

Q1 2021 Analyst Presentation

April 2021



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1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance



5. Thought Leadership



6. Corporate Social Responsibility



CRISIL is a leading global analytics company driven by its mission of making markets function better

 Ratings

 Benchmarking Insights

 Research Services

 Risk Solutions

 Market Insights & Analytics

Empowering decision-making with cutting-edge
#Analytics

#Global footprint

#Innovation
to drive growth

#Agile
to market needs

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Covid-19 pandemic has led to a global recession in 2020, but expectations of good recovery this year



India

Indicator	FY2019	FY2020	FY2021F	FY2022F
GDP (y-o-y %)	6.5	4.0	-8.0*	11.0
10 year G-sec yield (% , March)	7.5	6.2	6.2	6.5
Fiscal deficit (% of GDP)	3.4	4.6	9.5	6.8#
Exchange rate (Re/\$, March avg.)	69.5	74.4	72.8	75.0
CPI Inflation (%)	3.4	4.8	6.2	5.0
Gross NPA (%)	9.1	8.2	8.5-9.0@	10.5-11
Repo Rate (% , March-end)	6.25	5.15	4.00	4.25
Gross Bank Credit Growth (%)	11.0	6.0	5.0	9-10



Global

Indicator	CY2018	CY2019	CY2020F	CY2021F
World GDP (y-o-y %)	3.6	2.9	-3.5	5.5
United States of America (y-o-y %)	2.9	2.3	-3.5	6.5
Eurozone (Euro Area-19) (y-o-y %)	1.9	1.2	-6.8	4.2
China GDP (y-o-y %)	6.6	6.1	2.3	8.0

Note: F=forecast; # Budget estimate; * NSO advance estimate; ** Estimate
 Source: NSO, RBI, CRISIL, S&P Global Economics and Oxford Economics
 @ including restructured accounts forecast would be 11.0-11.5%

Key business trends



Economic revival



Buoyant capital markets



Financial and credit stress



AI/ML adoption



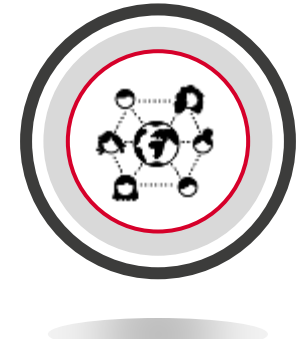
Accelerated digital transformation



Emphasis on social and sustainable practices



Increasing focus on non-financial risk



Remote working and distributed model

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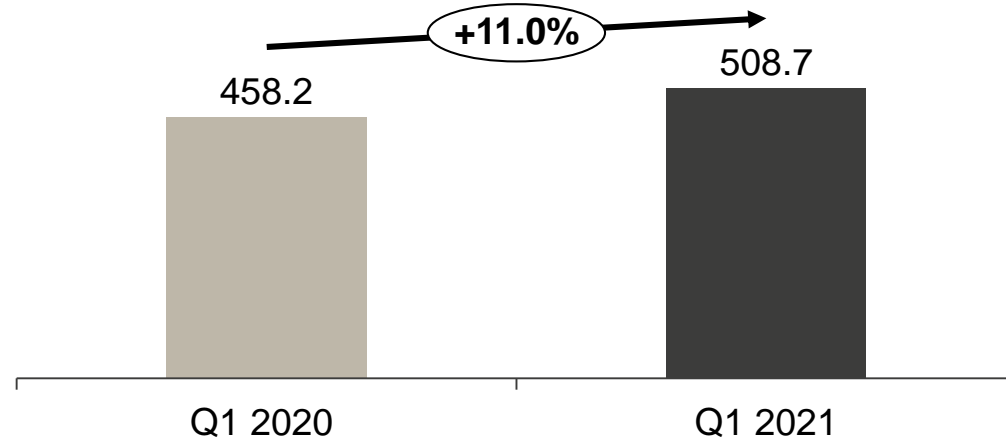
6. Corporate Social Responsibility



Q1 2021 results: Income from Operations up 15.8%

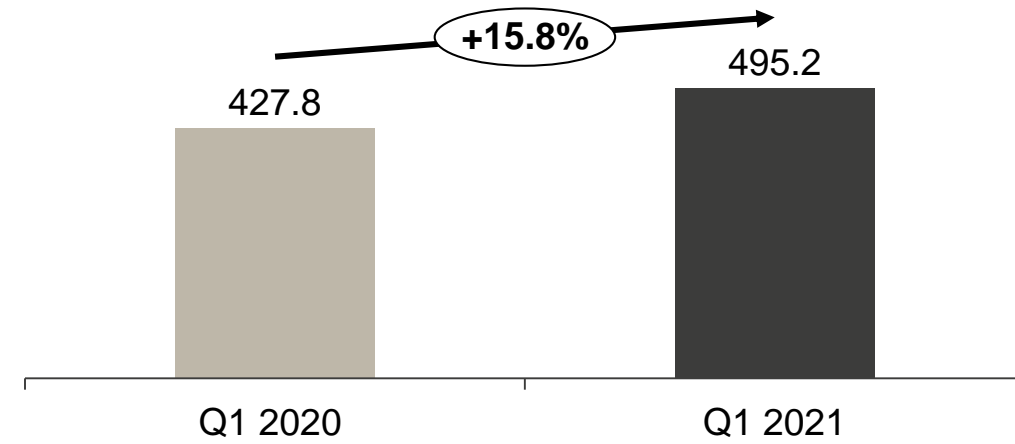
Total Income

₹ crore



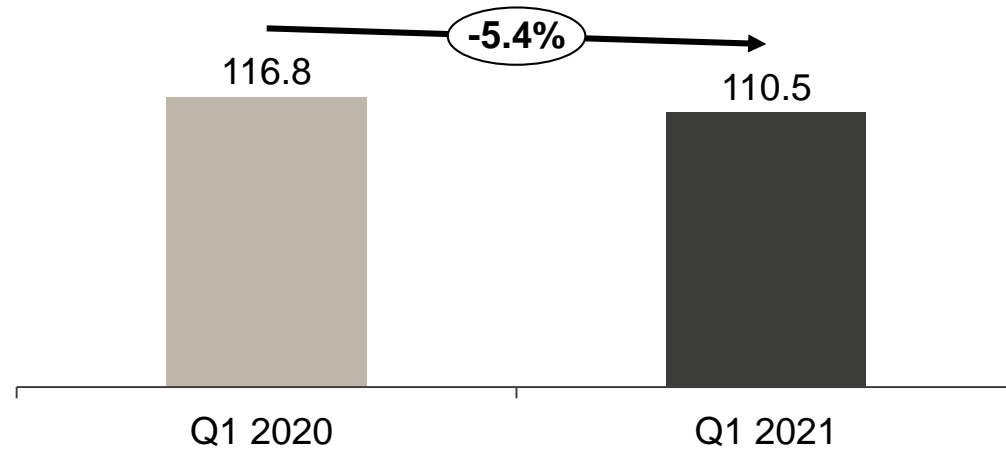
Income from operations

₹ crore



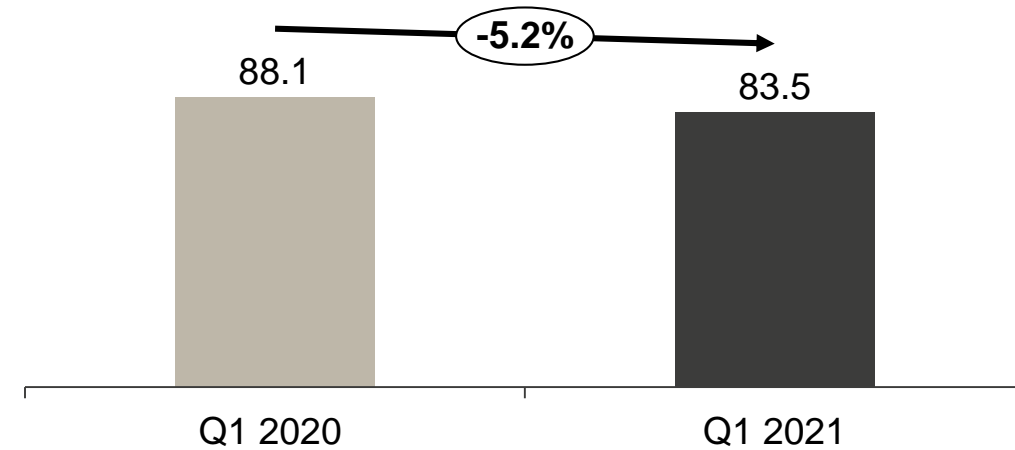
Profit Before Tax

₹ crore



Profit After Tax

₹ crore



Note:

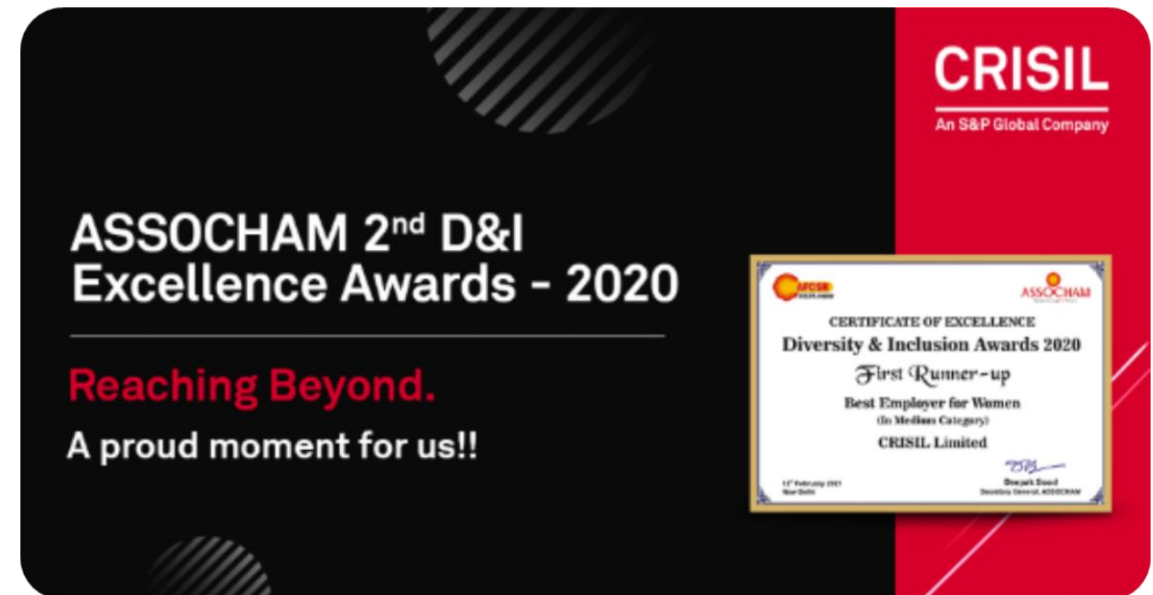
1. Numbers rounded off
2. Q1 2021 include full quarter financials of Greenwich Associates LLC, acquired in February 2020, as against one month's numbers considered in the same quarter of the previous year.

Awards and Recognition



Scenario Expansion Manager (SEM) platform for Stress Testing has been awarded the Risk Markets Technology Awards 2021 by Risk.net under the 'Best Modelling Innovation' category

Awarded the ASSOCHAM Diversity and Inclusion Excellence Award



CII HR Excellence Award



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4. Segment Performance - Ratings

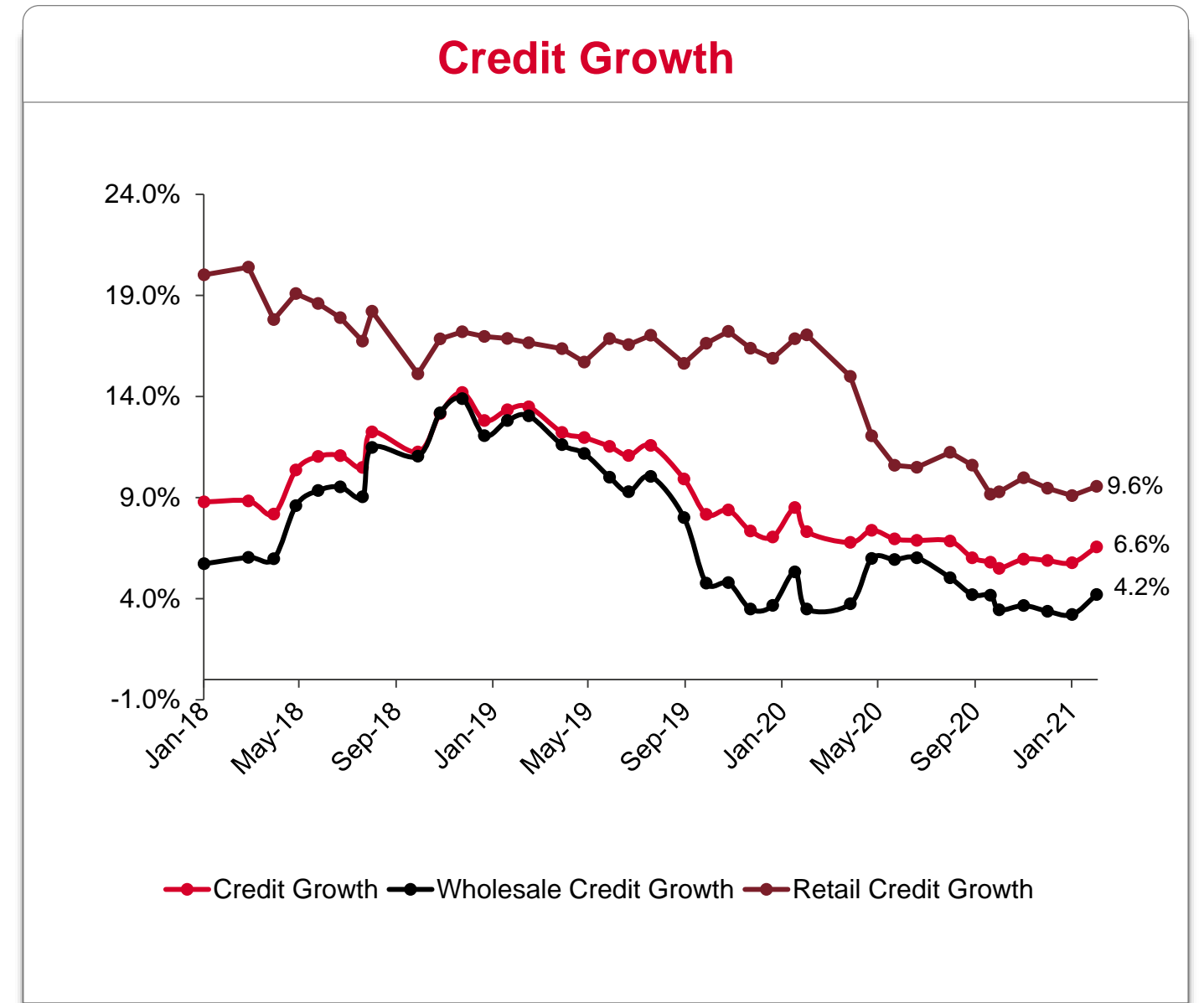
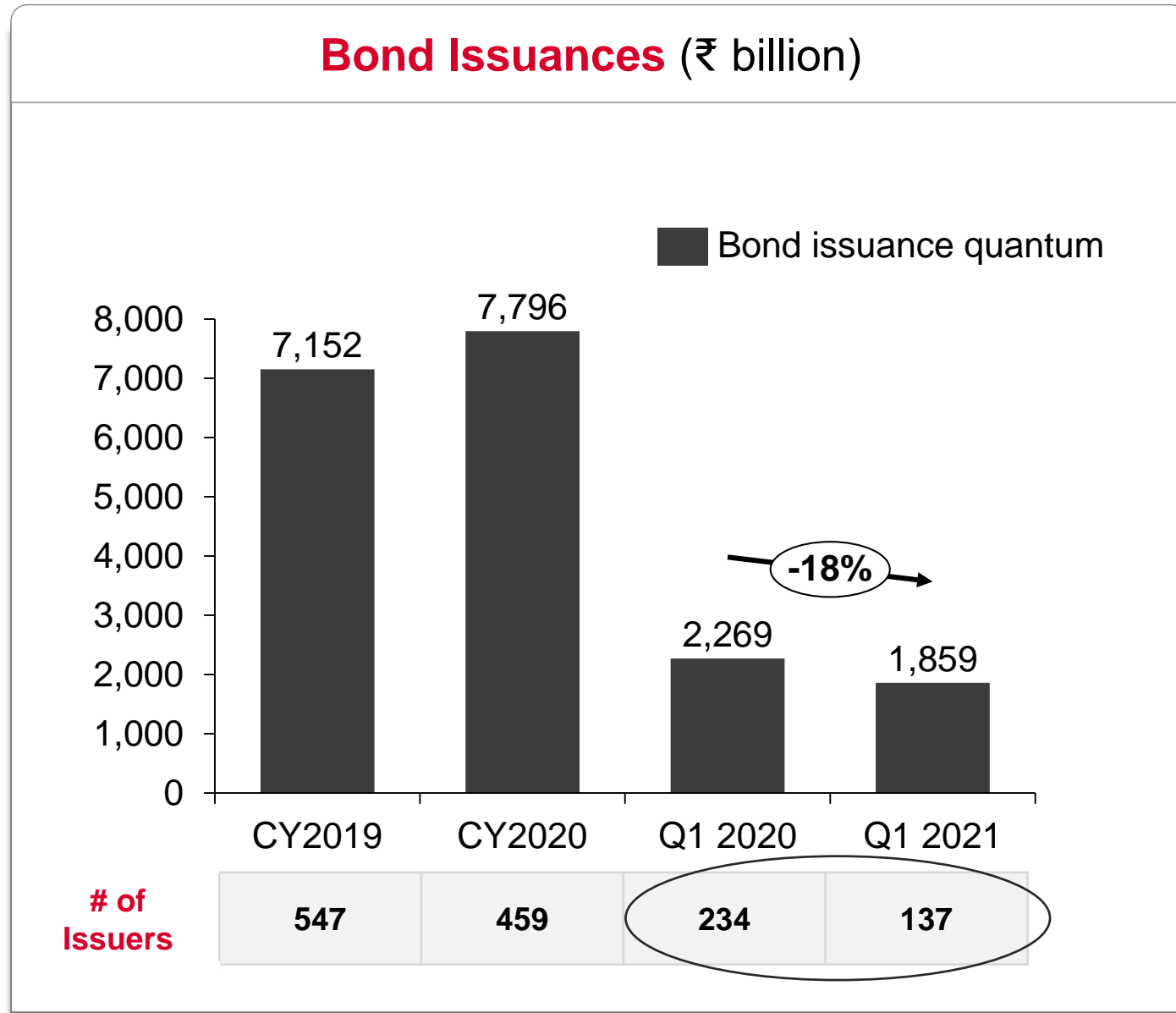


5. Thought Leadership



6. Corporate Social Responsibility

Fewer issuances in bond market; bank credit growth remains muted especially for the corporate segment



Source: RBI, SEBI, Ministry of Finance, Prime Database, CRISIL

CY represents the calendar year (Jan-Dec period);

Ratings: Q1 2021 highlights



Financials

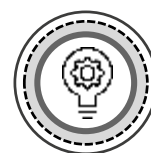
Particulars (₹ cr)	Q1 2020	Q1 2021
Income from Operations	133.2	148.9
Segment Profits	57.6	70.3
Margin	43.2%	47.2%

Note: Numbers rounded off



Business update

- During the quarter, Ratings segment registered strong revenue growth of 11.8% driven by strong surveillance fees, new client additions and Global Analytical Center (GAC) deepening coverage across practices including ESG
- Growth in the Ratings business was despite:
 - Lower debt issuers by ~41% and issuances (in quantum) by ~18% during the quarter on a y-o-y basis
 - Banking credit growth expected at ~5% yoy as of March 2021 versus a 6% growth a year back owing to muted growth in corporate credit as capex plans were delayed
 - Uneven recovery in domestic economic activity
- GAC grew by deepening coverage across practices, stepped up support for ESG offerings and automation initiatives



Innovation and franchise

- Published over 30 press releases and hosted multiple webinars on key sectors such as Automobile, Media, NBFC, Retail, Steel
- Hosted 6th edition of Bond Market Seminar with the theme 'Bonds that build a nation' and unveiled the CRISIL Yearbook on the Indian Debt Market 2021

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4. Segment Performance - Research

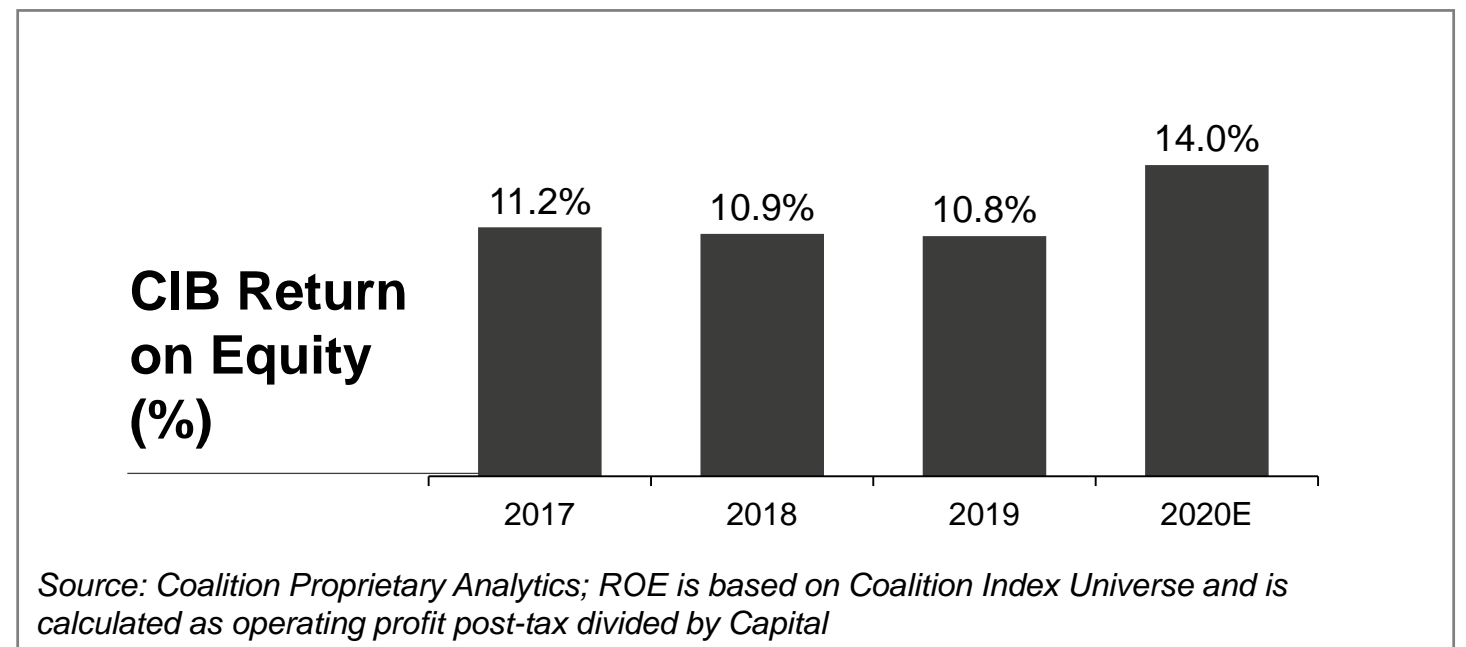
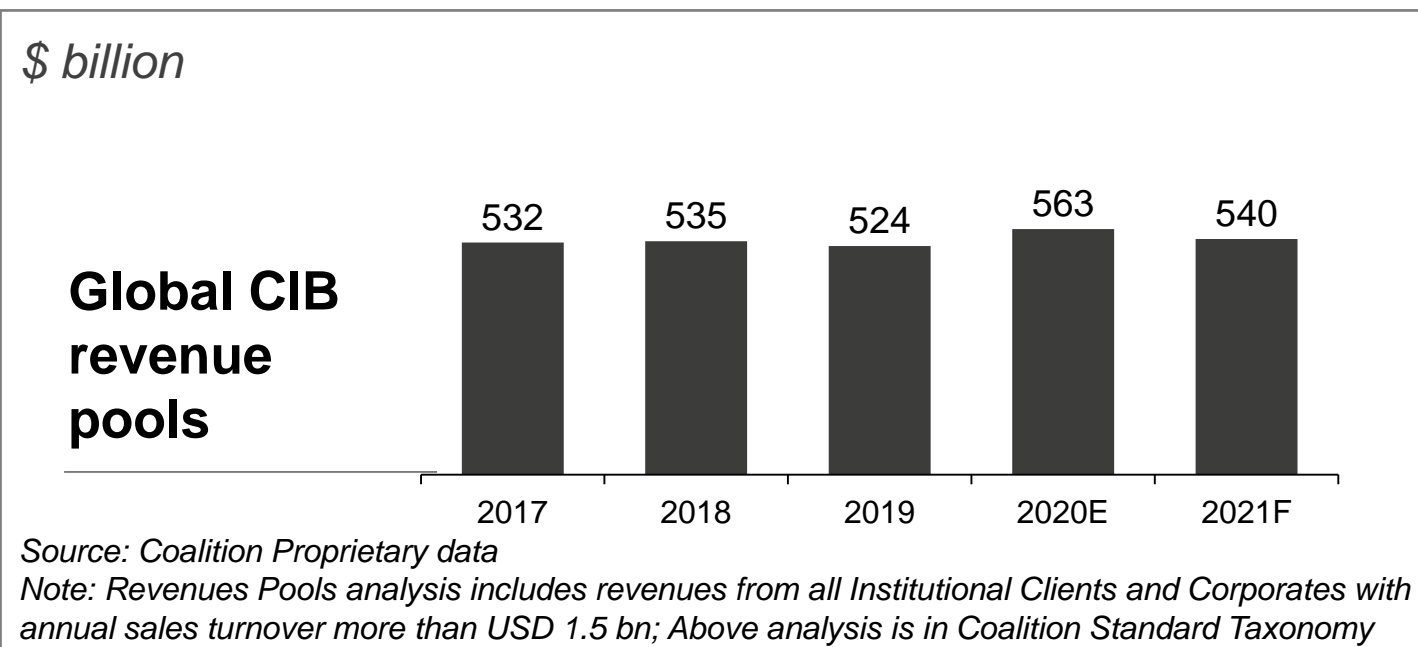
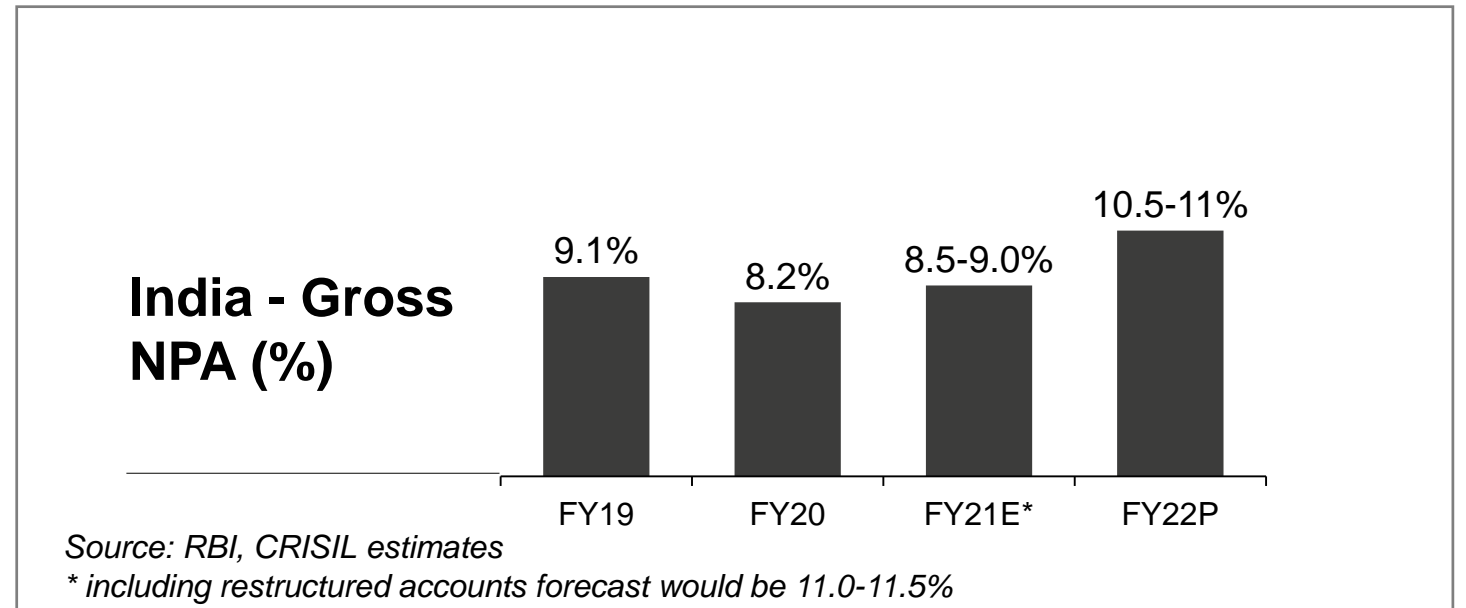
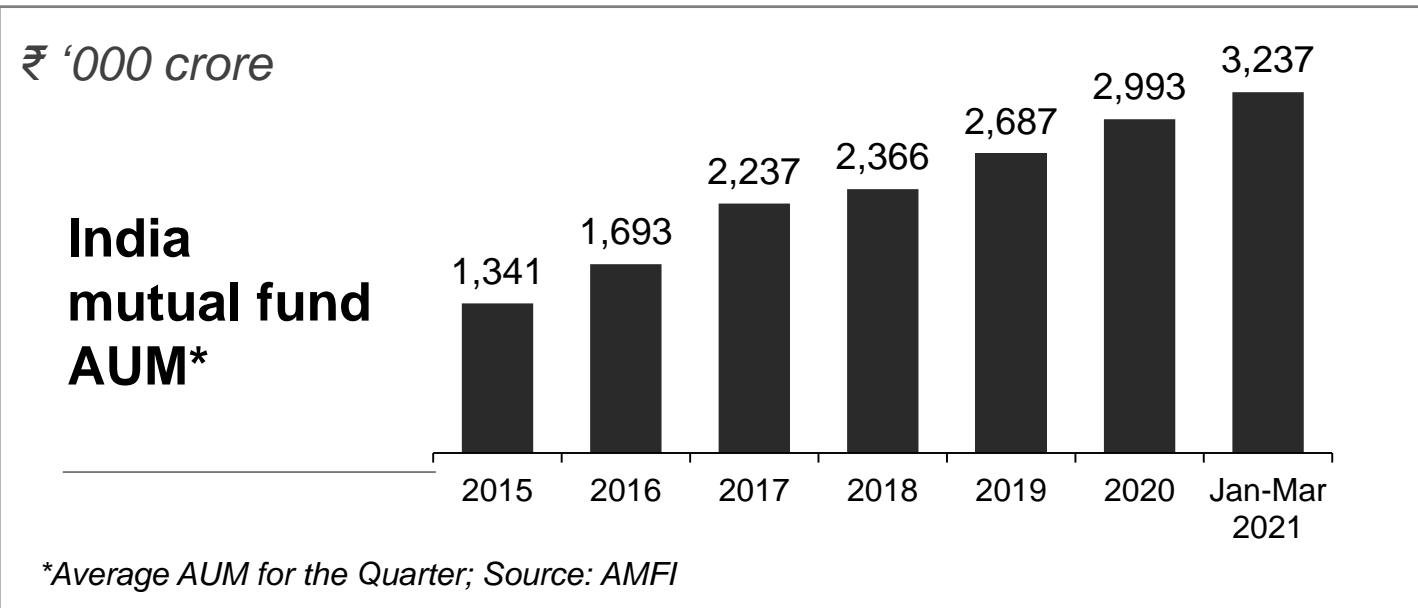


5. Thought Leadership



6. Corporate Social Responsibility

Indian MF AUM continues to attract inflows; Global CIBs benefited from trading revenues, however pressure continues



Evolving regulations present opportunities

USA: Maturing

- CCAR
- DFAST
- FRTB
- IBOR
- CECL
- UMR (Phase V and VI)

Europe: Tightening

- EBA/PRA Stress Testing
- BASEL III
- FRTB
- TRIM
- IBOR
- UMR (Phase V and VI)

Asia: Nascent

- IFRS9
- IBOR
- Stress Testing

CCAR: Comprehensive Capital Analysis and Review
DFAST: Dodd-Frank Act Stress Tests
CECL: Current Expect Credit Loss
EBA: European Banking Authority
MiFID: Markets in Financial Instruments Directive
UMR: Uncleared Margin Rules

PRA: Prudential Regulation Authority
TRIM: Targeted Review of Internal Models
IFRS: International Financial Reporting Standards
IBOR: Interbank Lending Rate
FRTB: Fundamental Review of Trade Book

Research: Q1 2021 highlights



Financials

Particulars (₹ cr)	Q1 2020	Q1 2021
Income from Operations	264.4	312.2
Segment Profits	55.7	53.2
Margin	21.1%	17.0%

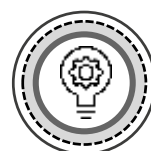
Note:

1. Numbers rounded off
2. Q1 2021 include full quarter financials of Greenwich Associates LLC, acquired in February 2020, as against one month's numbers considered in the same quarter of the previous year
3. CIB – Corporate & Investment Banking



Business update

- Research segment posted healthy revenue growth of 18.1% driven by Global Research and Risk Solutions (GRRS) and Greenwich
- GRRS growth was due to existing and new mandates across transformation, change and regulatory offerings and increased demand from buy-side for research in the areas such as distressed and private debt
- Performance of CIB industry continued to normalise, but higher costs and increased capital requirement impacted spends. Nonetheless, Coalition Greenwich saw client wins in the US, Asia-Pacific and Europe and good traction for Greenwich's Voice-of-Client analytics
- India Research saw increased demand for data, research and analytics underpinned by uptick in capital market and industrial activity. New products - AIF benchmarks, wealth tracker also supported performance
- Adverse foreign exchange movement impacted segment margins



Innovation and franchise

- India Research successfully hosted the 5th edition of India Outlook Seminar engaging with over 700 clients from 400+ organisations
- SEM (Scenario Expansion Manager), our stress testing platform, won the Risk Markets Technology 2021 award for the 'Best Modelling Innovation
- Coalition Greenwich released over 15 reports, including Coalition Index reports and thought leadership research; webinar on financial market structure trends
- India Research hosted webinars on Cement and Automobile sectors

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4. Segment Performance - Advisory



5. Thought Leadership



6. Corporate Social Responsibility

Advisory: Q1 2021 highlights



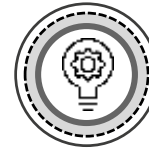
Financials

Particulars (₹ cr)	Q1 2020	Q1 2021
Income from Operations	30.2	34.0
Segment Profits	0.7	2.6
Margin	2.3%	7.6%



Business update

- The segment saw revenue and margin growth driven by infrastructure and credit risk mandates
- Infrastructure advisory saw increased demand across government- and multilateral-supported programs
- BIRS saw improved traction from credit management and risk-monitoring solutions



Innovation and franchise

- Participated in the S&P Global Platts 8th Asian Refining Virtual Summit on 'Energy Transition and strive for net zero'
- Co-hosted webinar on the topic 'Mending the property tax'

Note: Numbers rounded off

Risks



Prolonged impact of Covid-19 pandemic and delay in economic revival



Evolving regulatory environment



Information security and cyber-related risks



Adverse currency movement



Intense competition



Reputation risk

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5. Franchise and thought Leadership



6. Corporate Social Responsibility



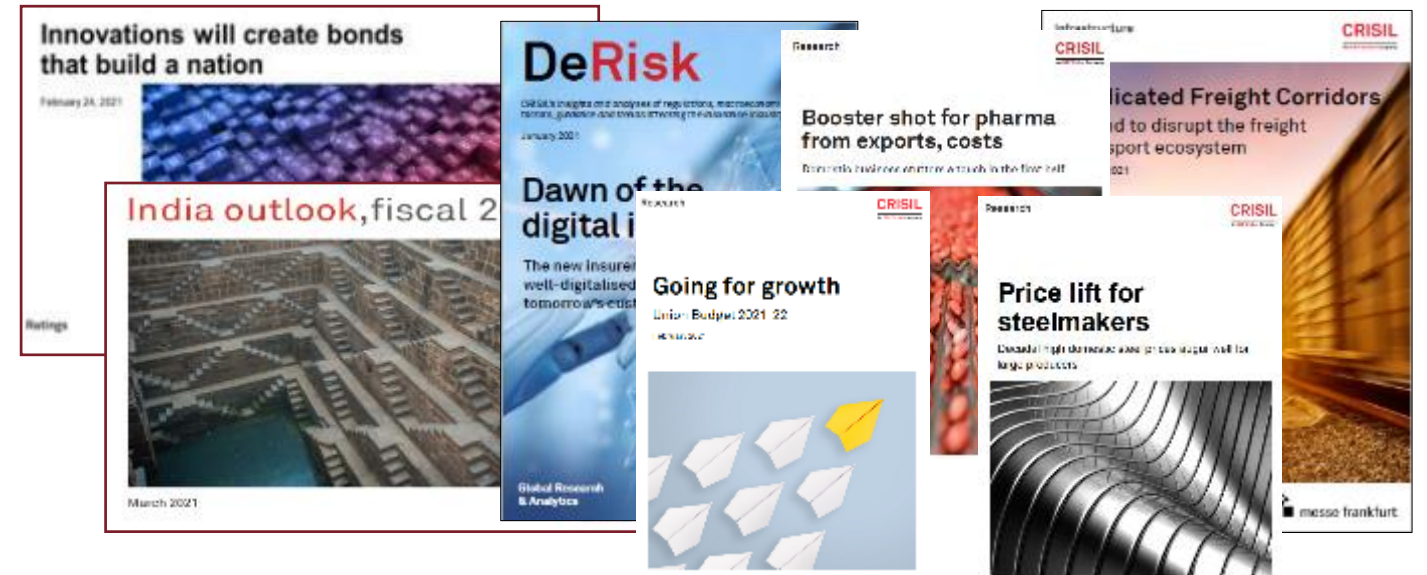
A 'TRUSTED' voice in Media



Media



Reports



Budget 2021

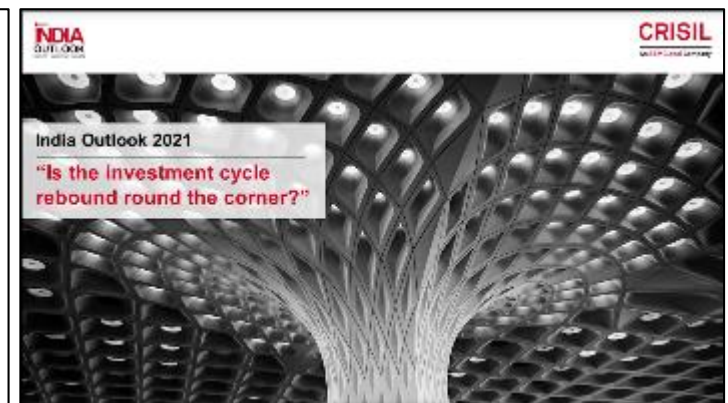


Flagship events

6th edition of CRISIL's Flagship Bond Market Seminar with the theme 'Bonds that build a nation'



5th edition of India Outlook Seminar titled 'Is the investment cycle rebound round the corner'



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5. Thought Leadership

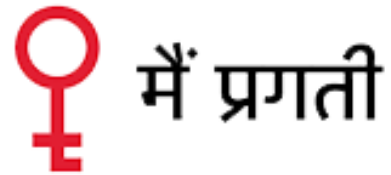


6. Corporate Social Responsibility



CSR initiatives continue to drive last-mile impact

Contributing to CRISIL's ESG focus by driving inclusive growth and conserving environment through afforestation projects



A CRISIL Programme



Financial capability building of rural women in Assam, Rajasthan, Haryana and Maharashtra

- Over 32,000 beneficiaries trained, 59,000+ linkages facilitated to formal banking products and social welfare schemes.
- Mein Pragati in Assam and Rajasthan continued to provide last-mile financial inclusion services through 860+ active and trained Sakhis in over 1,300+ villages
- Over 600 Sakhis formally certified under GramShakti; 50 certified GramShakti cadre from Haryana to start work as BC Bank Sakhis
- Continued to work with RBI on money wise centers for financial literacy with the pilot for 25 centers across Haryana, Maharashtra and Rajasthan getting extended



Promoting environment conservation, disaster relief and larger social consciousness among employees

- MoU signed with IAHV (International Association for Human Values) to construct two check dams in Pune and Mumbai; expected to provide 5 lakh litres of water storage capacity
- Under Disaster Relief India Flood Disaster Response 2019, formally handed over eight renovated and restored schools across Maharashtra, Karnataka and Kerala.



About CRISIL

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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 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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