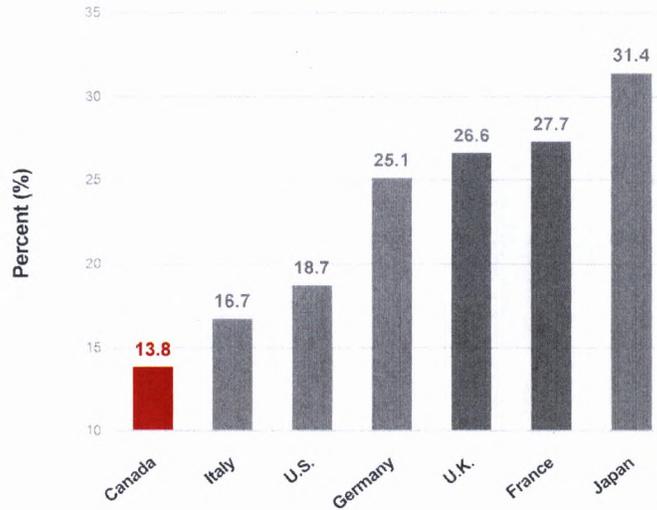


## ...and the lowest marginal effective tax rate on new business investments in the G7

- Despite recent U.S. tax reforms, Canada has the lowest marginal effective tax rate on new business investments in the G7.

**Marginal Effective Tax Rates on New Business Investments in the G7, 2018**



\*The effective marginal corporate tax rate is the percentage increase in the cost of capital of a marginal investment - that is, an investment that pays just enough to make the investment worthwhile - as a result of the corporate income tax rate and tax base. This measure does not include sales taxes

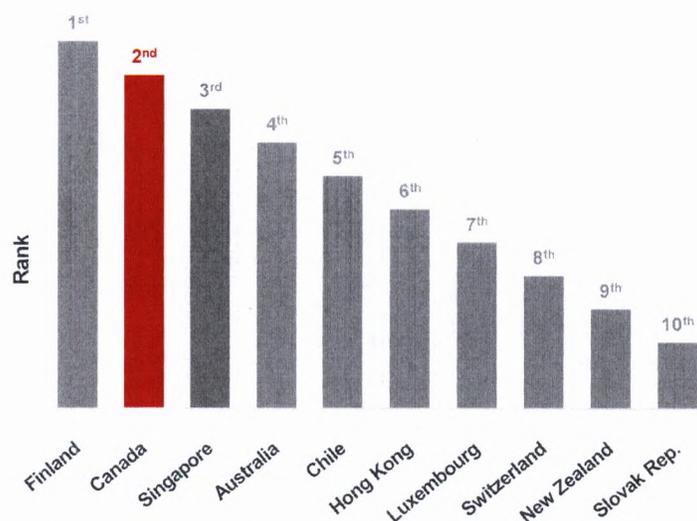
Source: Finance Canada, Fall Economic Statement, November 21, 2018

19

## Canada also has sound financial institutions.

- Investors can take comfort in the fact that Canada's banking system is ranked 2<sup>nd</sup> in the world and is soundest in the G7.
- Five of the world's 50 safest banks are in Canada, according to a recent study\*\*:
- Toronto Dominion Bank (19<sup>th</sup>)
- Royal Bank of Canada (23<sup>rd</sup>)
- Caisse Centrale Desjardins (34<sup>th</sup>)
- Scotiabank (48<sup>th</sup>)
- Bank of Montreal (50<sup>th</sup>)

**Soundness of Banks\***  
World Rank



\*Standing among 140 countries. Ranking based on the degree of soundness of financial institutions. Source: Global Competitiveness Report, 2018-2019  
\*\* Standing among 500 world banks based on total assets and long-term credit ratings. Source: Global Finance Magazine, September 2017

20