

# Understand Industry Risk Through the Entire Credit Cycle



## More Loans



## Better Loans



## More Diversified Loans

### Relationship Managers



#### Boost Meeting Prep

Use IBISWorld's banking call briefs to demonstrate your expertise; ask highly relevant questions that prompt prospects to reveal important information



#### Accelerate the Loan Cycle

Complete a more detailed analysis of your prospect's operating environment to strengthen loan applications



#### Open New Revenue Streams

Identify cross-selling opportunities by using IBISWorld's data to understand the products that suit your client based on their industry conditions

### Credit Analysts



#### Strengthen Credit Scorecards

Bolster your C&I underwriting process by enhancing the industry component of each credit write-up, using independent analysis on 400+ Canadian industries



#### Price Industry Risk

Calculate a borrower's risk premium by using industry benchmarks and assessing the risks of their operating environment



#### Save Time on Credit Reviews

Quickly understand the changes in an industry's operating conditions and the impact on the borrower's capacity to meet the loan obligations

### Risk Managers



#### Measure Industry Risk

Calculate the weighted industry risk of the bank's portfolio using IBISWorld's industry risk model



#### Monitor Changing Portfolio Risk

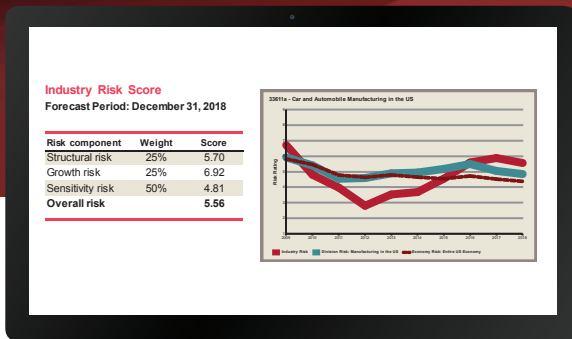
Use our Early Warning System to monitor how changes in industry risk scores impact your portfolio



#### Identify Supply Chain Risk

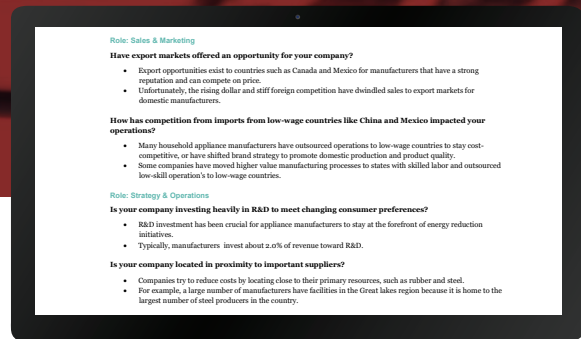
Map industry concentrations to understand how upstream and downstream supply chain links impact portfolio risk

# IBISWorld Offers a Suite of Tools and Resources that Help Commercial Banks Understand Industry Risk



## Risk Ratings Reports

IBISWorld scores the nonfinancial risks of doing business in an industry on a scale of 1 to 9. Integrate these risk scores into credit scorecards, credit write-ups and risk management systems. The risk ratings provide early warning of changing risk levels that allow banks to monitor the impact of external shocks.



## Call Prep Questions

iExpert Summaries will quickly get you up to speed for meetings and calls. For high-quality conversations with clients, Call Preparation Questions are broken out to focus on roles and risks. Use our invaluable conversation starters to turn sales calls into strategic discussions about a prospect's business.

**Industry Financial Ratios**

	Apr 2012 - Mar 2015				Apr 2015 - Mar 2016 by company revenue		
	Apr 2012 - Mar 2013	Apr 2013 - Mar 2014	Apr 2014 - Mar 2015	Apr 2015 - Mar 2016	Small (<10M)	Medium (10-50M)	Large (>50M)
<b>Liquidity Ratios</b>							
Current Ratio	1.4	1.4	1.4	1.5	n/a	1.7	1.4
Quick Ratio	0.6	0.7	0.6	0.6	n/a	0.5	0.7
Days Receivables (Trade Receivables Turnover)	100	113	104	106	n/a	112	110
Days Payables	36.5	32.3	35.1	34.4	n/a	32.6	33.2
Cost of Sales / Inventory (Inventory Turnover)	3.6	3.0	3.8	4.4	n/a	4.2	5.3
Days Inventory	101.4	126.6	76.0	83.0	n/a	58.9	68.0
Cost of Sales / Payables (Payables Turnover)	13.9	12.6	11.0	13.8	n/a	12.4	12.2
Days Payables	26.3	29.0	33.2	26.4	n/a	29.4	21.2
Sales / Working Capital	9.4	10.6	10.1	15.4	n/a	11.1	16.4
<b>Coverage Ratios</b>							
Earnings Before Interest & Taxes (EBIT) / Interest	3.5	4.8	7.1	16.5	n/a	32.9	7.4
Net Profit - Dep. / Depreciation, Amort. / Current Maturities Liab.	5.1	7.4	2.0	n/a	n/a	n/a	n/a
<b>Leverage Ratios</b>							
Fixed Assets / Net Worth	0.4	0.5	0.4	0.3	n/a	0.2	0.3
Debt / Net Worth	2.6	2.3	2.3	1.8	n/a	1.2	1.0
Intangible Net Worth	33.0	21.4	27.0	31.9	n/a	45.2	28.2
<b>Operating Ratios</b>							
Profit Before Taxes / Net Worth, %	14.2	22.9	36.0	36.0	n/a	46.3	28.3
Profit before Taxes / Total Assets, %	3.9	7.8	8.2	9.9	n/a	23.4	11.4
Sales / Total Fixed Assets	19.6	14.4	15.5	23.0	n/a	40.1	36.0
Sales / Total Assets	14.8	12.4	11.1	17.3	n/a	22.1	17.1

## Industry Financial Ratios

Benchmark a client's financial performance during the loan approval process and annual credit reviews with IBISWorld's Financial Ratios. As part of an ongoing collaborative relationship with the Risk Management Association (RMA), each Canadian industry report contains a quantifiable and detailed financial analysis. Ratios are segmented by the size of businesses and include liquidity, coverage and operating ratios in quartile format.



Recognized as a trusted independent source of industry research, IBISWorld offers a comprehensive database of unique information and analysis on 400+ Canadian industries. With an extensive online portfolio valued for its depth and scope, the company equips clients with the insight necessary to make better business decisions while saving time and money. IBISWorld Industry Research serves a wide range of academic, business, professional service and government organizations from its US Headquarters in New York City.