

CRISIL Analyst Presentation

October 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 provide **intelligence, benchmarks, analytics and transformative solutions** to organizations, **accelerating their progress and catalysing economic growth**. Our solutions enable organizations **to decide with conviction**

Ratings Services

Ratings

Active ratings outstanding for ~7,000 large and mid-scale corporates and financials institutions

Global Analytical Centre

Largest data, analytics and research partner for S&P Global Ratings

Research, Analytics & Solutions

Market Intelligence & Analytics (MI&A)

Provider of unique insights and comprehensive risk & analytics solutions powered by proprietary data and deep domain expertise

Global Research & Risk Solutions (GR&RS)

Partners with world's biggest financial institutions in helping them grow revenues, minimize risk, enhance productivity, make better decisions and enhance returns

Global Benchmarking Analytics (GBA)

Leading provider of strategic benchmarking, analytics and insights to top 20 global banks, 35 of top 50 commercial banks and 95 of top 100 asset managers

Global presence

4,600+ employees globally; 40+ nationalities across 12 countries; ~39% women employees



Map not to scale, for representation purpose only



Certified 'Great Place to Work' in India for 5th consecutive year and India's Best Workplaces™ for Women 2024

CRISIL featured in the **Chartis RiskTech100® 2025** list and won in the Model Validation category for the third consecutive year

Chartis RiskTech Quadrant®
Category Leader
Credit Risk Management
Solutions (Banking Book), 2024

Chartis RiskTech Quadrant®
Category Leader
Credit Risk Management
Solutions (Trading Book), 2024

'Category Leader' in **Model Validation Tools and Accelerators** in Chartis STORM 2024 ranking report besides ranking in QuantTech50, BuySideRisk50 and RetailFinanceAnalytics50








'Category Leader' in both the Chartis Credit Lending Operations 2024 and the Chartis Regulatory Reporting Solutions 2024



'Bronze' employer by India Workplace Equality Index (IWEI)

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Key trends in macro and business environment

Global



Growth patterns across key economies exhibiting divergence - The US is slowing, Eurozone is recovering, China is battling headwinds



The ongoing economic uncertainty has prompted a cautious stance on discretionary spending by global clients



Global banks continue to focus on operational efficiencies, regulatory compliance and business transformation. Sustained activity in private capital



Increased volatility due to macro uncertainties leading to greater client need for benchmarking solutions to target opportunities and efficiencies



Growing impetus on captives by global institutions



Continued advancement of emerging technologies such as Gen AI

India



India's GDP growth to moderate to 6.8% this fiscal due to high interest rates and fiscal consolidation



Healthy corporate balance sheets, robust banking system, government's capex focus and broad-basing of private investments will be supportive of domestic activity










Bank credit growth continued a steady path supported by the retail and services sectors. Bond issuances witnessed growth on-year during the quarter, on a low base of the previous year



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

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Resilient performance amidst global market challenges

10.3% ↑

Q3 2024

5.6% ↑

9M 2024

Income from operations

14.1% ↑

Q3 2024








7.3% ↑

9M 2024

Profit before tax (PBT)

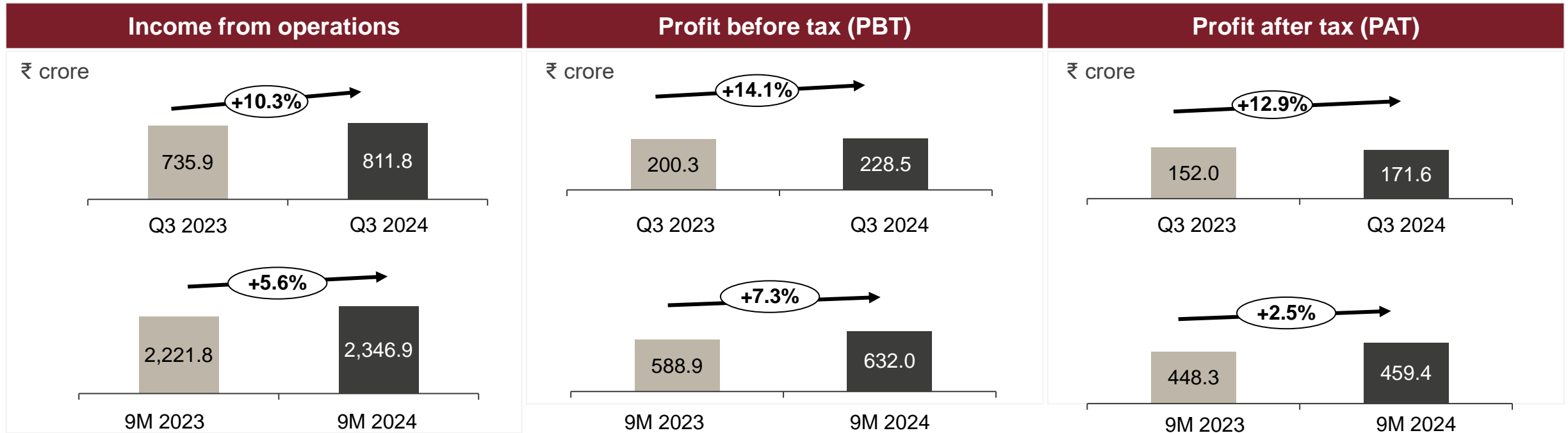
- Ratings Services segment delivered revenue growth due to the momentum in bond issuances and bank loan ratings
- Research, Analytics and Solutions segment saw momentum in buy side offerings, credit lending solutions and benchmarking offerings amid curtailed discretionary spending by global clients; Market Intelligence & Analytics (MI&A) saw traction for credit, risk, and consulting offerings
- Interim dividend of ₹15 per share declared in Q3 2024
- CRISIL Ratings hosted regional conclaves in Jaipur and Kolkata, titled 'India's Economic Trajectory - Opportunities Amid Challenges'. GBA conducted a webinar on capital market structure and technology. MI&A hosted sectoral webinars covering textiles, steel, pharmaceuticals, fertilizers, gold jewelry, diamonds, and cement
- CRISIL Foundation expanded its outreach to over 4 lakh rural community members resulting in 2.7 lakh linkages to various financial services and social security schemes in Assam and Rajasthan under the flagship 'Mein Pragati' programme

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Financial performance for Q3 and 9M 2024



- Interim dividend of ₹15 per share declared in Q3 2024
- During Q3 2024 and 9M 2024, the impact of foreign exchange movement was unfavourable compared to the same period last year

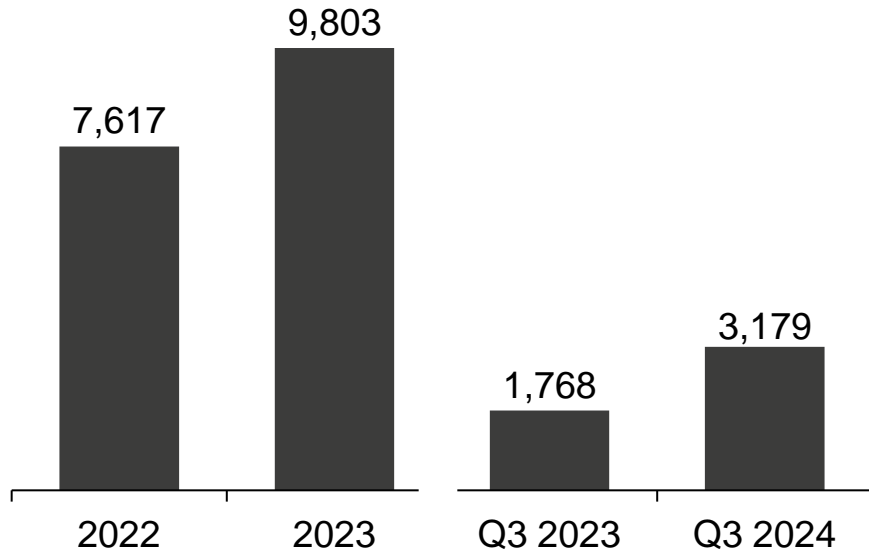
Note: Numbers rounded off to the first decimal

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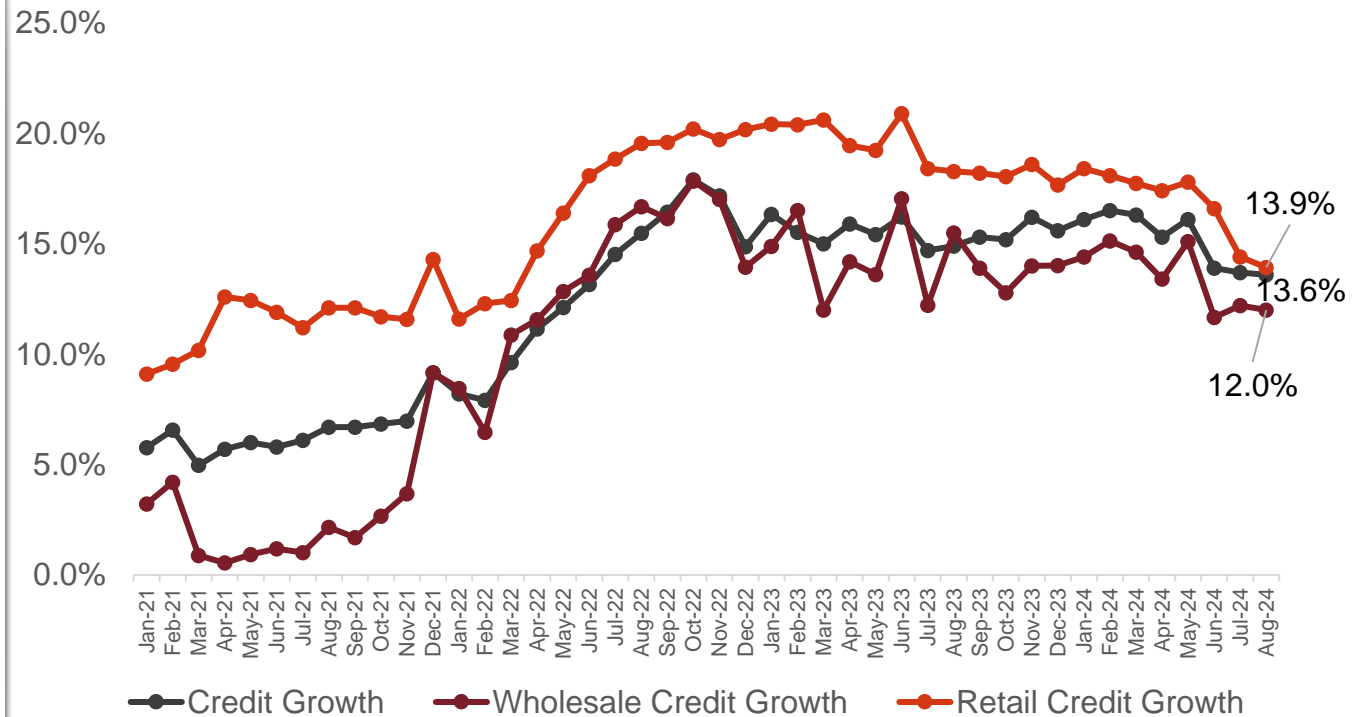
Uptick seen in bond issuances (albeit on a lower base); Bank credit growth continues to be rangebound

Bond issuance quantum (₹ billion)



No of Issuers	2022	2023	Q3 2023	Q3 2024
	~700	~1,000	~400	~360

Credit growth (%)



Source: Prime Database, RBI

*Data may get revised by Prime Database

Ratings Services performance highlights



Financials

Particulars (₹ cr)	9M 2023	9M 2024	Growth
Income from operations	562.8	655.3	16.4%
Segment profit	248.4	303.9	22.3%
Margin	44.1%	46.4%	

Note: Numbers rounded off to first decimal








Particulars (₹ cr)	Q3 2023	Q3 2024	Growth
Income from operations	185.6	240.6	29.6%
Segment profit	80.9	116.1	43.5%
Margin	43.6%	48.2%	



Business update

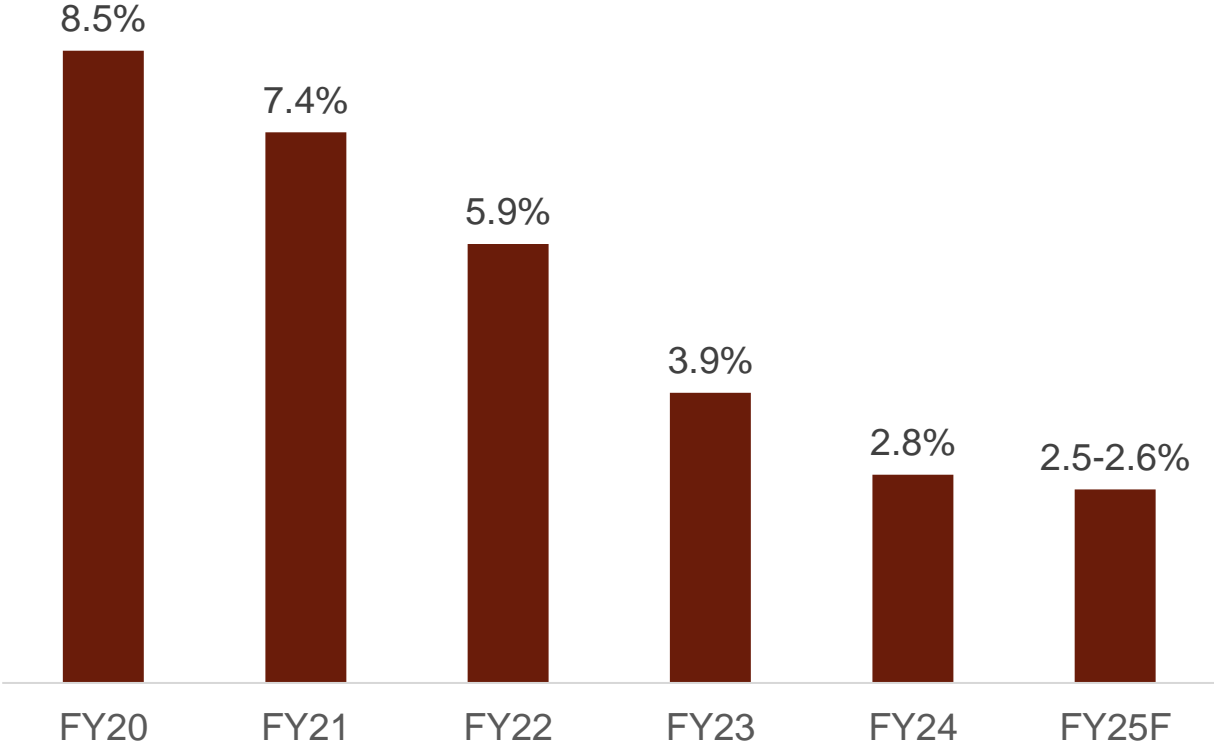
- CRISIL Ratings maintained its leading position in the corporate ratings market driven by investors' preference for best-in-class ratings. The revenue of CRISIL Ratings grew by 31.5% on-year in Q3 due to the momentum in bond issuances and bank loan ratings
- Global Analytical Centre (GAC) witnessed growth driven by new engagements and an increase in the delegation of ratings surveillance work from S&P Ratings

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Research, Analytics & Solutions**
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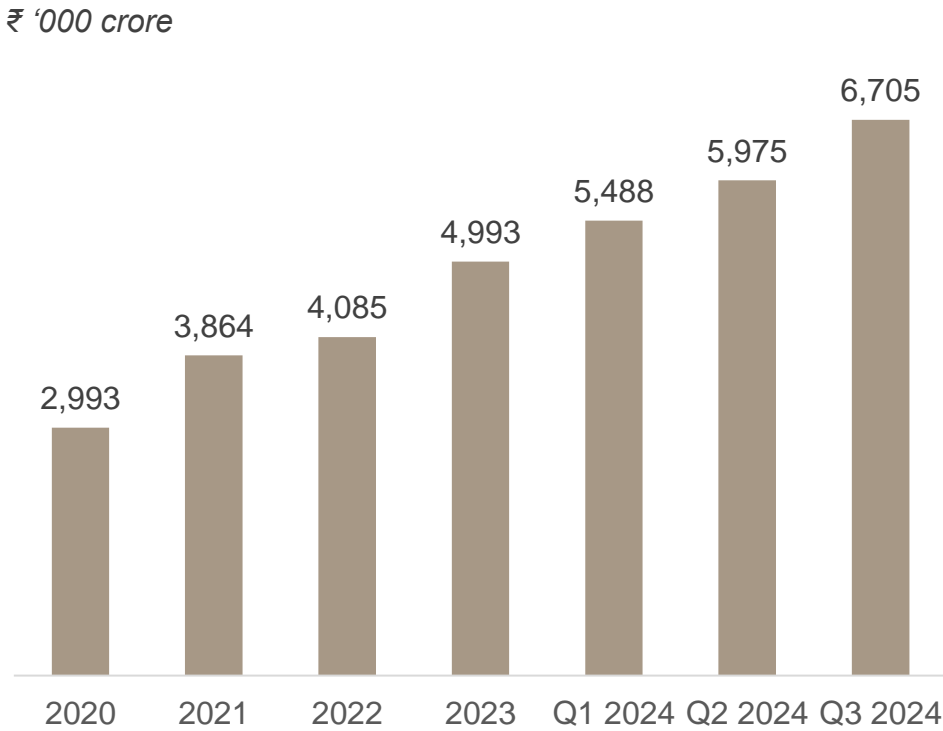
Healthier bank balance sheets and financialization of savings

Banking sector gross NPAs



Source: CRISIL MI&A Research

India mutual funds AUM*

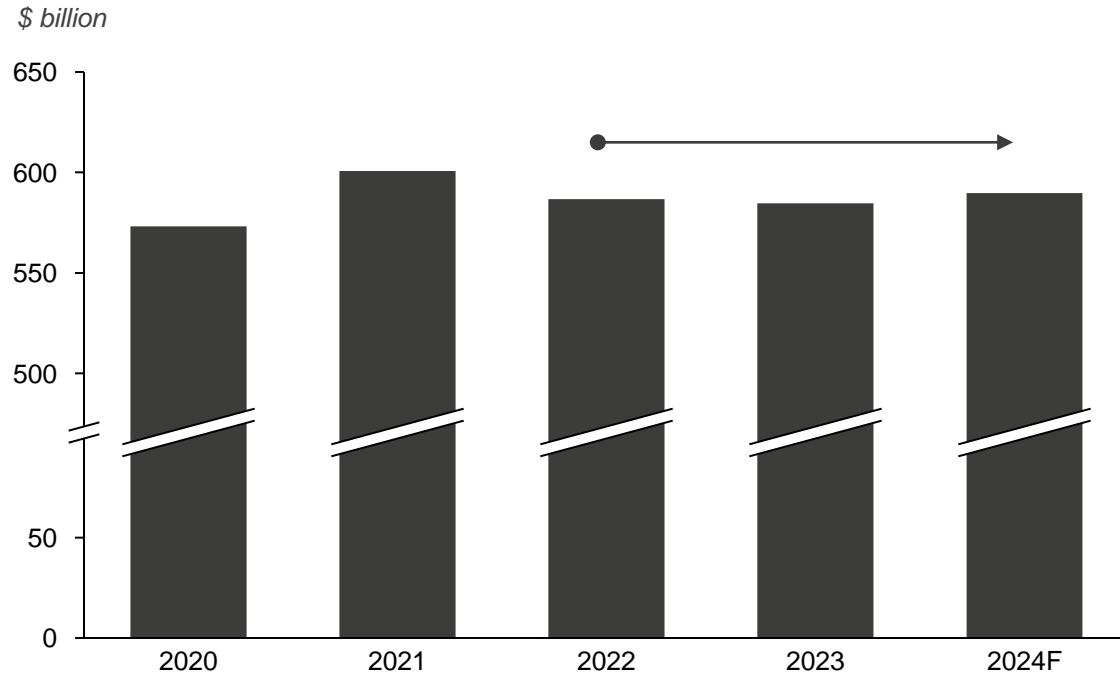


*Average AUM; Source: AMFI

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CIBs focused on improving profitability amidst flat revenue pool

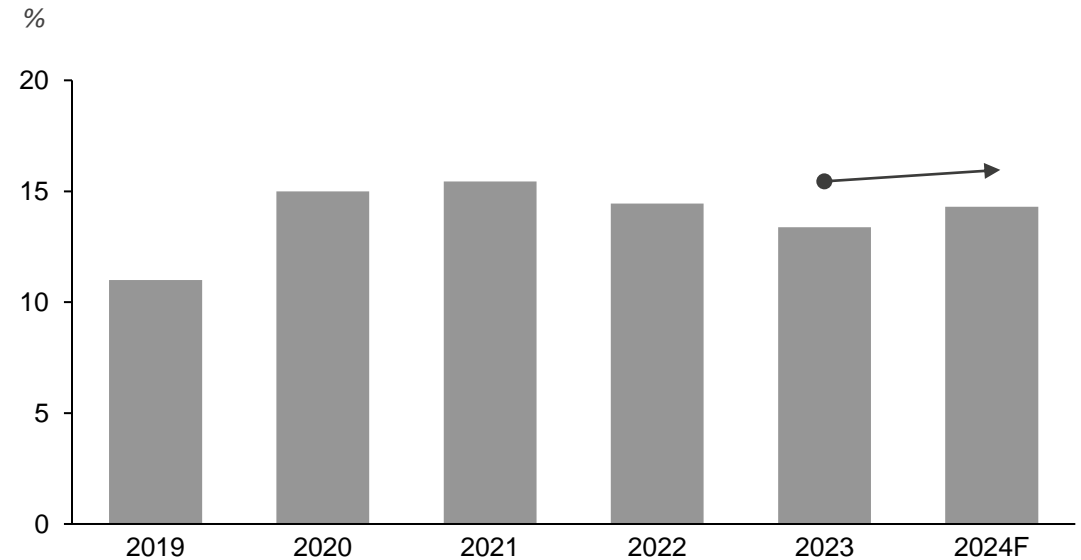
Global CIB revenue pools



Revenues Pools analysis includes revenues from all Institutional Clients and Corporates with annual sales turnover > \$ 1.5bn; 2024 forecast is as per preliminary estimates.

Source: Coalition Greenwich Competitor Analytics; Coalition Greenwich Proprietary data

CIB Return on equity (%)



ROE is calculated as operating profit post-tax (tax rate = 30%) divided by Capital; Capital is average of RWA based capital and Exposure based capital. RWA is calculated under Basel 3; LRD is calculated under BCBS 2014

RoE Index numbers include Credit Suisse until 2020 and have been replaced with Wells Fargo from 2021 onwards

Source: Coalition Greenwich Competitor Analytics – FY24F

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Research, Analytics & Solutions performance highlights



Financials

Particulars (₹ cr)	9M 2023	9M 2024	Growth
Income from operations	1659.0	1691.6	2.0%
Segment profit	327.2	313.8	-4.1%
Margin	19.7%	18.6%	

Particulars (₹ cr)	Q3 2023	Q3 2024	Growth
Income from operations	550.3	571.2	3.8%
Segment profit	111.7	104.6	-6.3%
Margin	20.3%	18.3%	








Note: Numbers rounded off to first decimal



Business update

- Global Research and Risk Solutions (GR&RS) saw impact of curtailed discretionary spending by global clients in Q3. The business saw momentum in buy side offerings and credit lending solutions for banks
- Global Benchmarking Analytics (GBA) continues to focus on deepening client relationships and building new benchmarking offerings. The businesses added new logos during the quarter
- Market Intelligence & Analytics (MI&A) saw traction in credit, risk, and consulting offerings
- GR&RS published thought leadership on topics such as the 2025 EU-wide stress test by the European Banking Authority, Basel III regulations, and model risk management guidelines. GBA conducted a webinar on capital market structure and technology, and released market insights reports on commercial lending, digital banking, transaction banking, and corporate banking. MI&A organized sectoral webinars covering textiles, steel, pharmaceuticals, fertilizers, gold jewelry, diamonds, and cement

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Thought leadership

Consume, Consume

More jobs = more purchases = more investment

Amish Mehta



With just 8 months left for this fiscal, the budget tracks the interim version – with a twist. It underscores govt's focus on four aspects to raise growth potential – fiscal rectitude – spending responsibly, not borrowing beyond means; facilitating infra buildout, MSME sector gets support from credit guarantee and doubling of Mudra loan limit. The overall intention is to provide a lift to jobs, incomes and thereby private consumption. **Supporting capex cycle** | Effective expenditure – including grants for creation of capital assets – is budgeted to grow 19.9%, marginally above 19.6% of previous fiscal. Infra-focused capex growth will outpace nominal GDP, which is positive for

Bankrolling growth

With rising credit supply and financial innovation, banks and corporates are in a stronger position



AMISH MEHTA



ARRIVING AT 3X POTENTIAL CAPEX: ANALYSIS OF 2,222 COMPANIES

Year end	Total debt	Additional debt available for capex, assumed of going concern	Total cash surplus	50% of cash surplus available assumed for capex	Capex potential estimated
	Rs lakh crore	Rs lakh crore	Rs lakh crore	Rs lakh crore	Rs lakh crore
March 31, 2015	1190	275	490	245	475
March 31, 2024	2083	1191	691	346	1537

COMMENT

On the prudent path, towards long-term sustainability



GURPREET CHHATWAL

The overarching takeaway from Tuesday's pronouncements is the sharp focus on removing bottlenecks to improve the ease of doing business and creating a conducive environment for corporates.

Increasing skilling and job creation, enhancing credit availability for micro, small, and medium enterprises (MSMEs), and building a sustainable energy ecosystem are the crucial callouts.

For the first time, the government has rolled out a package to raise the long-term employability of the country's youth and incentivise their hiring by corporates.

Global Research & Risk Solutions

CRISIL

Counterparty credit risk management

Reflecting on the ECB's targeted review
July 2024



Global Research & Risk Solutions

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Transforming the markets middle office

Catalysts, challenges, way forward
July 2024



Coalition Greenwich
A division of CRISIL

Asian Trade Finance: Facing Challenges, Corporates Diversify and Digitize



About 84% of Asian companies experienced supply chain disruptions in 2024, up from 58% in 2023

2024 Greenwich Share and Quality Leaders
For the complete list of 2024 Greenwich Share and Quality Leaders in Asian Large Corporate Trade Finance, across Asia and in individual Asian countries, and the winners of the 2024 Excellence Awards in several important categories, click here.

Headwinds and Disruptions
Several powerful headwinds are slowing global trade in 2024, impacting both corporates and banks, especially

Global Research & Risk Solutions

Barr speech on Basel III Endgame

Proposed changes and CRISIL's view

CRISIL Ratings Conclave Kolkata Chapter



Kolkata Chapter



Jaipur Chapter

INDIA OUTLOOK

CRISIL Ratings

Stability, Subsidy, Self sufficiency

CRISIL Ratings' webinar on the Fertiliser sector

INDIA OUTLOOK

CRISIL An S&P Global Company

Slow and steady weaving

CRISIL webinar on the downstream textile sector

HSLU Hochschule Luzern

Swiss Treasury Summit 2024

September 2024
Location Rotkreuz, Switzerland

The Swiss Treasury Summit is the annual meeting of treasurers in Switzerland. The event is dedicated to the current challenges of financial management.

Preparing for the Next Financial Markets Shock with Smarter Risk Management

June 2024

Join Audrey Costabile and a panel of industry experts as they discuss risk management.

Bloomberg

Passive Funds Boost Treasury Trading at Month-End, Fed Blog Says








September 24, 2024

Bloomberg: It's been a robust year in general for Treasury trading amid the heightened uncertainty about the path of Federal Reserve monetary policy and interest rates. Average daily notional volumes in August was more than

Asia Risk Congress 2024, Singapore

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Driving positive social impact through CSR initiatives

Financial capability building of rural women and communities



Weaver upskilled and trained on rug making/ weaving, from Didwana village, Dausa block, Rajasthan

- Mein Pragati expanded its community outreach and impact to more than 4 lakh individuals through its trained Sakhi cadre in Assam and Rajasthan
- As part of RBI's scale-up of the CFL project, 675 centres continue to be operational, facilitating outreach of 23 lakh across 14 states and 4 UTs
- GramShakti Certification Programme was featured in the CII CSR Compendium for pioneering rural women's financial empowerment through technology

Promoting environment conservation and the larger social consciousness among employees



- As part of environment conservation initiatives – water harvesting structure (check dam) created in Udaipur (a water scarce region in south Rajasthan). This is expected to provide direct drinking water access to around 120 households and 2,000 livestock
- As part of the yearly Daan Utsav initiative, collection drive organised through existing partners across CRISIL office locations

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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