

2022 Analyst Presentation

February 2023



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Agenda



1. CRISIL Overview



2. Business Environment



3. Performance Update



4. Segment Performance



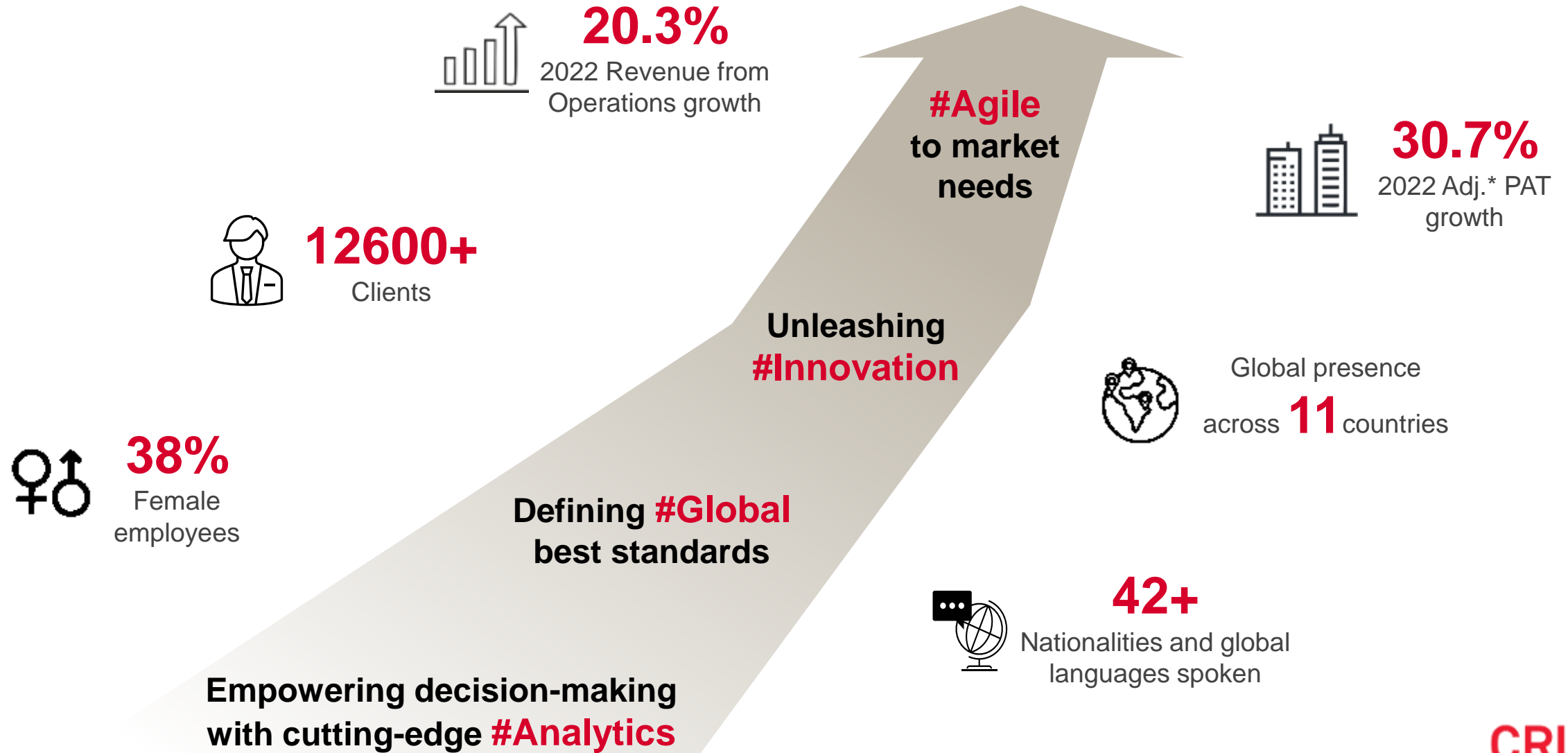
5. Thought Leadership









6. Corporate Social Responsibility



CRISIL: Over 30-year journey of innovation and excellence



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Macroeconomic Indicators



India

Indicator	FY2021	FY2022	FY2023F	FY2024F
GDP (y-o-y %)	-6.6	8.7	7.0*	6.0
10-year G-sec yield (% , March)	6.2	6.8	7.5	7.0
Fiscal deficit (% of GDP)	9.2	6.9	6.4	5.9#
Exchange rate (Re/\$, March avg.)	72.8	75.5	81.5	82
CPI Inflation (%)	6.2	5.5	6.8	5.0
Repo Rate (% , March-end)	4.0	4.0	6.5	N/A
Credit Growth (%)	~4.0	~12.0	~15.0	~15.0



Global

Indicator	CY2020	CY2021	CY2022	CY2023F
World GDP (y-o-y %)	-3.3	6.0	3.4	2.2
United States of America (y-o-y %)	-3.4	5.7	1.8	-0.1
Eurozone (Euro Area-19) (y-o-y %)	-6.5	5.2	3.3	0.0
China GDP (y-o-y %)	2.3	8.1	3.2	4.8

Note: F: Forecast; *NSO's first advanced estimate; # Budget estimate

Source: NSO, RBI, Budget documents, Ministry of Finance, CRISIL, 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)

Global growth seen slipping amid elevated risks

Macro trends



Global growth continue to be muted



Heightened geopolitical conditions



Elevated Inflation and strong Dollar



Higher budgetary outlay for infrastructure especially roads and railways in India



Corporate bonds issuances recover in Q4 after a sluggish run in 2022; bank credit growth in mid-teens

Business environment trends



Sustained volatility in capital markets



Continued spends related to regulatory mandates and need for integrating emerging & newer risks



Private markets attracting asset inflows









Focus on digitalization in financial services (data & analytics, and automation)



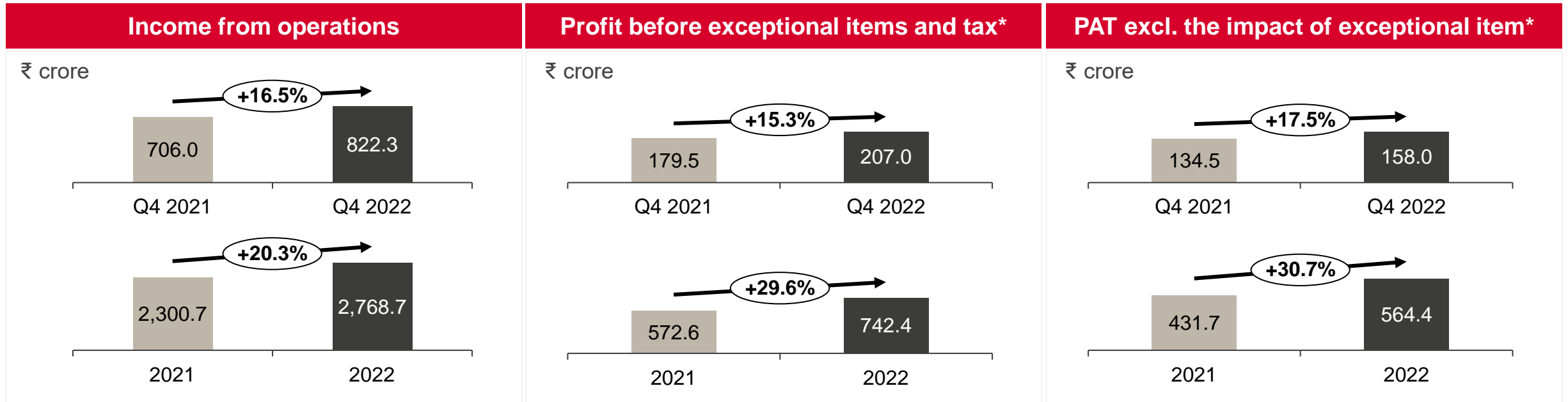
Persistent demand for skilled talent

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Q4 and full-year 2022 highlights









Numbers rounded off to first decimal; * Excludes impact of exceptional item

Robust performance despite challenging environment

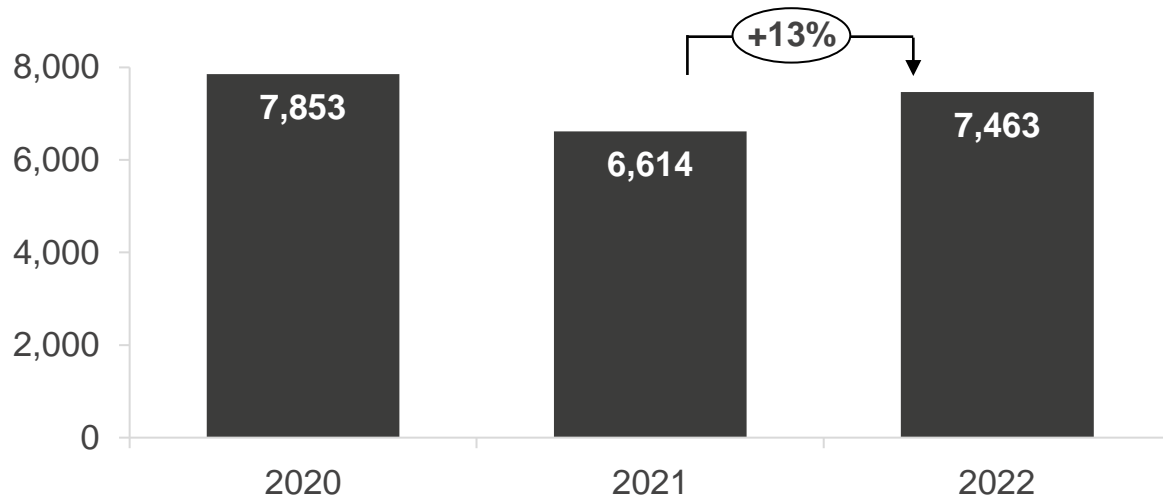
- Ratings business delivered growth driven by momentum in surveillance fees and traction in bank loan ratings
- Research, Analytics and Solutions segment saw healthy growth on the back of strong performance by global risk and sustainability solutions
- The fourth quarter saw appreciation in the British pound versus US dollar, resulting in an adverse impact (including Rs 5.3 crore loss from revaluation of subsidiary loan)
- Sharp movement in the US dollar versus the Rupee and the British pound supported profitability in the year ended December 31, 2022, which includes Rs 30.1 crore from revaluation of subsidiary loan
- Certified as a Great Workplace™ by the Great Place to Work® Institute and named in the 100 Best Companies for Women in India
- Continued ramp-up of digital and foundational infrastructure with sharp focus on cloud quotient and information security

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Corporate bond issuances saw uptick; Credit growth continues to grow in mid-teens

Bond Issuance Quantum (₹ billion)



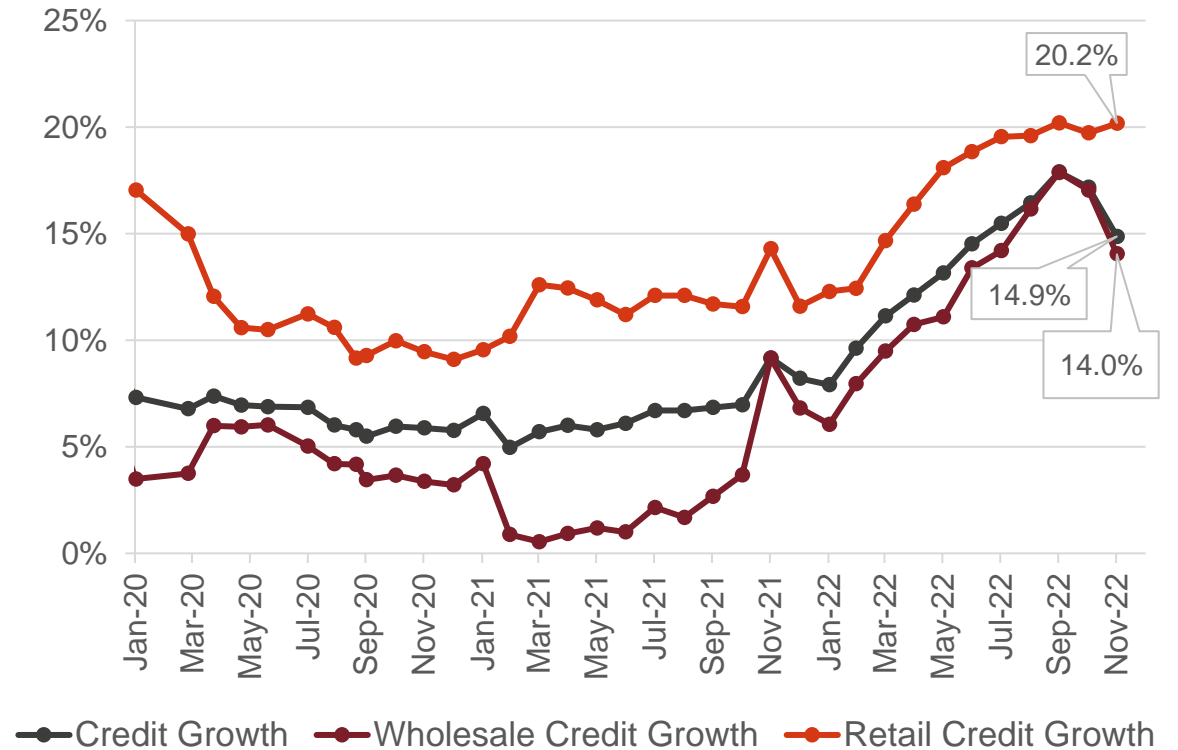
# of Issuers	2020	2021	2022
	~450	~530	~700

+32%

Source: Prime Database, RBI

*Data for Jan to Dec period; may get revised by Prime Database

Credit Growth (%)



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Ratings: Highlights



Financials

Particulars (₹ cr)	Q4 2021	Q4 2022	Growth
Income from Operations	162.1	177.2	9.3%
Segment Profit	66.5	71.2	7.1%
Margin	41.0%	40.2%	

Particulars (₹ cr)	2021	2022	Growth
Income from Operations	592.4	663.4	12.0%
Segment Profit	253.8	278.6	9.8%
Margin	42.8%	42.0%	



Business update

- CRISIL Ratings saw momentum in bank loan ratings. Overall revenue was up 9.1% on-year in the quarter, and 13.0% in 2022
- Overall bank credit continued to grow owing to traction in the large corporate, micro, small and medium enterprises, and retail segments. Corporate bond issuances recovered in the quarter after a sluggish run
- Continued investments in technology and talent through the year
- Global Analytical Center (GAC) continued to drive surveillance support across the analytical practices of S&P Global Ratings, and partnered on data and technology transformation programs
- The Ratings segment grew 9.3% in the quarter and 12.0% for the year ended December 31, 2022

Note: Numbers rounded off to first decimal

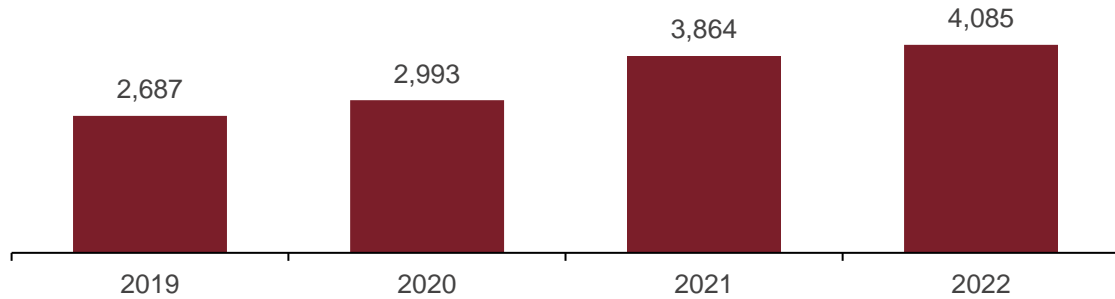
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CIB revenues moderate due to slowdown in primary markets; MFs and private capital continue to grow

India mutual fund AUM*

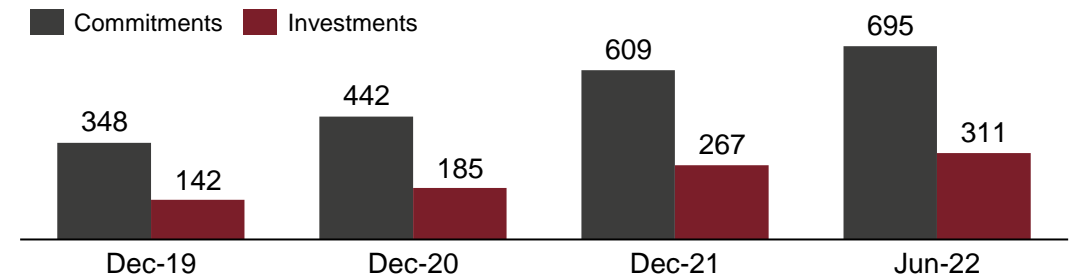
₹ '000 crore



*Average AUM for the Quarter; Source: AMFI

Alternative Investment Funds (AIFs)*

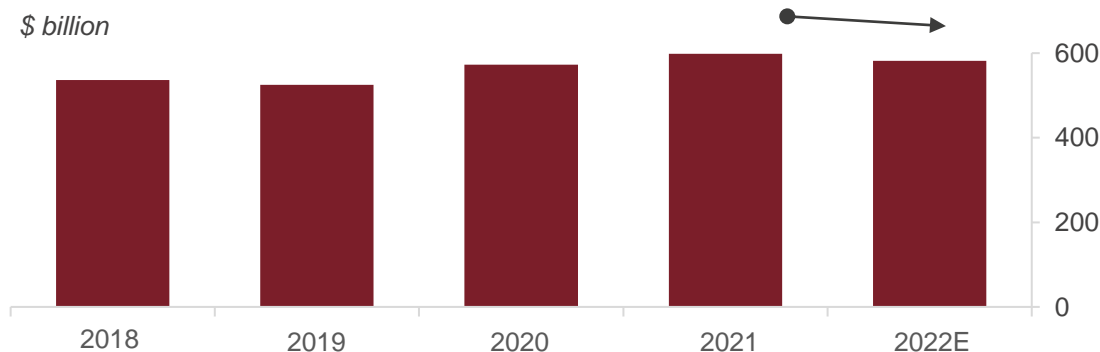
₹ '000 crore



Source: SEBI; *Cumulative net figures as on date

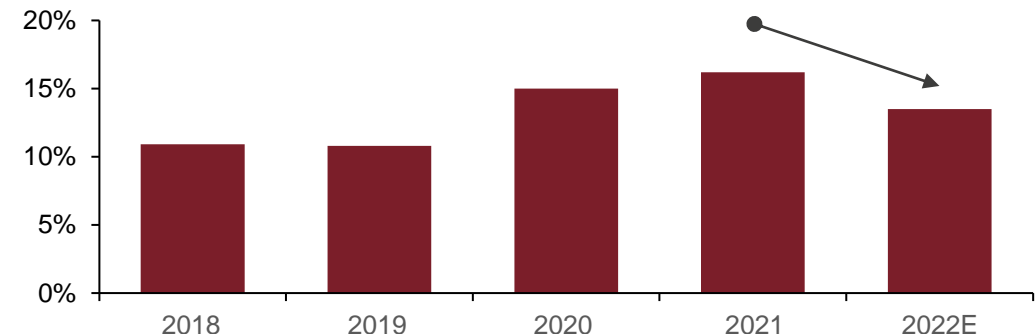
Global CIB revenue pools

\$ billion



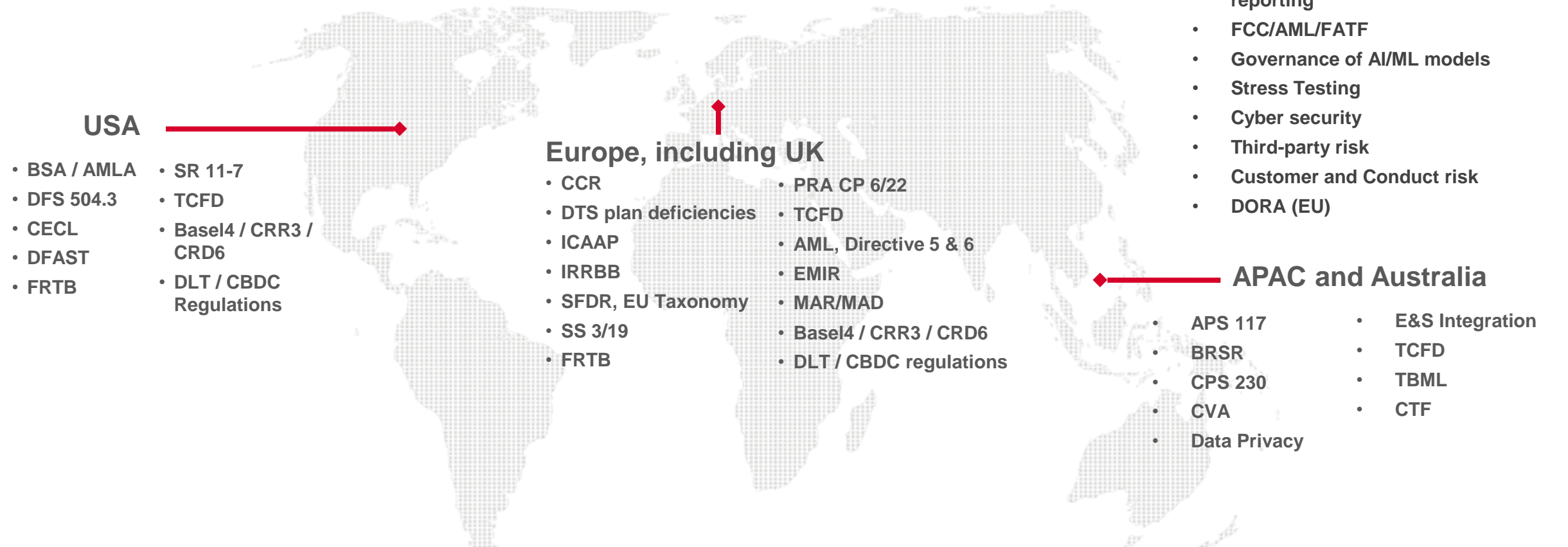
Revenues Pools analysis includes revenues from all Institutional Clients and Corporates with annual sales turnover > \$ 1.5bn; 2022 is as per preliminary estimates. Above analysis is as per Coalition Standard Taxonomy; Source: Coalition Proprietary Analytics

CIB return on equity (%)



Source: Coalition Proprietary data; ROE calculated based on Coalition Index Universe

Regulatory focus continue to drive spends



USA

- BSA / AMLA
- DFS 504.3
- CECL
- DFAST
- FRTB
- SR 11-7
- TCFD
- Basel4 / CRR3 / CRD6
- DLT / CBDC Regulations

Europe, including UK

- CCR
- DTS plan deficiencies
- ICAAP
- IRRBB
- SFDR, EU Taxonomy
- SS 3/19
- FRTB
- PRA CP 6/22
- TCFD
- AML, Directive 5 & 6
- EMIR
- MAR/MAD
- Basel4 / CRR3 / CRD6
- DLT / CBDC regulations

Global themes

- ESG & Climate Risk integration and reporting
- FCC/AML/FATF
- Governance of AI/ML models
- Stress Testing
- Cyber security
- Third-party risk
- Customer and Conduct risk
- DORA (EU)

APAC and Australia

- APS 117
- BRSR
- CPS 230
- CVA
- Data Privacy
- E&S Integration
- TCFD
- TBML
- CTF

BSA/AMLA: Banking Secrecy Act, Anti-Money Laundering Act
CBDC: Central Bank Digital Currency
CECL: Current Expect Credit Loss
DFS: Department of Financial Services
DFAST: Dodd-Frank Act Stress Tests
DLT: Distributed Ledger Technology
FRTB: Fundamental review of the Trading Book
OCC's MRM: Office of the Comptroller of the Currency; Model Risk Management
TCFD: Task Force on Climate-Related Financial Disclosures

CCR: Counterparty Credit Risk
CRR3: Capital Requirements Regulation
CRD6: Capital Requirements Directive
DTS: Digital Transformation Strategy
EMIR: European Market Infrastructure Regulation
ICAAP: Internal Capital Adequacy Assessment Process
IRRBB: Interest Rate Risk in the Banking Book
SS 3/19: BOE's Supervisory Standard on Climate Risk
SFDR: Sustainable Finance Disclosure Regulation

APS 117: APRA's prudential standard for IRRBB
BRSR: Business Responsibility and Sustainability Report
CPS 230: APRA's new standard for operational risk mgmt.
CTF: Counter Terrorist Financing
CVA: APRA's Climate Vulnerability Assessment
TBML: Trade Based Money Laundering
TCFD: Task Force on Climate-Related Financial Disclosures

Research, Analytics & Solutions: Highlights



Financials

Particulars (₹ cr)	Q4 2021	Q4 2022	Growth
Income from Operations	543.9	645.1	18.6%
Segment Profit	115.9	144.0	24.2%
Margin	21.3%	22.3%	

Particulars (₹ cr)	2021	2022	Growth
Income from Operations	1708.3	2105.3	23.2%
Segment Profit	339.6	457.1	34.6%
Margin	19.9%	21.7%	









Business update

- The Research, Analytics & Solutions segment continued its strong performance delivering 18.6% growth for the quarter and 23.2% for the year ended December 31, 2022
- Global Research & Risk Solutions (GR&RS) saw increasing demand across service lines as sales and trading activity remained robust despite market volatility. There was good traction in sustainability and risk solutions
- Market Intelligence & Analytics (MI&A) business saw continued traction for its proprietary credit risk solution and demand for research and consulting services
- Global Benchmarking Analytics (GBA) saw momentum in corporate & investment banking (CIB) driven by enhanced client engagement

Note: Numbers rounded off to first decimal

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Thought Leadership (1 of 2)

In the Media

Risks to growth

Rising interest rates and slowing external demand will dampen growth over the foreseeable future

DELHARMAKIRTI JOSHI

MARKETSMEDIA Daily Email Feature

FTX Collapse Highlights Need for Institutional-Grade Custody

Shanny Basar

The collapse of crypto firm FTX will lead to the definition of institutional-grade custody for digital assets and best practices will move up the priority list.

BNN Bloomberg

Wall Street's Rates, Currency Traders Save Quarter With Revenue Surge

Oct 18, 2022

David Easthope, Coalition Greenwich

The Fed's moves haven't made life easy for all traders: desks dealing in corporate bonds and securitized products have seen volumes drop as they battle widening spreads. The world's biggest banks are set to make a combined \$9.3 billion this year from credit trading, the lowest since at least 2012, according to data from Coalition Greenwich.

At Citigroup Inc., the only major Wall Street bank whose fixed-income results missed analyst expectations, executives spread-products traders countered

Is the rise of AIFs the barometer of growing income inequality in India?

The AIF space has witnessed the sharpest growth in the investment industry with 50% CAGR in the past 5 years

Year	AIF Assets (USD Bn)	Assets (USD Bn)	Assets (USD Bn)
2017	10	10	10
2018	15	15	15
2019	25	25	25
2020	40	40	40
2021	60	60	60
2022	90	90	90

Events & Webinars



CRISIL hosted 2nd edition of India Investment Conclave



CRISIL Ratings Conclave



MI&A participated in PM Gati Shakti Multimodal Maritime Summit by FICCI

Green Hydrogen: Hype or Gamechanger?

CRISIL Ratings webinar on

The coming of age of APAC Private Credit: Evolution, opportunities and challenges

Speakers:

- Sabita Prakash, Managing Director, Asia Pacific Private Credit, ADM Capital
- Shresh Bajaj, Partner/Head, New S&S Assets, Management Area S&S
- Piyush Gupta, Head of Private Credit, Investec India
- Piyush Gupta, Director, Funds and Fixed Income Research, CRISIL

Moderator: Akshat Rana, Director, CRISIL Global Research & Risk Solutions

The Evolution of Credit Portfolio Management

Coalition Greenwich

Speakers:

- Kevin McPartland, Head of Market Structure & Technology Research, Coalition Greenwich
- Adrian Iosifescu, CTO, CIBC
- Scott D'Orsi, Portfolio Manager, Putnam Investments
- Elna Gokh, Global Head of Credit Software Solutions, S&P Global Market Intelligence

Capital Markets Trade Lifecycle and The Cloud: When and Where is Adoption Happening?

October 27, 2022

Speakers:

- Audrey Blater, Senior Analyst, Coalition Greenwich
- Bill Ruvo, Head of Business Development, Capital Markets Americas, Equinix
- Adam Honore, Head of Financial Services Product, Amazon Web Services
- Steven Sadoff, Chief Information Officer, Cantor Fitzgerald

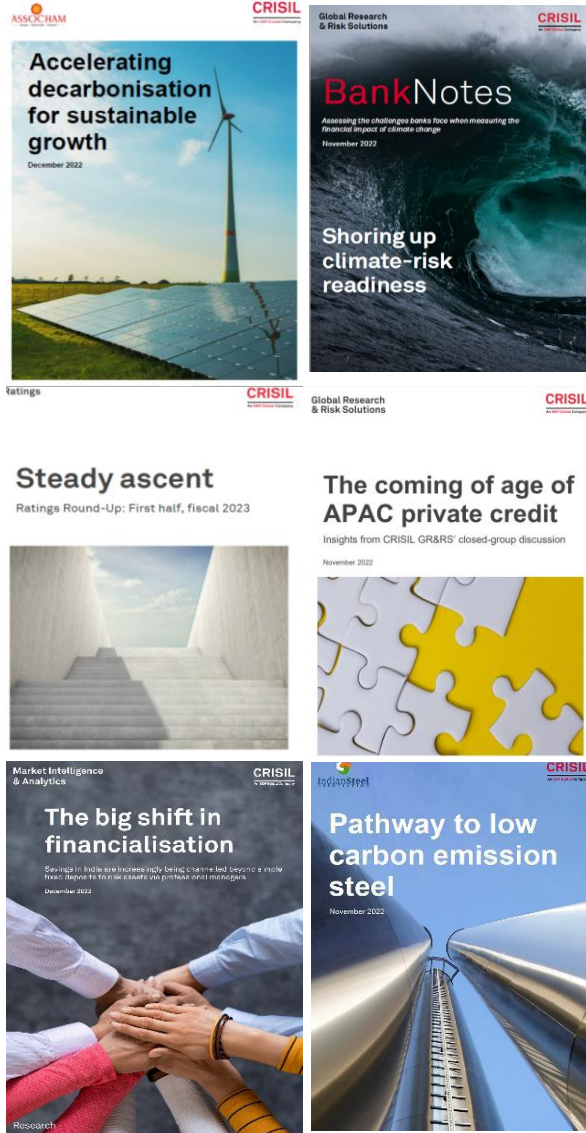
Insightful webinars across diverse themes in domestic & global markets



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Thought Leadership (2 of 2)

Reports & Blogs



Coalition Greenwich
A Division of CRISIL

Products & Solutions | Who We Serve | Greenwich Exchange

Coalition Index for Investment Banking - 1Q22
Greenwich Report
December 20, 2022
In 1Q22, Coalition Index Investment Banking revenue decreased by (16)% on a YoY basis.

Digital Asset Investing
Greenwich Report
December 15, 2022 By: David Easthope, CFA
One can only describe the recent market volatility and business failures in digital assets as troubling. Despite the volatility, however, Coalition Greenwich sees sustained or increasing interest in this asset class among investors served by...

The growth equity bet

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Amit Vora
Global Head – Buy Side Practice
Global Research & Risk Solutions
CRISIL - An S&P Global Company

Veethika Gairola
Associate Director - Buy Side Practice
Global Research & Risk Solutions
CRISIL - An S&P Global Company

The A to Z of ESG Series
Joslyn Chittilapally, Associate Director

October 01 2022

Driving revenue through customer-centric analytics for financial institutions

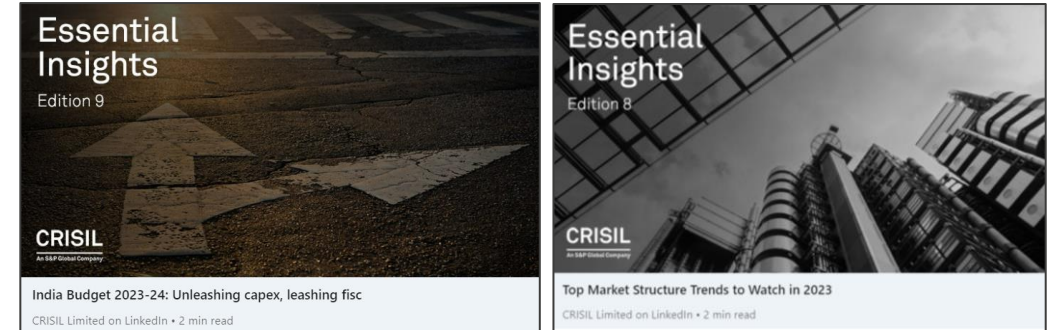
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Zahir Habib Kotadiya
Associate Director
CRISIL

Aneesh Kumar Suresh
Senior Consultant
CRISIL

AI and ML unlocking new growth pathways

Social Media



Launched **Essential Insights**, a subscription-based newsletter

Coalition Greenwich (a division of CRISIL)
19,940 followers
2mo •

Market events of late, including extreme volatility, a hawkish Federal Reserve and an active Securities and Exchange Commission (SEC), have pushed surveillance budgets higher as firms attempt to stay ahead of the compliance curve. **New report by **Audrey Costabile Blater PhD** and **Brad Tingley**** <https://lnkd.in/eB5Vfy9r>

Total growth of surveillance spending is expected to reach over \$1.8 billion by the end of 2022

Capital Markets Firms Ramp Up Surveillance Technology Investments
greenwich.com • 1 min read

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Globally, approximately 90% of asset owners believe it is important for managers to articulate a clear sense of purpose and most are more likely to award mandates to a manager with a stated purpose aligned with their own.

"Brand purpose is an important element when institutional investors assess the fit with a potential manager," says **Todd Glickson**. "To win business, asset managers will have to demonstrate a purpose that aligns with their clients' mission and needs and work deliberately to convey a brand that investors see as congruent with their own beliefs and goals."

90% of asset owners globally believe it is important for managers to articulate a clear sense of purpose

Maximizing Brand Impact
greenwich.com • 1 min read

Bite-sized insights and short reads on Social Media



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Delivering social impact through CSR initiatives

Financial capability building of rural women & communities



- Mein Pragati continues to drive outreach and impact through 3,300+ trained Sakhis in 3,800+ villages of Assam and Rajasthan
- As part of RBI's Scale-up CFL Project, 186 additional centres formally mandated as part of Phase II of expansion – expanding the reach to 705 centres
- GramShakti Convocation Ceremony organised at Guwahati to certify over 500 Sakhis in Assam

Promoting environment conservation and larger social consciousness among employees



- Environment conservation initiatives continued through on-ground partners – over 30,000 saplings planted in Kolkata, Mumbai and Delhi
- Continued engagement with CRISILites through various initiatives like plantations and mentoring

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.

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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