

November 9, 2023

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400 051

Listing Department  
BSE Limited  
P J Towers  
Dalal Street  
Mumbai 400 001

Dear Sirs

Sub.: **Corporate Presentation Q3 2023**

We are enclosing herewith our corporate presentation updated with the Q3 FY 2023 Financial Results. This presentation will be published on the Company's website - [www.crisil.com](http://www.crisil.com) shortly.

Kindly take this communication on record.

Yours faithfully,  
For CRISIL Limited

Minal Bhosale  
Company Secretary  
ACS 12999

Encl.: a/a

**CRISIL Limited**

Corporate Identity Number: L67120MH1987PLC042363

# Q3 2023 Analyst Presentation

November 2023



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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 and sustainability), 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 4<sup>th</sup> year in a row and recognized as 'Top 100 India's 'Best Workplace for Women'

AVTAR & seramount  
100 BEST HALL OF FAME BEST COMPANIES FOR WOMEN INDIA 2022  
\* 5 YEARS IN 100 BEST

Chartis RiskTech100 2024  
'Model validation' category winner for 2<sup>nd</sup> year in a row  
Ranked in top 50 risk and compliance technology and service providers

National CSR Award, 2020  
Category 'Corporate Awards for Excellence in CSR'

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# Macroeconomic indicators



**India**

| Indicator   | FY2023 | FY2024F | FY2025F |
|---|--------|---------|---------|
| GDP (y-o-y %)                                     | 7.2*   | 6.0     | 6.9     |
| 10-year government bond yield (% , March average) | 7.4    | 7.0     | 6.8     |
| Fiscal deficit (% of GDP)                         | 6.4    | 5.9     | -       |
| Exchange rate (Re/\$, March)                      | 82.3   | 83.0    | 83.5    |
| Consumer Price Index-based inflation (%)          | 6.7    | 5.5     | 4.4     |
| Repo rate (% , March-end)                         | 6.5    | 6.5     | 5.5     |
| Credit growth – Banks + NBFCs (%)                 | 15     | 13-15   | ~13-15  |
| Corporate revenue growth rate (%)                 | 13-15  | 10-12   | 8-10    |



**Global**

| Indicator                         | CY2022 | CY2023F | CY2024F |
|-----------------------------------|--------|---------|---------|
| World GDP (y-o-y %)               | 3.5    | 3.1     | 2.8     |
| US GDP (y-o-y %)                  | 2.1    | 2.3     | 1.3     |
| Eurozone (Euro area 19) (y-o-y %) | 3.3    | 0.6     | 0.9     |
| China GDP (y-o-y %)               | 3.0    | 4.8     | 4.4     |

*\*Provisional estimate*

*Note: F - Forecast*

*Source: NSO, RBI, Budget documents, Ministry of Finance, CRISIL, World Bank*

*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



Slowing macroeconomic outlook in US & Europe and geopolitical uncertainties



Large global banks weathered adverse scenarios in 2023 stress tests



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 generative AI

## India










Medium-term prospects for India remain healthy with infrastructure spending the key driver



Domestic demand resilient despite headwinds from slowing exports and elevated interest rates

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# Highlights of Q3 and 9M 2023 business performance

**7.7%** ↑

Q3 2023

**14.1%** ↑

9M 2023

**Income from operations**

**6.1%** ↑

Q3 2023








**10.0%** ↑

9M 2023

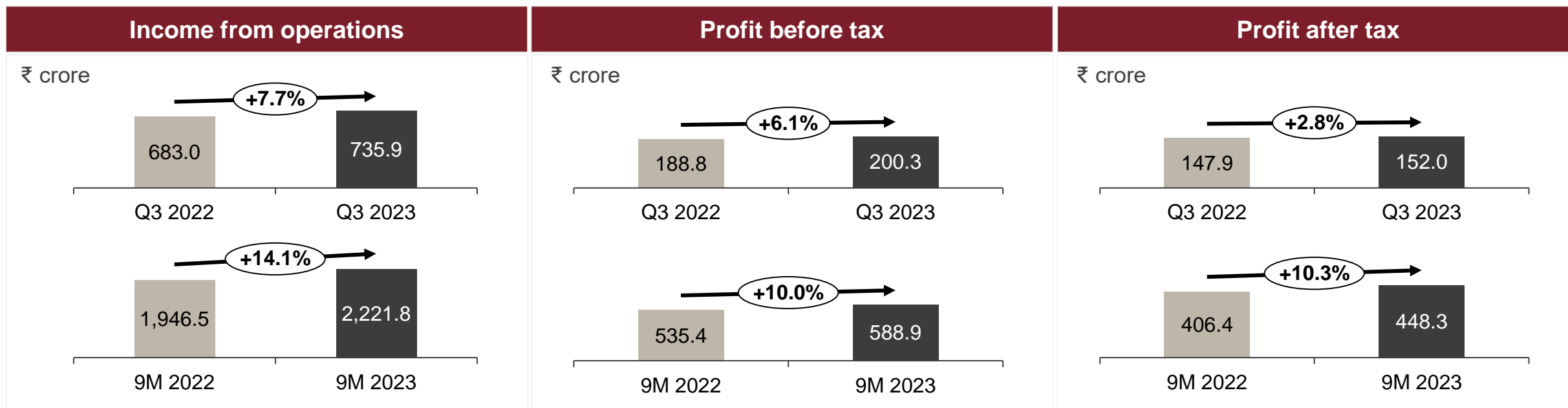
**PBT**

- Ratings Services delivered revenue growth driven by investor preference for best-in-class ratings
- Research, Analytics and Solutions segment saw momentum across credit lending, regulatory change, risk solutions and research and consulting offerings, even as a slowdown in discretionary spending by global financial institutions had an impact
- Continued focus on client centricity and developing solutions through high-quality talent, domain-led IP and digital transformation
- Completed acquisition of Bridge To India Energy Private Limited, a renewable energy consulting and knowledge services provider
- Hosted flagship event 'Annual Infrastructure Summit' and sectoral webinars in India. Globally published whitepapers and reports on key topical themes such as sustainability, private markets, Basel III, the power of AI in asset management
- CRISIL Foundation expanded its outreach to 1.75 lakh+ rural community members in Assam and Rajasthan under its flagship 'Mein Pragati' programme

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# Financial performance for Q3 and 9M 2023



- Interim dividend of ₹ 11 per share declared in Q3 2023
- Q3 2023 earnings include foreign exchange gain of Rs 13.3 crore (Rs 2.6 crore YTD 2023), compared with Rs 48.3 crore in Q3 2022 (Rs 82.3 crore YTD 2022). The previous year's results include foreign exchange gain of Rs 19.5 crore from revaluation of subsidiary loan in Q3 2022 (Rs 35.4 crore YTD 2022)

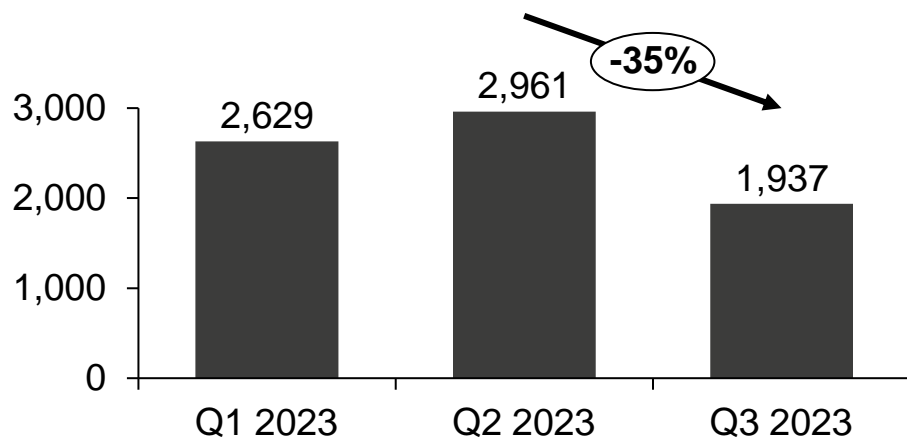
Note: Numbers rounded off to first decimal

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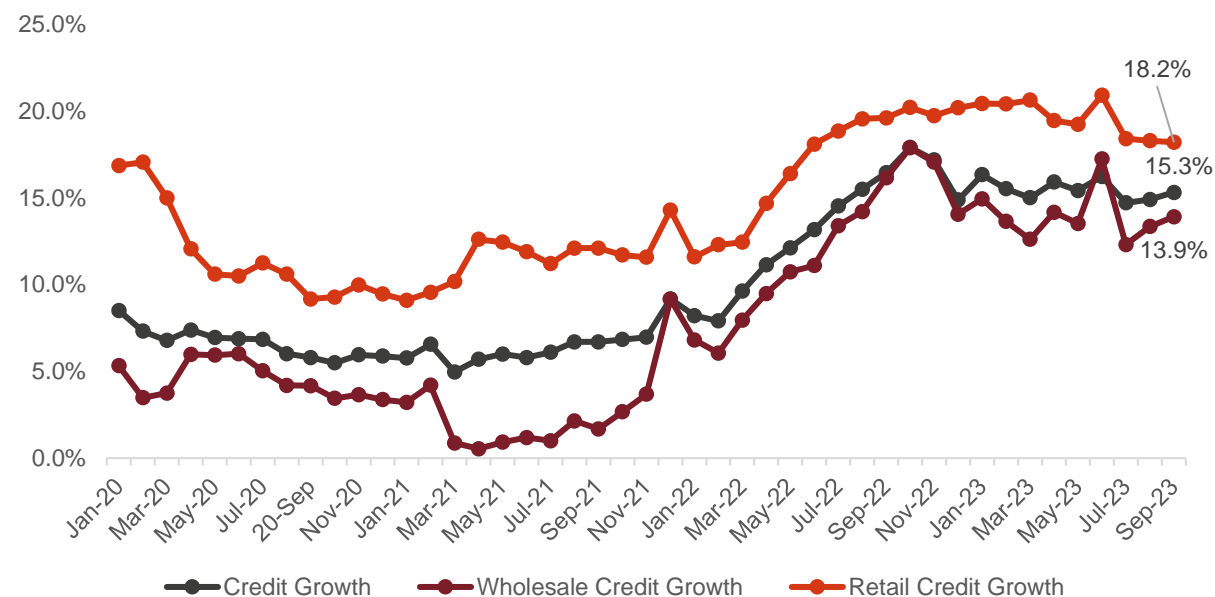
# Corporate bond issuances decline in Q3 after several quarters due to elevated yields; softer growth of wholesale credit amid higher rates

Bond issuance quantum (₹ billion)



| No of Issuers | Q1 2023 | Q2 2023 | Q3 2023 |
|---------------|---------|---------|---------|
|               | ~360    | ~330    | ~360    |

Credit growth (%)



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

# Ratings Services performance highlights



## Financials

| Particulars (₹ cr)     | Q3 2022      | Q3 2023      | Growth       |
|------------------------|--------------|--------------|--------------|
| Income from operations | 170.2        | 185.6        | <b>9.1%</b>  |
| Segment profit         | 69.8         | 80.9         | <b>15.9%</b> |
| Margin                 | <b>41.0%</b> | <b>43.6%</b> |              |

| Particulars (₹ cr)     | 9M 2022      | 9M 2023      | Growth       |
|------------------------|--------------|--------------|--------------|
| Income from operations | 486.2        | 562.8        | <b>15.8%</b> |
| Segment profit         | 207.4        | 248.4        | <b>19.8%</b> |
| Margin                 | <b>42.7%</b> | <b>44.1%</b> |              |










## Business update

- CRISIL Ratings maintained leadership in corporate bond ratings given investor preference for best-in-class ratings. Overall, revenue was up 12.1 % on-year in the quarter
- Global Analytical Centre (GAC) increased support to S&P Global Ratings across surveillance and in new areas
- CRISIL Ratings launched its 1<sup>st</sup> edition of the Annual Infrastructure Summit, titled 'Revvig roads and renewables' and hosted webinars covering sectors such as data centres, organized retail, pharmaceuticals, power, steel, and trends in credit quality

Note: Numbers rounded off to first decimal

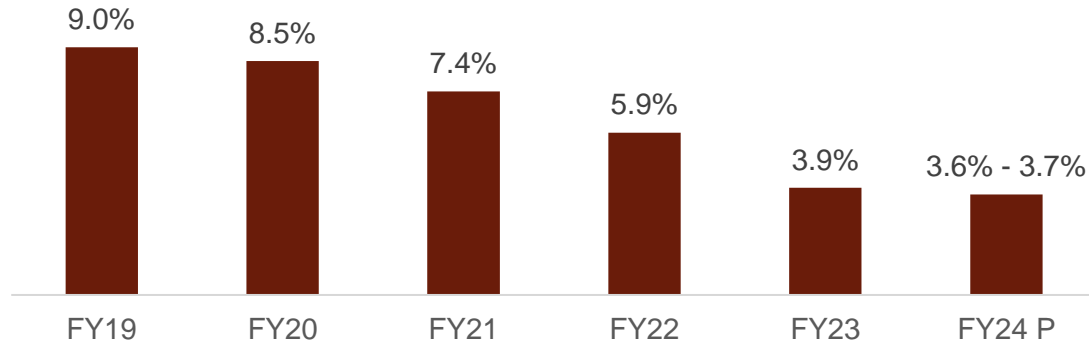


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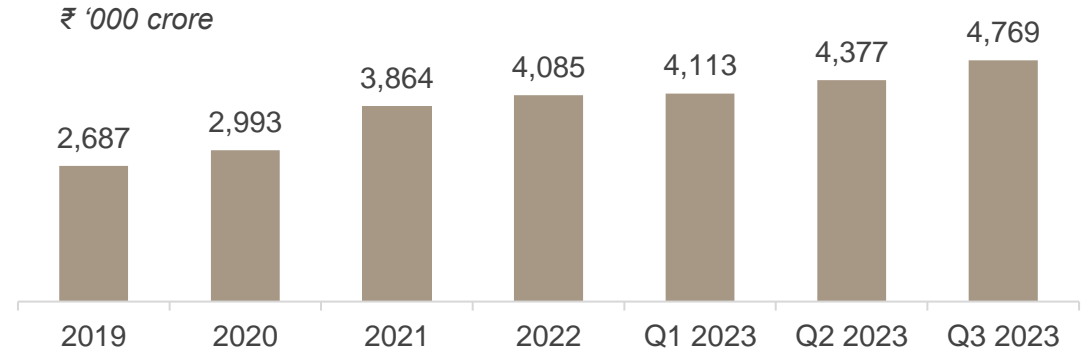
# Well-capitalized banks, continued growth in asset inflows drive growth in Indian financial sector

Indian banking sector gross NPAs



Source: CRISIL

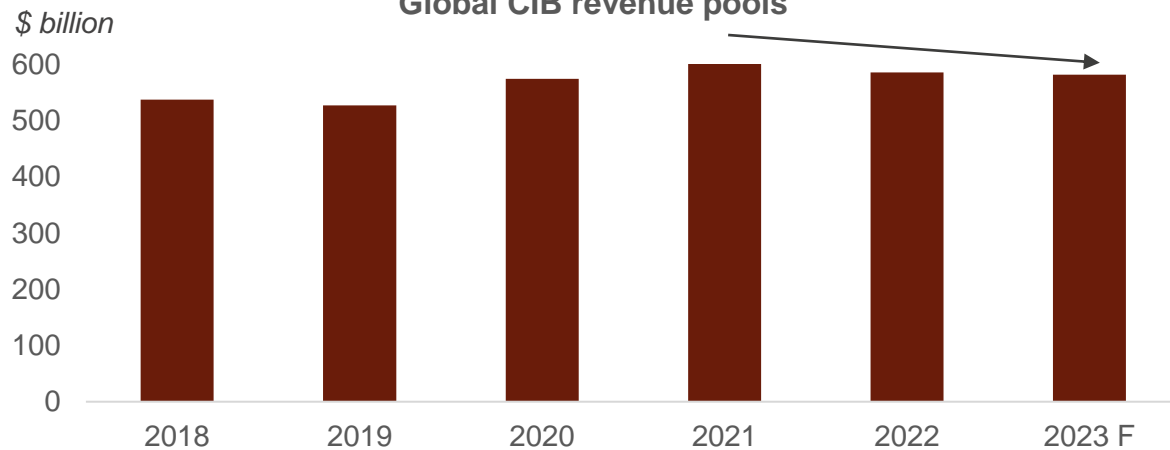
India mutual funds AUM\*



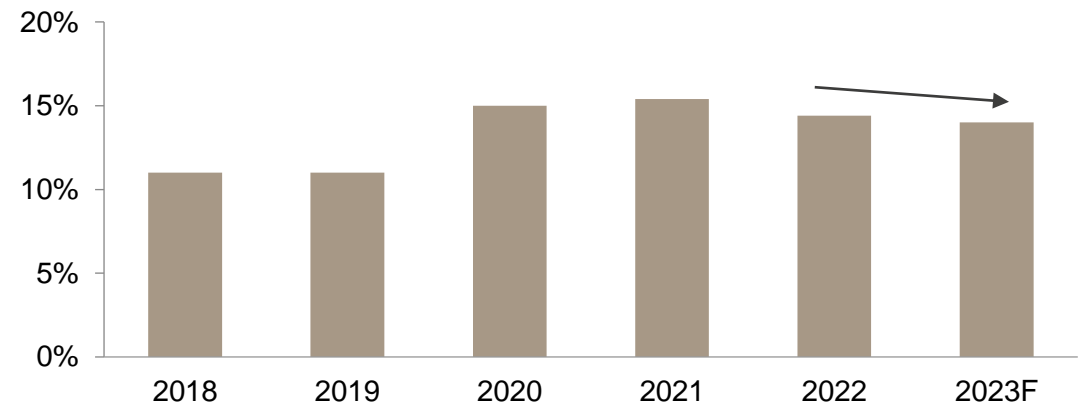
\*Average AUM for the Quarter; Source: AMFI

# 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)     | Q3 2022      | Q3 2023      | Growth       |
|------------------------|--------------|--------------|--------------|
| Income from operations | 512.8        | 550.3        | <b>7.3%</b>  |
| Segment profit         | 97.5         | 111.7        | <b>14.6%</b> |
| Margin                 | <b>19.0%</b> | <b>20.3%</b> |              |

| Particulars (₹ cr)     | 9M 2022      | 9M 2023      | Growth       |
|------------------------|--------------|--------------|--------------|
| Income from operations | 1,460.2      | 1,659.0      | <b>13.6%</b> |
| Segment profit         | 313.0        | 327.2        | <b>4.5%</b>  |
| Margin                 | <b>21.4%</b> | <b>19.7%</b> |              |










## Business update

- Global Research & Risk Solutions (GR&RS) witnessed traction for credit lending and regulatory change solutions
- Global Benchmarking Analytics (GBA) saw the impact of slowdown in discretionary spending by global financial institutions
- Market Intelligence & Analytics (MI&A) saw momentum in its Credit and Risk, and Research and Consulting offerings
- MI&A organized webinars on the cement and textiles sectors, conducted a 'Meet the Expert - ESG Series'
- Global businesses published whitepapers and other reports covering topical themes such as banking architecture, sustainability, private markets, Basel III, FX dealer platforms, bond markets and treasury bills, power of AI in asset management, digital channels

*Note: Numbers rounded off to first decimal*

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# Thought leadership



CRISIL Ratings' 1<sup>st</sup> edition of Annual Infrastructure Summit



Asia Risk Congress 2023, Singapore

## Fintechs playing a seminal role in India's inclusion journey

There has been innovation in customer sourcing as well, such as the use of marketplaces for food delivery and e-commerce platforms, payment interfaces and others — for obtaining unstructured information of individual transaction behaviour. This has become a handy proxy to evaluate the credit needs and worthiness of under-banked individuals.



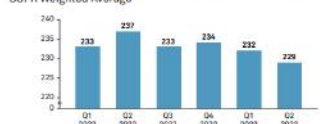
### Benefits

## Greenwich Commercial Lending Market Insight

Banks Compete for Deposits and Holistic Customer Relationships

Banker competition for deposits appears to be influencing pricing decisions made by bankers. SOFR spreads on floating-rate commercial loans fell Q2 2023 to the lowest point since the start of 2022, although the decline in spreads over the past year has only been about 8 basis points, the continued contraction in spreads is helping to minimize the impact of rising rates on commercial borrowers, albeit slightly.

### Spreads on Floating-Rate Loans Continue to Tighten



## How To Bottle Inflation Genie

Since food prices are driving inflation, monetary policy isn't a useful tool. No-fuss inflation is moderate, we prices will stabilize and in past year GDP will increase supply to check current prices

Shreshth Mishra



## Survey finds North American institutional investors lagging behind on adopting ESG investment strategies

Investment Research & Analytics



ASSOCHAM 6th National Summit & Awards Corporate Bond Market



Moderation at Indian Tractor Of The Year Awards, 2023

## Banks' retail book quality needs to be monitored

The retail banking sector is witnessing a significant shift in its business model. As the industry moves towards a more customer-centric approach, the quality of the retail book becomes a critical factor for success. Banks need to monitor the quality of their retail book to ensure they are providing the best possible service to their customers. This involves a focus on customer experience, product innovation, and risk management. By doing so, banks can build a strong and sustainable retail book that drives long-term growth.

### Climate risk regulation in Asia-Pacific

On a strong growth footing

September 2023

### Plant-based food

On a strong growth footing

September 2023

### Fed's Basel III Endgame proposal vs BCBS Pill III

Quick comparison | Market risk framework

August 2023

### The validation challenge in climate risk and ESG models

August 2023

### NDIA OUTLOOK

CRISIL Ratings webinar

The data centre growth code

### RateView

CRISIL's outlook on near-term rates

August 2023

### RR

CRISIL's monthly indicator of fixed income

### Reading the energy meter

CRISIL Ratings webinar on thermal power and distribution

## Ratings industry now in better shape than 5 years back: Crisil MD Chhatwal

The ratings industry is now in a much better shape than it was five years ago, according to the Managing Director of CRISIL Ratings, Dr. Anil Chhatwal. He noted that the industry has matured significantly, with a focus on providing high-quality, transparent ratings. Chhatwal highlighted the industry's growth and the increasing demand for ratings services, particularly in the infrastructure and corporate sectors. He also mentioned the industry's efforts to improve its regulatory framework and enhance its operational efficiency. Overall, Chhatwal expressed a positive outlook for the ratings industry's future.

### Bloomberg

Wall Street Dealers Are Increasingly Middlemen, Coalition Greenwich Says

September 19, 2023

Bloomberg: Wall Street dealers are holding significantly fewer bonds on their balance sheets while trading more of the securities, as technological advances and regulatory changes transform their role in the U.S. government and corporate debt...

### Emerging Trends in Sustainable Investing

Greenwich Report

September 28, 2023 By: Todd Glickson

Sustainable investing is moving into a new and more mature phase. In Europe and North America, many institutions now have more than a decade's experience with sustainable investments. Because of this experience, a set of trends and best practices is...

### Behind the Market Structure: Chris Concannon, CEO, MarketAcess

Greenwich Webinar Complimentary

September 2023

Presenter(s): Kevin McPartland

Kevin McPartland, Head of Market Structure & Technology Research at Coalition Greenwich and Chris Concannon, CEO, MarketAcess discuss the next phase of electrification in the fixed-income market.

### Corporate Finance Forum: Navigating Supply Chain Finance in a Digital World








Greenwich Webinar Complimentary

September 2023

Presenter(s): Tobias (Toby) Miarka

Join Coalition Greenwich for a virtual panel discussion as we bring together corporate treasury professionals and top industry practitioners to discuss the rethinking of supply chains in a world of digitalization.

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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 1.75 lakh community outreach through its trained Sakhi cadre in Assam and Rajasthan
- Under the Jaipur Rugs Foundation pilot in Rajasthan, all 36 women weavers trained in rug making skills and have started making the rugs
- As part of RBI's scale-up of the CFL project, all 186 centres currently operational as part of Phase II of expansion – expanding the reach to 615 centres

## Promoting environment conservation and larger social consciousness among employees



- Environment conservation – afforestation and water rejuvenation initiatives initiated at Sundarbans, West Bengal, and Rajasthan respectively

## **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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