

## Executive CAs more optimistic about own company than Canadian economy: CICA/RBC Business Monitor

**TORONTO, November 16, 2010** – More than half of executive chartered accountants (56 per cent) are optimistic about how their company will perform over the next 12 months despite their lack of optimism in the Canadian economy, according to the latest *CICA/RBC Business Monitor* (Q3 2010).

Only 39 per cent of executive CAs surveyed are optimistic about how the Canadian economy will perform over the next 12 months, a steep decline from the 57 per cent who had a positive view in the second quarter of 2010. When compared with *CICA/RBC Business Monitor* results from a year ago, optimism about the national economy is down seven per cent, marking the first year-over-year decrease since the first quarter of 2009.

Fifty-eight per cent of respondents expect their company to grow faster than the Canadian economy, while 21 per cent anticipate growth at the same rate and another 21 per cent expect growth to be slower.

“Since the executive CAs have more direct impact on their respective companies, it appears they have greater faith in how those companies will perform,” said Kevin Dancey, president and CEO, Canadian Institute of Chartered Accountants (CICA).

The level of optimism among executive CAs with respect to their company’s performance has held steady since the third quarter of 2009, running between 55 and 62 per cent. Results for this quarter are consistent with the 58 per cent recorded in the second quarter of 2010 when allowing for the margin of error. “Collectively, the continued company optimism is encouraging,” added Dancey. “It represents a solid base with an optimistic viewpoint as Canadian companies navigate through economic uncertainty.”

“The results are not surprising as Canadian businesses are resilient and fared relatively well through the recession,” said Shauneen Bruder, executive vice-president, Business and Commercial Banking, RBC. “Although Canadian businesses see signs of uncertainty in 2011, it is obvious that they are confident in their ability to adapt to and confront economic challenges.”

The *CICA/RBC Business Monitor* also shows positive projections for the next 12 months relating to revenues (+4.1 per cent), profits (+4.1 per cent) and employment numbers (+1.6 per cent).



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

For the Q3 2010 report, emailed surveys were completed by 329 CAs of 4,011 identified by the CICA as holding senior positions (CFOs, CEOs and COOs). The response rate was 8 per cent, with a margin of error associated with this type of study at  $\pm 5.4$  per cent, with a confidence level of 95 per cent. The survey was conducted September 21 – October 7, 2010.

The *CICA/RBC Business Monitor (Q3 2010)* 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**

**Chartered Accountants (CAs)** are Canada's most valued, internationally recognized profession of leaders in senior management, advisory, financial, tax and assurance roles. Through their integrity, expertise, and internationally recognized qualification standards, Canada's 77,000 CAs sustain their influence and leadership position both in Canada and globally. As trusted business advisors to Canadian organizations of all sizes, Canada's CAs foster confidence in Canadian business and contribute to the health and sustainability of Canada's capital markets and economy. The Canadian Institute of Chartered Accountants (CICA) represents Canada's CA profession both nationally and internationally. The 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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