

# CRISIL Analyst Presentation

April 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



8. Risks



# 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 Service

### Ratings

Active ratings outstanding for ~7000 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)

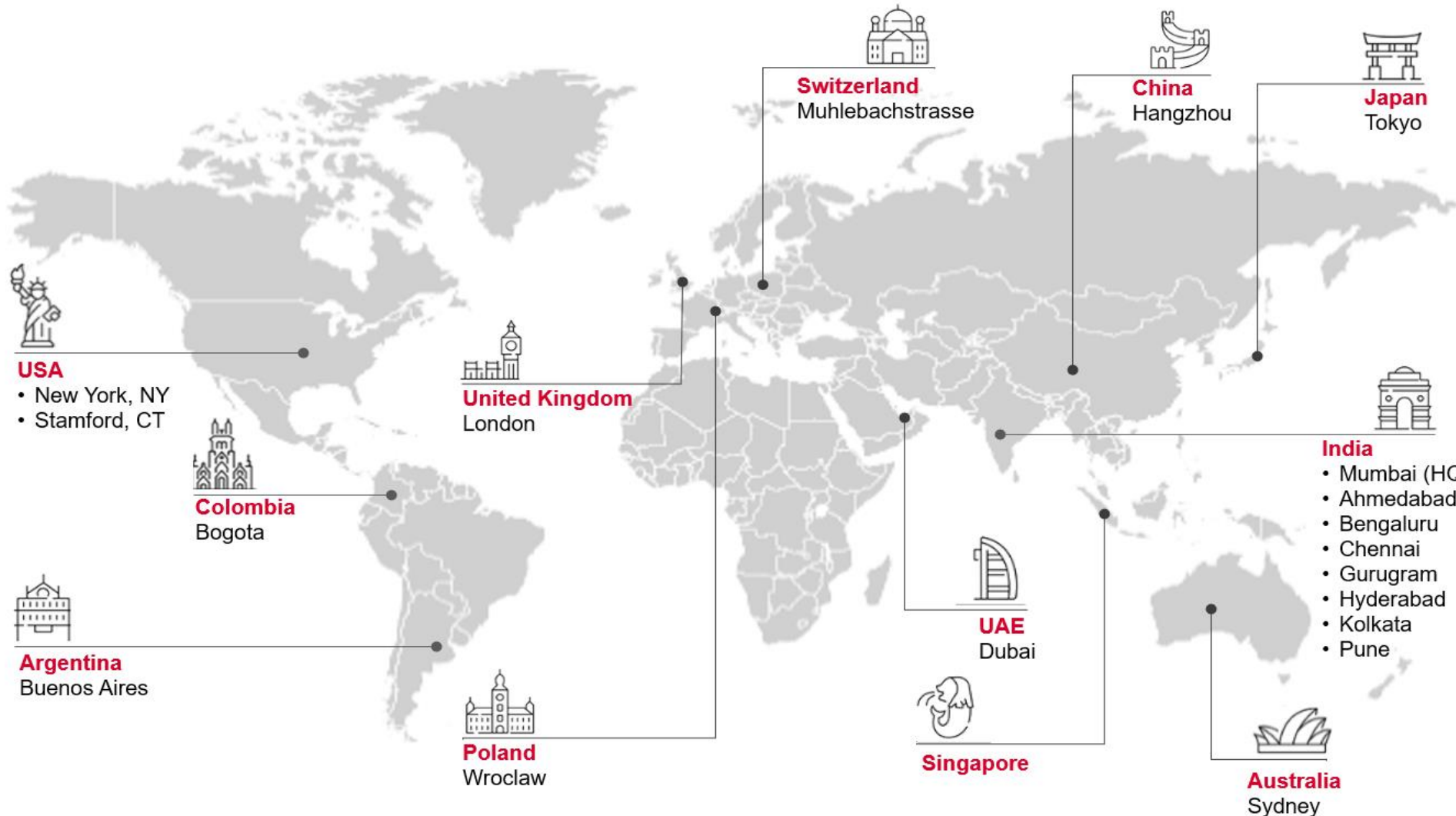
Partners with world's biggest financial institutions in helping them grow revenues, minimize risk, enhance productivity, make better decisions and enhance returns

### 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 4<sup>th</sup> year in a row and recognized among Top 100 Best Workplace for Women in India











CRISIL among Top 50 organizations and Winner for 2<sup>nd</sup> year in a row Model Validation category



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

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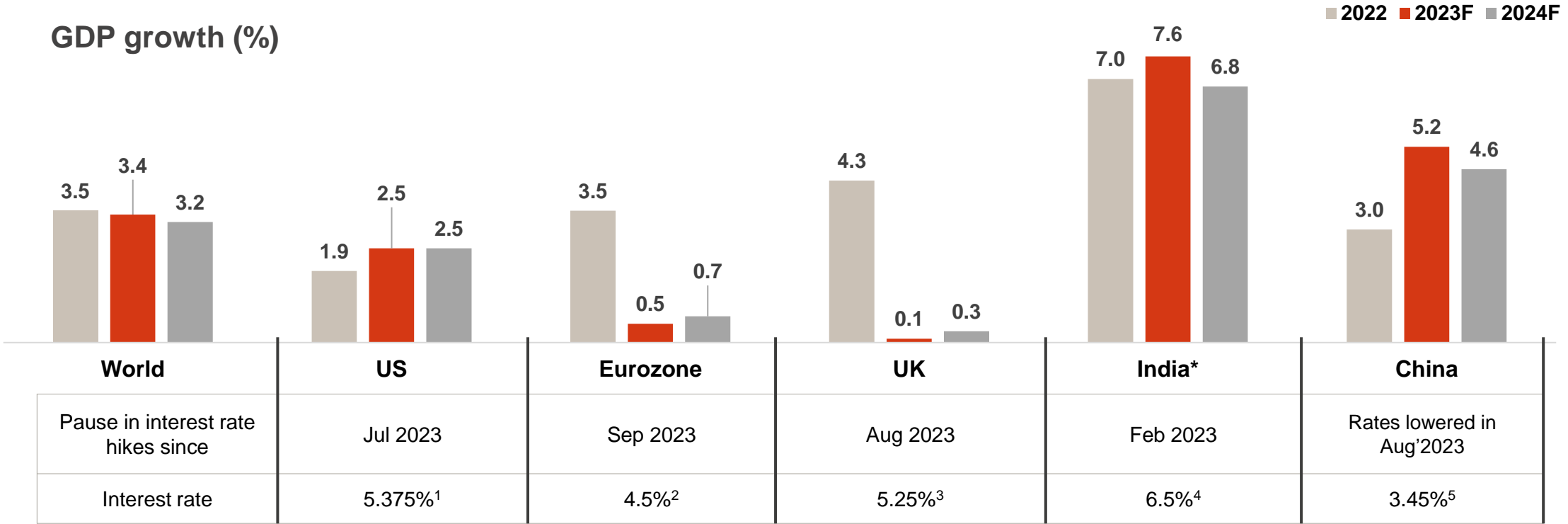
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# Macroeconomic environment

## GDP growth (%)



\* For India, FY begins on April of calendar year

- 2023 growth resilient despite continued global uncertainties and higher-for-longer rates
- Only a mild growth moderation is expected in 2024 due to strong performance of India and US
- Risks for 2024 growth come from high interest rates and potential impact of elections in major economies

1 US Federal Funds rate | 2 EU Refinancing rate | 3 UK Prime Lending rate | 4 RBI Repo rate | 5 China loan prime rate

Source: S&P Global, CRISIL

# Key trends in macro and business environment

## Global



Global banks continue to focus on operational efficiencies, regulatory compliance and business transformation



Pressure on discretionary spending by global financial institutions



Growing impetus on captives by global institutions



Sustained activity in private capital



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



Continued advancement of emerging technologies such as GenAI

## India



GDP growth to moderate to 6.8% this fiscal due to high interest rate, fiscal consolidation and uneven global growth



Bank credit growth to remain rangebound and growth in bond issuances likely to moderate in 2024 owing to high interest rates











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



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



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# Resilient performance amidst global market challenges

13.4% ↑

2023

3.2% ↑

Q1 2024

**Income from operations**

16.9% ↑

2023









1.0% ↑

Q1 2024

**Profit before tax (PBT)**

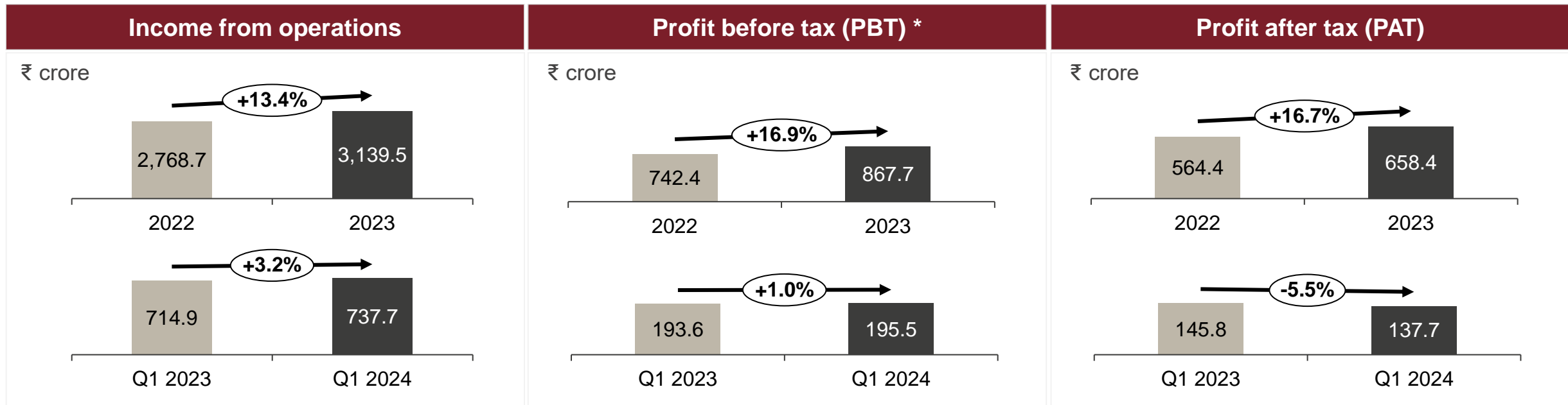
- Ratings Services segment delivered revenue growth despite reduced growth in bond issuances and tepid corporate credit growth during the quarter ended March 2024
- Research, Analytics and Solutions segment saw momentum in lending solutions, regulatory support and benchmarking analytics amid slowdown in discretionary spending by global clients; Market Intelligence & Analytics (MI&A) saw traction for credit, risk, data and analytics, and consulting offerings
- Focus continues delivering value through investments in developing solutions, digital capabilities and talent
- Interim dividend of ₹ 7 per share declared in Q1 2024
- Hosted the flagship India Outlook seminar, titled 'Pivots, pillars and pace' and released The India Outlook Report 2024. Globally published thought leadership insights and reports on topics across banking sector, private markets and sustainability
- CRISIL Foundation expanded outreach to more than 2.5 lakh rural community members through its ~2,600-strong cadre of sakhis in Assam and Rajasthan during the first quarter under the flagship 'Mein Pragati' programme

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# Financial performance for full year 2023 and Q1 2024











- Interim dividend of ₹ 7 per share declared in Q1 2024

\* PBT for FY 2023, includes a one-off gain of Rs 29.4 crore due to sharp devaluation of the Argentinian peso. 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

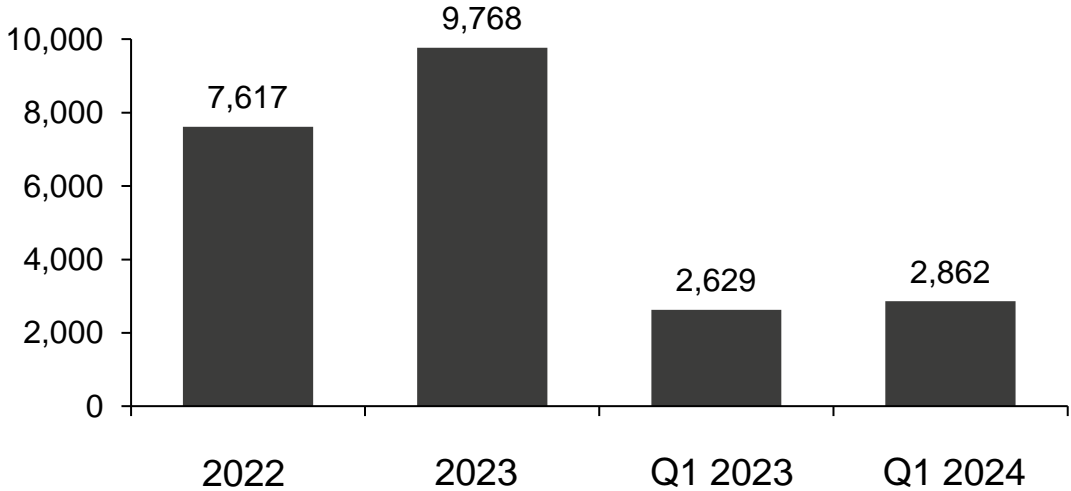
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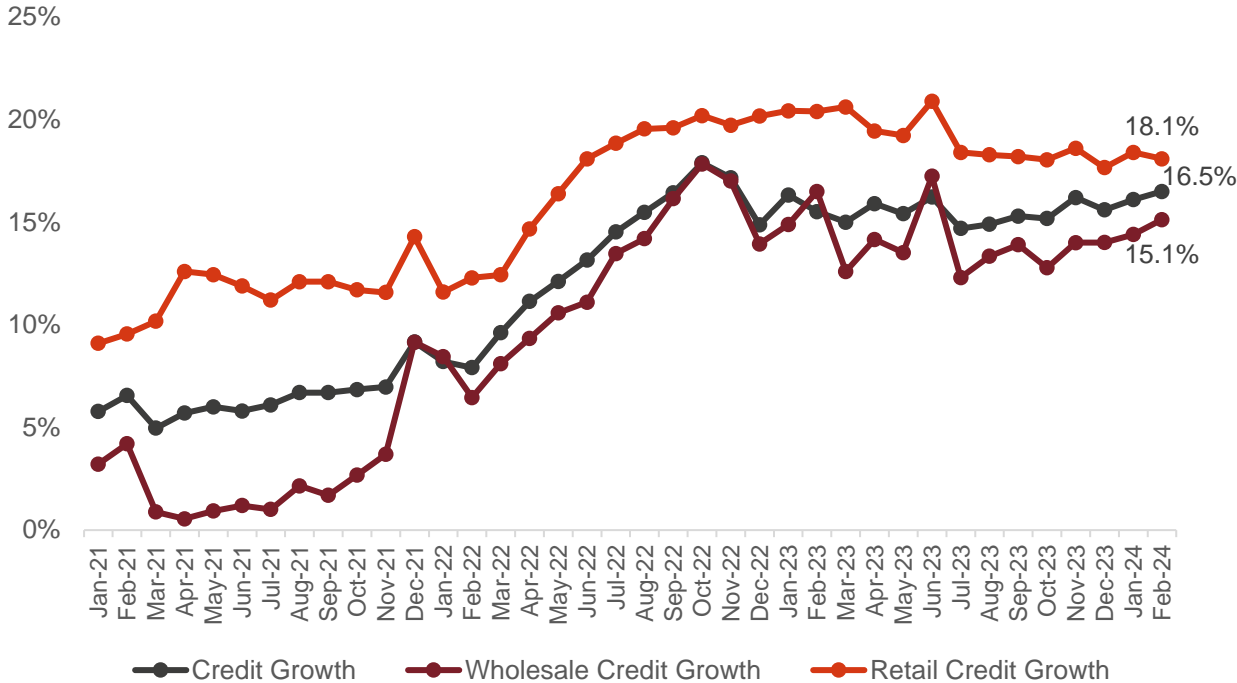
# Corporate bond market grew 9% in Q1 2024 vs 28% for full year 2023; Wholesale credit rangebound, Large corporate credit growth was tepid at 6.6%

Bond issuance quantum (₹ billion)



No of Issuers	2022	2023	Q1 2023	Q1 2024
	~700	~950	~350	~400

Credit growth (%)



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

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# Ratings Services performance highlights



## Financials

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

Particulars (₹ cr)	Q1 2023	Q1 2024	Growth
Income from operations	186.5	202.2	<b>8.4%</b>
Segment profit	89.7	101.3	<b>12.9%</b>
Margin	<b>48.1%</b>	<b>50.1%</b>	

Note: Numbers rounded off to first decimal











## Business update

- CRISIL Ratings maintained its leadership in corporate bond ratings given investor preference for best-in-class ratings. Overall, revenue was up 11.7% on-year in the quarter, and 16.8% in 2023
- Global Analytical Center (GAC) saw robust surveillance work delegation by S&P Global Ratings
- CRISIL Ratings hosted webinars covering sectors such as hospitality, capital goods, textile, airlines, renewables, InvITs and REITs

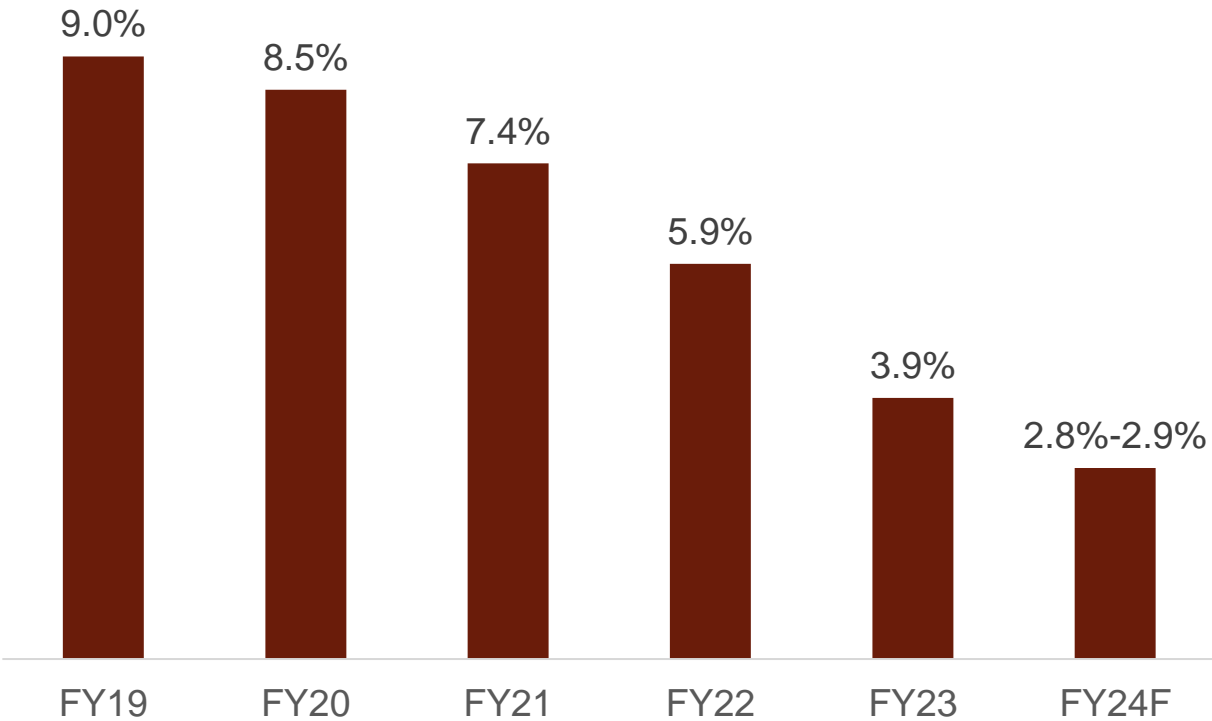


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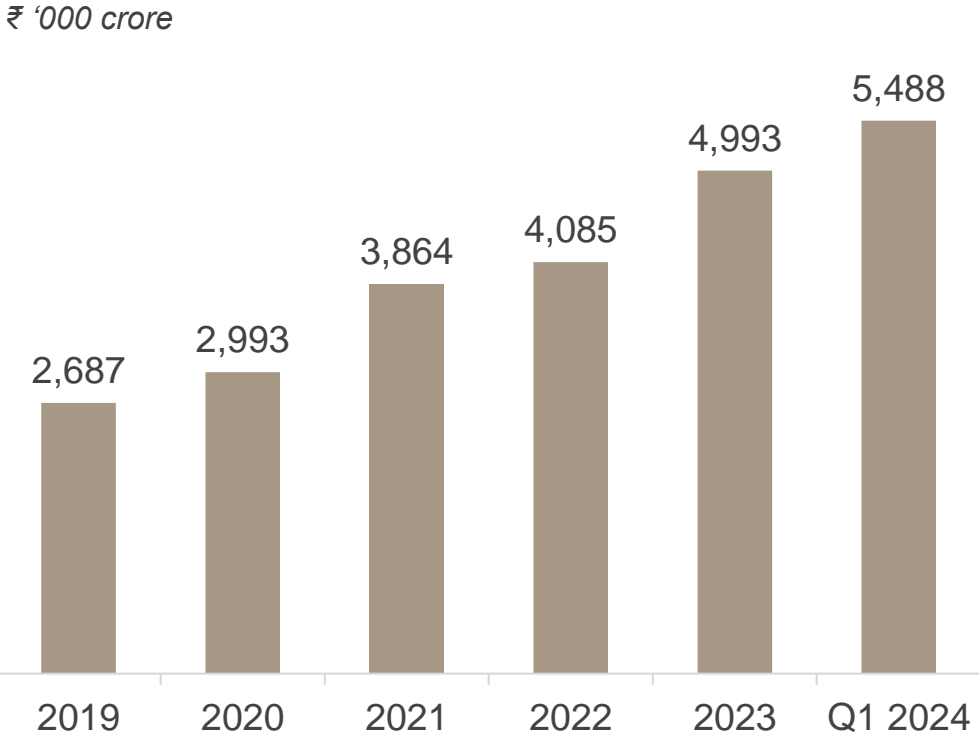
# Healthier bank balance sheets and financialization of savings

Banking sector gross NPAs



Source: CRISIL MI&A Research

India mutual funds AUM\*

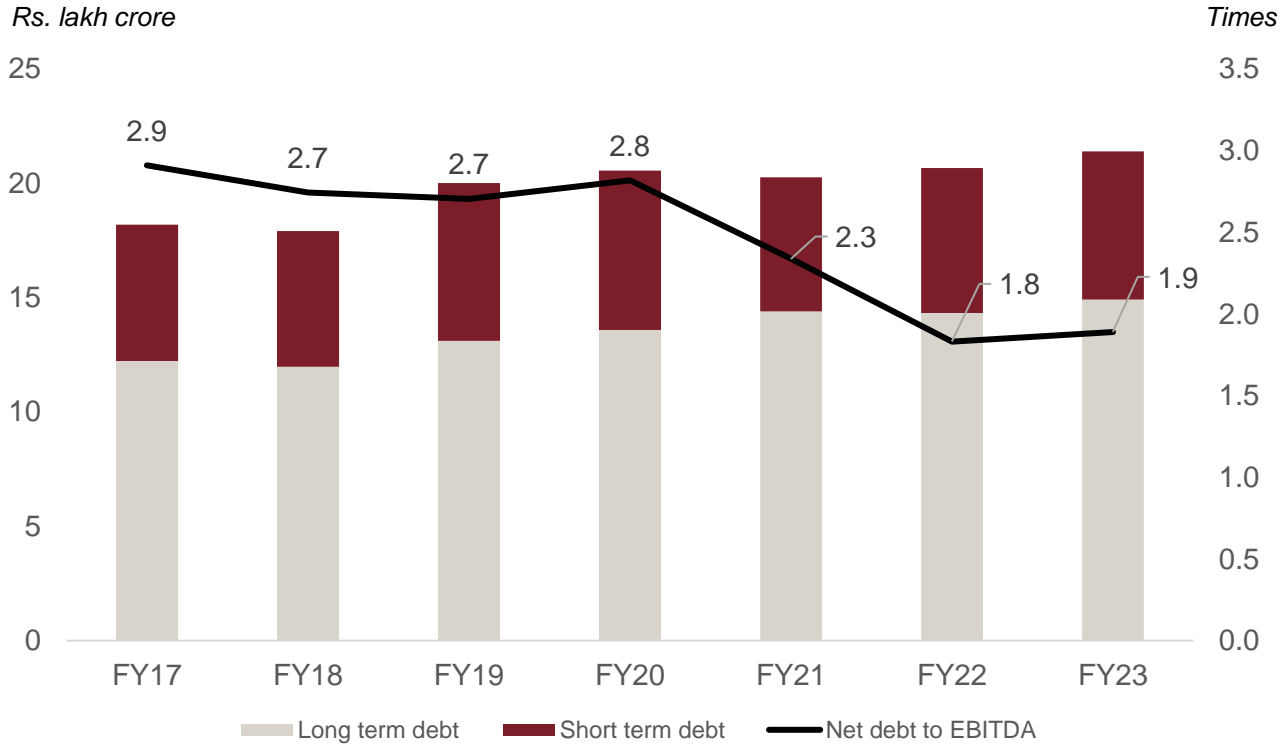


\*Average AUM; Source: AMFI

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# Healthier corporate balance sheets and higher capacity utilization conducive for incremental capex

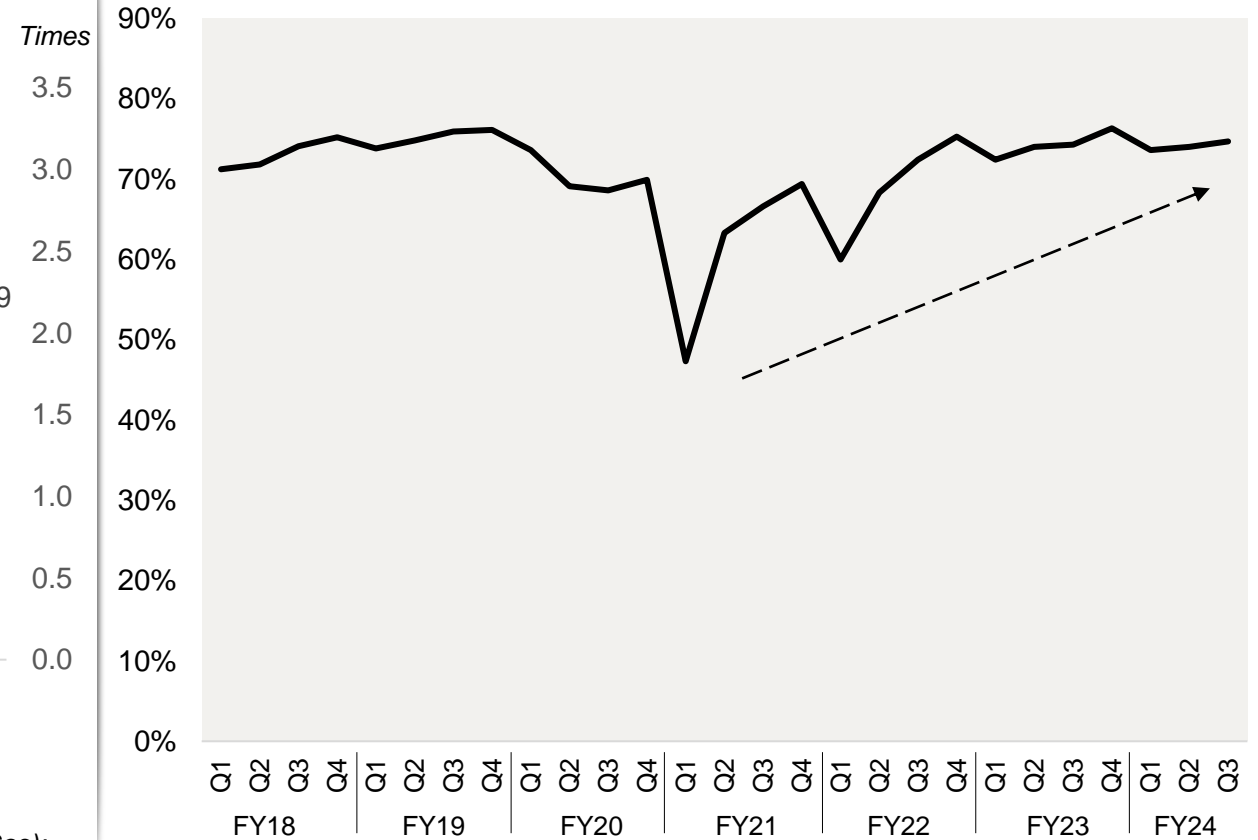
## Net debt to EBITDA and debt levels of Indian companies



Note: Net debt to EBITDA analyzed based on performance of ~718 companies (barring BFSI, Oil & Gas); FY represents fiscal year ending March

Source: Industry, CRISIL MI&A Research

## Capacity utilization



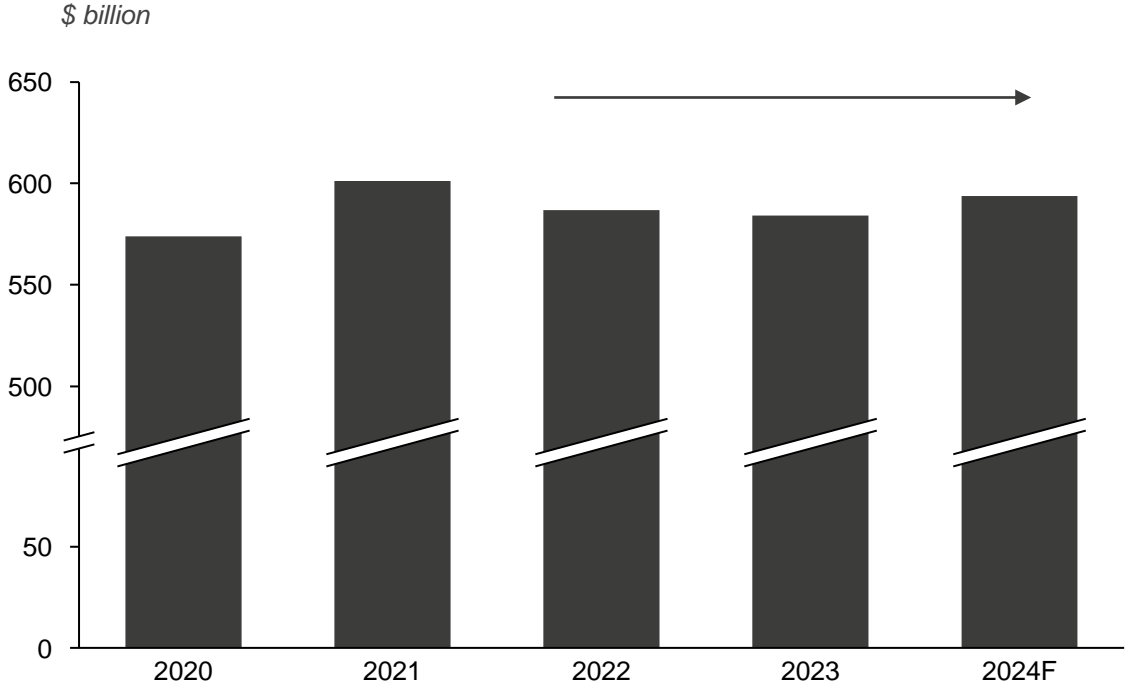
Note: FY represents fiscal year ending March

Source: RBI, CRISIL MI&A Research

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# Focus on profitability of global banks impacting discretionary spends

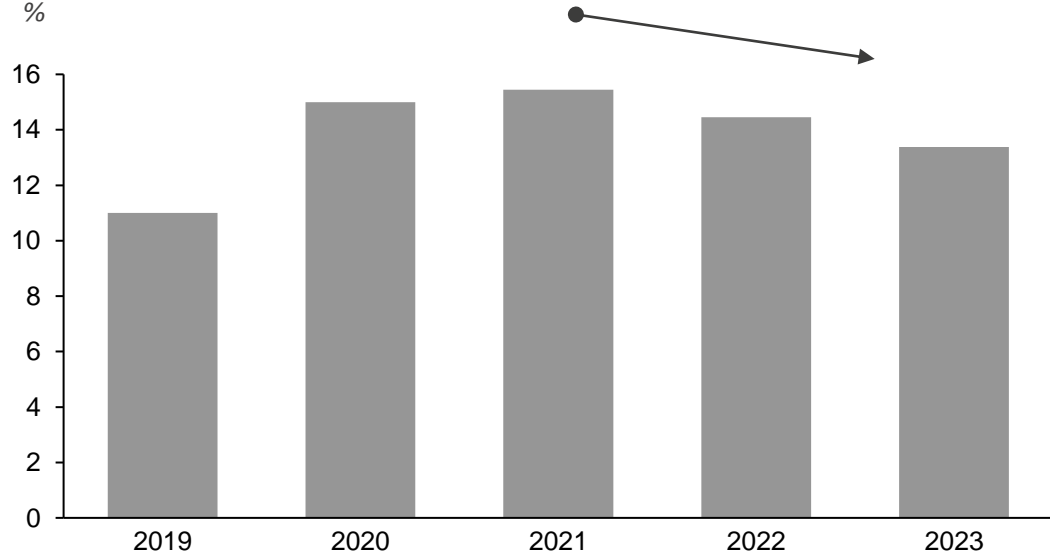
Global CIB revenue pools



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 calculated based on Coalition Index Universe  
RoE Index numbers include Credit Suisse until 2020 and have been replaced with Wells Fargo from 2021 onwards

Source: Coalition Greenwich Competitor Analytics

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# Research, Analytics & Solutions performance highlights



## Financials

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

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

Note: Numbers rounded off to first decimal









Particulars (₹ cr)	Q1 2023	Q1 2024	Growth
Income from operations	528.4	535.5	<b>1.3%</b>
Segment profit	109.3	86.8	<b>-20.6%</b>
Margin	<b>20.7%</b>	<b>16.2%</b>	



## Business update

- MI&A saw traction in credit, risk, data & analytics, and consulting offerings. Partnered with FICCI for the 'PM Gati Shakti Summit' and launched the report at the event and hosted webinars on agriculture and livelihood sector and the upstream textile sector
- Global businesses saw the impact of slowdown in discretionary spending by global financial institutions
- GR&RS saw momentum in lending solutions and regulatory support; and added new logos during the quarter. Published thought leadership pieces on topics such as private markets, US community banking stumble, blue bonds, and EU SFDR amendments
- GBA continues to make progress with both global and regional banks with focus on developing new analytical solutions. Published insights on consolidation in corporate banking, and market structure and technology trends in Equities, FX trading, Bond Markets and Treasury bills

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# Thought Leadership

## Media Coverage

### Indian Economy is Resilient... Changes in Bilateral Trade are a Huge Opportunity

**Monday Musings** **AMISH MEHTA**  
Chief Executive Officer, CRISIL

For those wondering why the Indian economy is resilient, the answer lies in the government's prudent fiscal and monetary policies. The government's focus on infrastructure development and its commitment to maintaining a low inflation rate have been key factors in the economy's resilience. The government's decision to maintain a low inflation rate has helped to attract foreign investment and has supported the growth of the private sector. The government's focus on infrastructure development has helped to create jobs and has supported the growth of the economy. The government's commitment to maintaining a low inflation rate has helped to attract foreign investment and has supported the growth of the private sector. The government's focus on infrastructure development has helped to create jobs and has supported the growth of the economy.



**What more needs to be done?**  
The government needs to continue to focus on infrastructure development and to maintain a low inflation rate. The government also needs to focus on improving the quality of its infrastructure and on creating a more favorable business environment. The government should also focus on improving the quality of its infrastructure and on creating a more favorable business environment. The government should also focus on improving the quality of its infrastructure and on creating a more favorable business environment.

### CRISIL's 8th edition of India Outlook Seminar 2024



CRISIL's 8th Edition of India Outlook Seminar 2024



CRISIL and CII launched knowledge report on Road Safety

**EXPERT VIEW**  
Dharmakirti Joshi

**INTERIM BUDGET 2024-25**

**VIEWROOM**  
Gurpreet Chhatwal, Managing Director, CRISIL Ratings

**FISCAL PRUDENCE IS A PRIORITY FOR THE INTERIM BUDGET**

The interim budget for next fiscal will be framed against the backdrop of a resilient Indian economy amid elevated global risks, and the final budget after the battle of the hostages, most likely in July 2024.

In the first half of this fiscal, the economy beat expectations by growing at 7.7%. For the full fiscal, first advance estimates from National Statistical Office (NSO) peg GDP growth of 7.2%. We expect growth to moderate to 6.8% in fiscal 2025 as global slowdown and impact of rate hikes from RBI have. Even at 6.8% India has to remain the fastest growing large economy.

While that is the good part, challenges loom – largely relating to food inflation, which can be worrisome in a post-hungry world.

Geopolitical developments such as the ongoing conflicts in Europe and the Middle East, and the environment, high uncertainty as well, which can stress commodity and crude prices.

Another challenge is the government's massive fiscal deficit, necessitating and asking it to look for ways to reduce it. The government has to find ways to reduce its fiscal deficit, which is a major challenge. The government has to find ways to reduce its fiscal deficit, which is a major challenge. The government has to find ways to reduce its fiscal deficit, which is a major challenge.

**Keeping the investment cylinders firing**

An election year typically throws fiscal discipline a stray.

The interim Budget showed the government's unwavering commitment to fiscal conservatism and growth. It also showed the government's unwavering commitment to fiscal conservatism and growth. It also showed the government's unwavering commitment to fiscal conservatism and growth.

**RFR transition beyond G5**  
The road ahead for alternative reference rates

**Increasing trust in AI**  
Broad framework to navigate challenges

**The NYCB stumble**  
Lone episode or prelude to wider banking stress?

## Outreach – webinars, events and reports

**Private Markets Pulse: Expert Perspective**

The percentage of investors who increased their allocation was highest for private debt (42%), for private equity (43%) and up to 51% for private equity infrastructure.

**Mark Buckley**  
Global Head of Investment Management at Coalition Greenwich

**Private Markets Pulse: Expert Perspective**

A conversation with Mark Buckley

Guest: **Mark Buckley**, Global Head of Investment Management at Coalition Greenwich

Moderator: **Abhik Pal**, Global Head of Buy-side, Research & Sustainability Practice, CRISIL, GR&S

**Coalition Greenwich**  
A Division of CRISIL

**U.S. Commercial Banking: Top 5 Trends for 2024**

01 2024

Banks that balance talented RMs with technology will capitalize on the competitive environment and differentiate to preserve client trust and satisfaction.

**The Battle for Deposit Growth Enters Its Next Phase**

Companies will continue seeking their deposit business across banks, fueling fierce competition among providers.

**Coalition Greenwich**  
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**Top Trends in Asset Management for 2024**

**CRISIL Ratings**

**CRISIL Ratings webinar on the Renewables sector**  
Green growth contours

**CRISIL Ratings**

**CRISIL Ratings webinar on the airline industry**  
Towards clearer skies

**CRISIL Ratings**

**CRISIL Ratings webinar on the hospitals sector**  
Vigour in vitals

**Sustainable multimodal logistics: A vision and green logistics paradigm**

January 2024

Market Intelligence & Analytics

**THE WALL STREET JOURNAL**

**WSJ**

Wealth Management Is a Risky Gold Rush for Banks

March 30, 2024

WSJ: It is a market served by local relationships, which means the top banks only have a 32% share, Coalition Greenwich research shows.

The elite trading team that likens itself to an army unit. UBS banker points out inconvenient truth about ESG

March 28, 2024

Enfancial Careers: Despite being small by the usual standards of fixed income trading desks, the Jefferies global distressed debt trading team is rated top-five in the last Coalition Greenwich client survey.

SIX picks up majority stake in fixed income data provider FactEntry

March 28, 2024

The Trade: A SIX and Coalition Greenwich report last August found that 80% of buy-side firms surveyed expecting to go up across the board for market data in the next year.

Jefferies' Ex-Navy SEAL Gains Edge in Distressed-Debt Deals

March 27, 2024

Bloomberg: The team's success under Ferreira's leadership is evident in their climb from 10th to 8th in market penetration of distressed assets, as per the Coalition Greenwich Voice of Client 2023 US Fixed Income Study.

**THE TRADE**

E-trading platforms experienced increased share of US equity trading volume in 2023

January 17, 2024

The Trade: 37% of total 2023 volumes were executed through algorithms and/or smart order routers, with this figure expected to reach 40% in the next three years, a Coalition Greenwich report has found. New figures from Coalition Greenwich found that...

US same day settlement 'not a good idea' despite technological advancement, says research outfit Coalition Greenwich

January 12, 2024

Global Custodian: New report asserts that while current technology opens up new possibilities, this does not directly result in good ideas...

It's a Jane Street world

January 11, 2024

Financial Times: Coalition Greenwich estimates that the entire combined revenues of the bond, currency, commodity and equities trading businesses of 'deep breath' Bank of America, Barclays, BNP Paribas, Citi, Deutsche Bank, Goldman Sachs, HSBC...

Citi Trading Veteran Bakunowicz Exits After 30 Years Amid Revamp









January 11, 2024

Bloomberg: Citigroup's currency-trading division has snagged the No. 1 market-share ranking from Coalition Greenwich for 10 straight years.

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# 11 years of driving positive social impact through CSR initiatives

**CRISIL Foundation completed 11 years of impactful work and continues to drive meaningful, positive social and environmental change.**

**CRISIL**  
Foundation

## A saga of positive social impact

### CRISIL Foundation turns 11

"Social impact comes from working with a heart. CRISIL Foundation's many engagements over the years stand testimony to the large heart with which CRISIL works, with its employees, stakeholders, and the communities around it. Over the past 11 years, we are proud to have made significant progress in women empowerment and environment conservation. We remain committed as ever to creating a sustainable and inclusive society."

#RootsOfChange

**Amish Mehta**  
Managing Director & CEO  
CRISIL Limited.



**CRISIL**  
Foundation

## Beyond philanthropy

### CRISIL Foundation's 11-year journey

"CRISIL Foundation's journey over the past 11 years, and the positive impact it has made, has been highly fulfilling. Credit is due to the dedication and commitment of our team and on-ground NGO partners – the foundations of a sustainable CSR programme – for the milestones we have achieved. The good part is the communities we work among also want to be treated with dignity and are willing to invest their time and energy for something they see value in."

#RootsOfChange

**Maya Vengurlekar**  
Chief Operating Officer (COO)  
CRISIL Foundation



## Financial capability building of rural women and communities

 **मैं प्रगती**  
A CRISIL Programme











- Mein Pragati expanded its community impact to more than 2.5 lakh community outreach through its trained Sakhi cadre in Assam and Rajasthan
- As part of RBI's scale-up of the CFL project, 675 centres currently operational, facilitated community outreach of 20 lakh across 14 states and 4 UTs.

## Promoting environment conservation and volunteering

**re** 

Environment conservation – plantation and water rejuvenation initiatives continued in West Bengal and Rajasthan respectively

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# Risks



Geopolitical and market environment



Evolving regulatory landscape



Information and cyber security



Currency movement



Technology disruption – Generative AI

### **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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