official from the CICA can be arranged by contacting:**  
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