

2023 Analyst Presentation

February 2024



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Agenda



1. CRISIL overview



2. Business environment



3. Performance update



4. Financials



5. Segment performance



6. Thought leadership



7. Corporate social responsibility



CRISIL overview

We **accelerate progress** by providing **intelligence, benchmarks, analytics** and **transformative solutions** essential for organisations to make **decisions with conviction**

Ratings Services

Ratings Services

India's premier ratings agency having rated 35,000+ large and medium-scale entities

Global Analytical Centre

Research and analytics partner for S&P Global

Research, Analytics & Solutions

Global Research & Risk Solutions

Leading provider of risk, data analytics, ESG and climate risk integration, and bespoke research services to world's leading banks, asset managers and other financial institutions

Global Benchmarking Analytics

Foremost provider of strategic benchmarking, analytics and insights to 300+ clients in global financial services

Market Intelligence & Analytics

India's leading provider of research, consulting (infrastructure, energy, public finance, sustainability and renewables), risk, data & analytics, and training solutions
Serving 90% of India's banking industry by asset base

Global presence

4,700+ employees globally – 40+ nationalities across 12 countries; ~39% women employees



Certified 'Great Place to Work' in India for 4th year in a row and recognized as 'Top 100 India's 'Best Workplace for Women'










'Model validation' category winner for 2nd year in a row
Ranked in top 50 risk and compliance technology and service providers



Category 'Corporate Awards for Excellence in CSR'

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Macroeconomic indicators



India

Indicator	FY2023	FY2024F	FY2025F
GDP (y-o-y %)	7.2*	7.3^	6.4
10-year government bond yield (% , March average)	7.4	7.0	6.8
Fiscal deficit (% of GDP)	6.4	5.8#	5.1**
Exchange rate (Re/\$, March)	82.3	83.0	83.5
Consumer Price Index-based inflation (%)	6.7	5.5	4.5
Repo rate (% , March-end)	6.5	6.5	5.5
Credit growth – Banks + NBFCs (%)	15.4	~14-15	~14-15
Corporate revenue growth rate [@] (%)	20	~8	9-11



Global

Indicator	CY2022	CY2023F	CY2024F
World GDP (y-o-y %)	3.5	3.3	2.8
US GDP (y-o-y %)	1.9	2.4	1.5
Eurozone (Euro area 19) (y-o-y %)	3.4	0.6	0.8
China GDP (y-o-y %)	3.0	5.4	4.6

*Provisional estimate; ^NSO First Advance Estimate, # Revised Estimate; **Budget Estimate
F – Forecast; @ based on ~700 listed Indian corporates excluding Oil & Gas and BFSI

Source: The National Statistical Office (NSO), RBI, Budget documents, Ministry of Finance, CRISIL MI&A, World Bank, S&P Global

Numbers rounded off to first decimal

FY represents the financial year (Apr-Mar period)
CY represents the calendar year (Jan-Dec period)

Key trends in macro and business environment

Global



Expected soft landing of the global economy and continued geopolitical uncertainties



Slowdown in discretionary spending by global financial institutions



Global banks continue to focus on growth, regulatory spends and business transformation



Sustained activity in private markets



Rapid advancement of emerging technologies such as GenAI

India










India showed resilience and emerged as the world's fastest-growing major economy in 2023



Medium term growth trend expected to remain healthy, largely fueled by capital and efficiency

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Highlights of Q4 and 2023 business performance

11.6% ↑

Q4 2023

13.4% ↑

FY 2023

Income from operations

34.7% ↑

Q4 2023








16.9% ↑

FY 2023

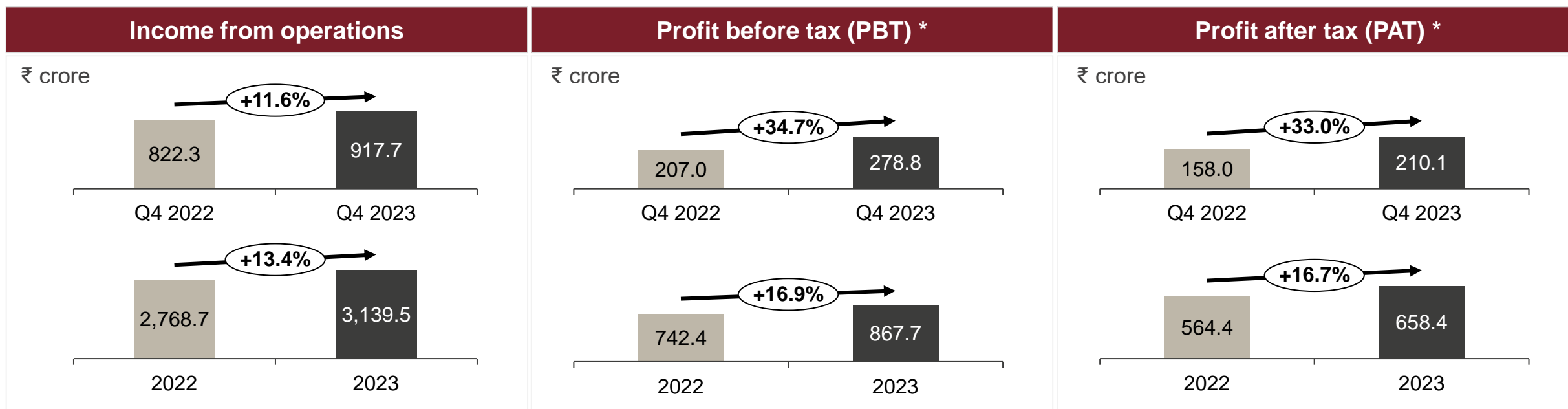
**Profit before tax
(PBT)**

- Ratings Services delivered revenue growth driven by investor preference for best-in-class ratings
- Research, Analytics and Solutions segment saw traction in research, lending solutions, consulting and benchmarking analytics despite macro uncertainties and cost pressure on global clients
- PBT for Q4 2023 and FY 2023, includes a one-off gain of Rs 29.4 crore due to sharp devaluation of the Argentinian peso. Excluding this impact, PBT for Q4 2023 grew by 20.5%. A rise in the US dollar against the rupee and the British pound had increased profitability (PBT) for FY 2022 by Rs 30.1 crore on account of revaluation of a subsidiary loan
- Continued focus on customer centricity and delivering value to all our stakeholders through investments in technology, talent and new solutions
- Hosted flagship event 'CRISIL India Infrastructure Conclave', NBFC seminar and sectoral webinars in India. Globally published whitepapers and reports on key themes such as leveraged lending, Basel III and FRTB framework, US commercial real estate lending, and the growing impact of GenAI in finance
- During the quarter, CRISIL Foundation's financial literacy efforts covered over 2 million rural people in 14 states and 4 Union Territories. The Foundation continues to be the leading implementation partner of the Reserve Bank of India's MoneyWise Centres of Financial Literacy (CFL) programme

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Financial performance for Q4 and FY 2023



* Note:








Numbers rounded off to first decimal

PBT for Q4 2023 and FY 2023, includes a one-off gain of Rs 29.4 crore due to sharp devaluation of the Argentinian peso. Excluding this impact, PBT grew by 20.5% and PAT grew by 18.9% in Q4 2023

A rise in the US dollar against the rupee and the British pound had increased profitability (PBT) for FY 2022 by Rs 30.1 crore on account of revaluation of a subsidiary loan

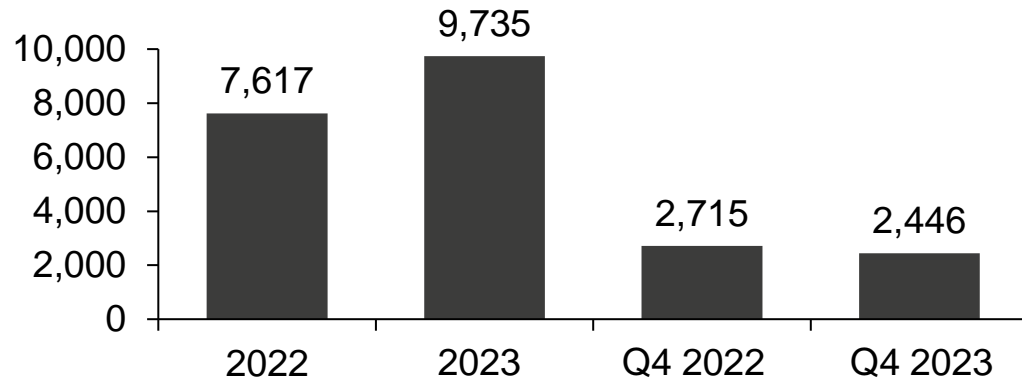
- Final dividend of Rs 28 per share recommended. Total dividend of Rs 54 per share for the year 2023 vs Rs 48 per share previous year

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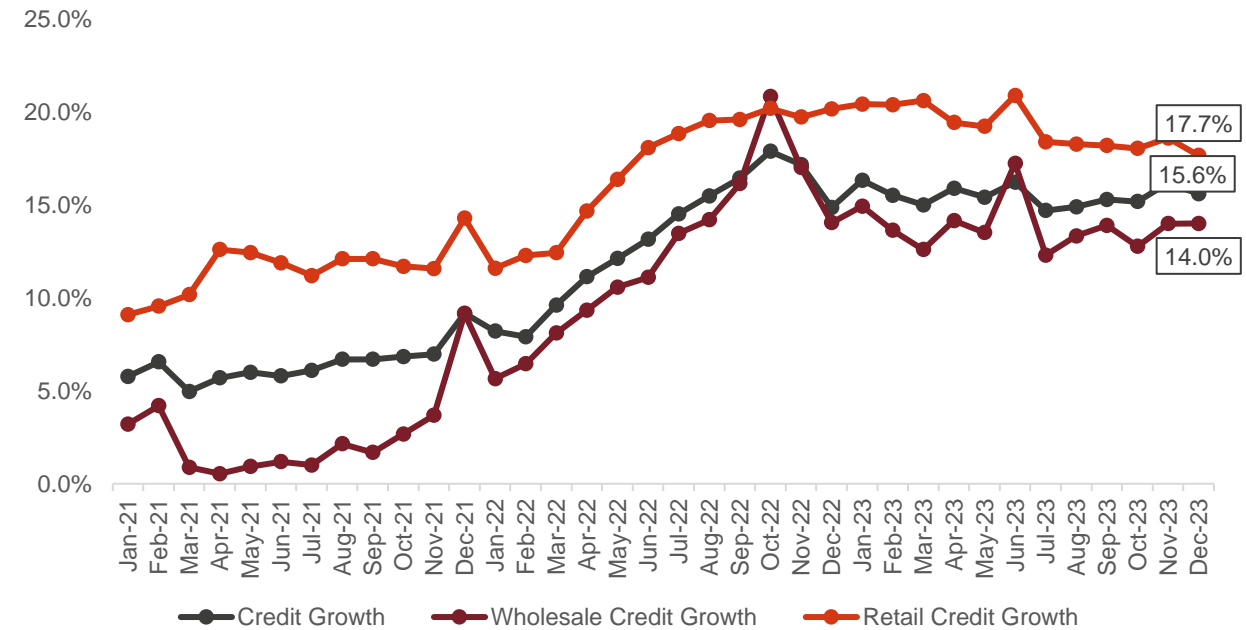
Corporate bond market grew in 1H2023 but declined in second half as yields rose; wholesale credit rangebound

Bond issuance quantum (₹ billion)



No of Issuers	2022	2023	Q4 2022	Q4 2023
No of Issuers	~700	~950	~350	~370

Credit growth (%)



Source: Prime Database, RBI
*Data may get revised by Prime Database

Ratings Services performance highlights



Financials

Particulars (₹ cr)	Q4 2022	Q4 2023	Growth
Income from operations	177.2	209.6	18.3%
Segment profit	71.2	86.2	21.1%
Margin	40.2%	41.1%	

Note: Numbers rounded off to first decimal








Particulars (₹ cr)	2022	2023	Growth
Income from operations	663.4	772.4	16.4%
Segment profit	278.6	334.7	20.1%
Margin	42.0%	43.3%	



Business update

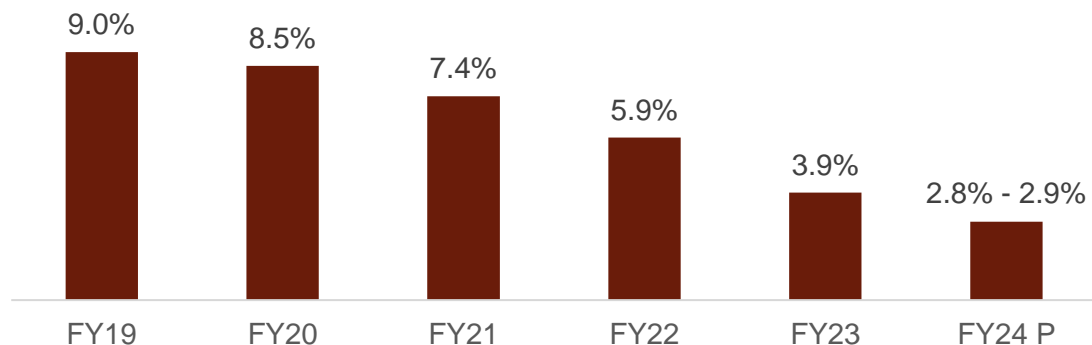
- CRISIL Ratings maintained its leadership in corporate bond ratings given investor preference for best-in-class ratings. Overall, revenue was up 15.5% on-year in the quarter, and 16.8% in 2023
- Global Analytical Center (GAC) continued to drive surveillance support across the analytical practices of S&P Ratings, and partnered on data and technology transformation programs
- The Ratings segment grew 18.3% in the quarter and 16.4% for the year ended December 31, 2023

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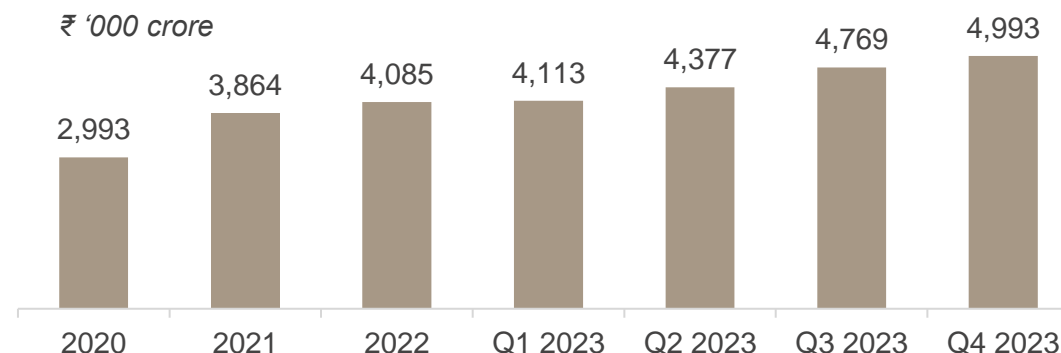
Domestic asset flows, low NPAs augur well for Indian financials

Indian banking sector gross NPAs



Source: CRISIL MI&A

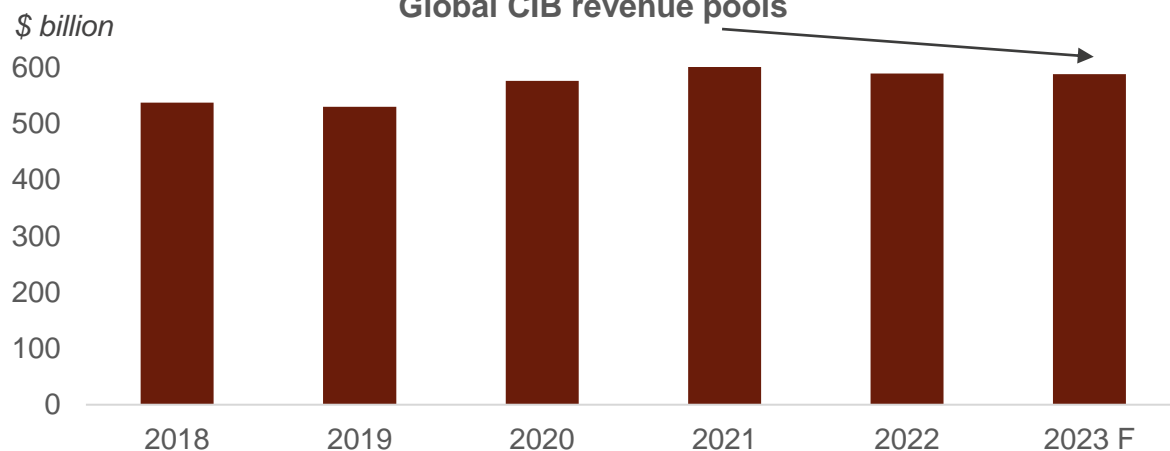
India mutual funds AUM*



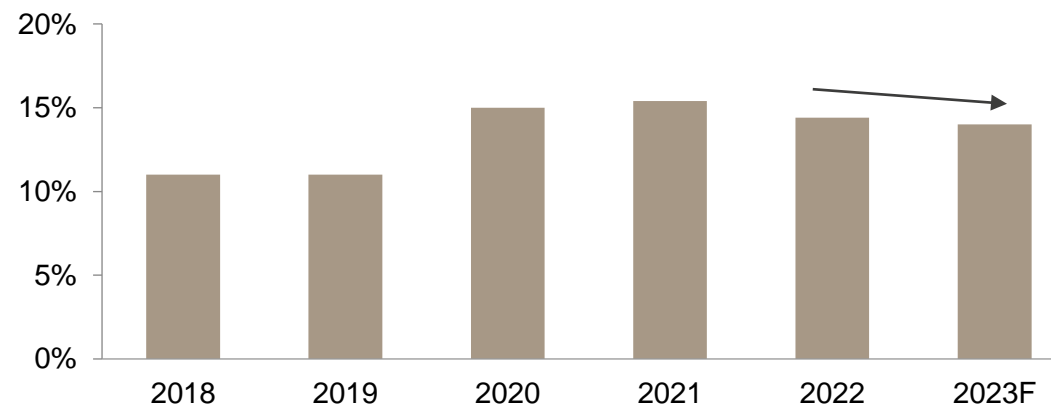
*Average AUM for the Quarter; Source: AMFI

Focus on profitability of global banks impacting discretionary spends

Global CIB revenue pools



Global CIB return on equity



CIB: Corporate and Investment Bank; ROE calculated based on Coalition Index Universe

Revenues Pools analysis includes revenues from all Institutional Clients and Corporates with annual sales turnover > \$ 1.5bn. Above analysis is as per Coalition Standard Taxonomy

Source: Coalition Proprietary Analytics; Coalition Greenwich Proprietary data

Research, Analytics & Solutions performance highlights



Financials

Particulars (₹ cr)	Q4 2022	Q4 2023	Growth
Income from operations	645.1	708.2	9.8%
Segment profit	144.0	166.5*	15.6%
Margin	22.3%	23.5%	

Particulars (₹ cr)	2022	2023	Growth
Income from operations	2,105.3	2,367.1	12.4%
Segment profit	457.1	493.6*	8.0%
Margin	21.7%	20.9%	

Note: Numbers rounded off to first decimal








*Segment profit for Q4 2023 and FY 2023 includes a one-off gain of Rs 29.4 crore due to sharp devaluation of the Argentinian peso



Business update

- Global Research & Risk Solutions (GR&RS) saw traction in research and lending solutions
- Global Benchmarking Analytics (GBA) saw momentum in corporate and investment banking (CIB), driven by the emphasis on client engagement and product innovation
- Market Intelligence & Analytics (MI&A) witnessed momentum in credit, risk and consulting offerings
- Amidst macro uncertainties and pressure on discretionary spending by global banks, the research, analytics and solutions segment grew 9.8% in the quarter and 12.4% in year ended December 31, 2023

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Thought leadership



CRISIL India Infrastructure Conclave 2023



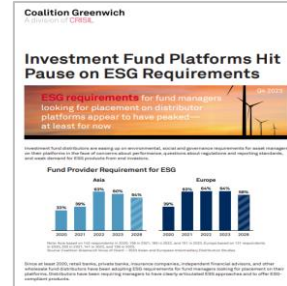
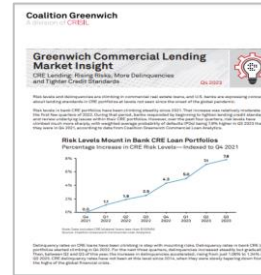
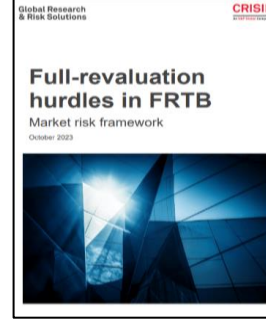
RiskMinds International 2023
London, Nov, 23



8th Edition of NBFCs: Growth back in the limelight



IACPM 2023, Chicago, Nov 23



Why We're Infra a Big, Happy Story



Amish Mehta

execute aspirational projects, such as the Ahmedabad-Mumbai bullet train, Delhi-Mumbai expressway, and greenfield airports like Jewar and Navi Mumbai.

Meanwhile, sustainability-related issues have been gaining prominence.

► **Go green** Of the total projected spending in the sector, ₹36.6 lakh crore is green, marking a five-times

Infrastructure and Development (NBFID) and non-banks such as Power Finance Corporation, Rural Electrification Corporation and NIIIF, will be important.

► **Banking on banks** The ability of banks to lend to infrastructure is at its best now, given the improved balance sheets with decadal low gross NPA of 3.9% and high capital adequacy

India's local bonds in the Government Bond Index-Emerging Markets (GBI-EM) index. This is expected to attract \$25-30 billion in inflows, helping deepen the bond market in India and somewhat reduce the cost of capital.

► **Asset monetisation** Timely asset monetisation will provide the funding for investment in future projects.



European Institutions Plan More Investments in Private Markets
December 13, 2023

Bloomberg: "In continental Europe, target allocations have increased significantly across multiple private markets asset classes," said Mark Buckley. "The picture in the U.K. is much more mixed."



Study finds healthier funding status for DB plans raising interest in LDI strategy reviews
December 12, 2023

Benefits Canada: According to a new study by Coalition Greenwich and commissioned by Franklin Templeton, U.S.-based defined benefit pension plan sponsors are increasingly looking to assess their liability-driven investment strategies as they reach...



FLASH FRIDAY: The Year in Market Structure
December 22, 2023








Traders: Just about one year ago, Kevin McPartland was brave enough to speak with Traders Magazine to assess his firm's 2022 trends to watch...



Die Top-Banken im Trade Finance 2023
December 15, 2023

Der Treasurer: Die Beratung Coalition Greenwich hat sein neues Banken-Ranking im Trade-Finance-Bereich veröffentlicht.

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Delivering social impact through CSR initiatives

Financial capability building of rural women and communities



- Mein Pragati expanded its community impact to more than 3.6 lakh community outreach through its trained Sakhi cadre in Assam and Rajasthan
- Livelihoods initiative in Rajasthan expanded to 106 women weavers – with the objective of training them in rug making skills and enhancing their livelihoods
- As part of RBI's scale-up of the CFL project, 615 centres currently operational, facilitated community outreach of 2 million across 14 states and 4 Union Territories of the country

Promoting environment conservation and larger corporate social consciousness



- Environment conservation – afforestation and water rejuvenation initiatives completed at Sundarbans, West Bengal, and Rajasthan respectively
- Daan Utsav (Joy of Giving) campaign featured collection drives across CRISIL locations through local NGOs

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong, UAE and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

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