

# 2021 Analyst presentation

February 2022



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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 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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# Global recovery leads to better macro-economic performance



**India**

Indicator	FY2020	FY2021	FY2022F	FY2023F
GDP (y-o-y %)	3.7	-6.6	9.2 <sup>^</sup>	7.8
10-year G-sec yield (% , March)	6.2	6.2	6.8	7.0 <sup>^^</sup>
Fiscal deficit (% of GDP)	4.7	9.2	6.9 <sup>*</sup>	6.4 <sup>**</sup>
Exchange rate (Re/\$, March avg.)	74.4	72.8	75.0	76
CPI Inflation (%)	4.8	6.2	5.5	5.2
Repo Rate (% , March-end)	4.40	4.00	4.00	↑
Credit Growth (%)	6.0	~5.0	~9.0-10.0	↑



**Global**

Indicator	CY2019	CY2020	CY2021F	CY2022F
World GDP (y-o-y %)	2.9	-3.3	5.7	4.2
United States of America (y-o-y %)	2.3	-3.4	5.5	3.9
Eurozone (Euro Area-19) (y-o-y %)	1.2	-6.5	5.1	4.4
China GDP (y-o-y %)	6.1	2.3	8.0	4.9

Note: F: Forecast; <sup>^</sup>NSO first advance estimate, <sup>\*</sup>revised estimate; <sup>\*\*</sup>budget estimate; <sup>^^</sup>with upside risks  
 Source: NSO, RBI, Budget documents, Ministry of Finance, CRISIL

FY represents the financial year (Apr-Mar period)  
 CY represents the calendar year (Jan-Dec period)

# Overall positive trends but few risks remain

## Macro Trends



Healthy economic growth



Expected capex cycle revival



Geopolitical uncertainty



Inflationary pressures

## Business environment trends



Buoyant capital market activity



Increased emphasis on credit and non-financial risk



Accelerated digital transformation









Social and sustainable practices gaining momentum



Evolving supply chain dynamics

# Agenda

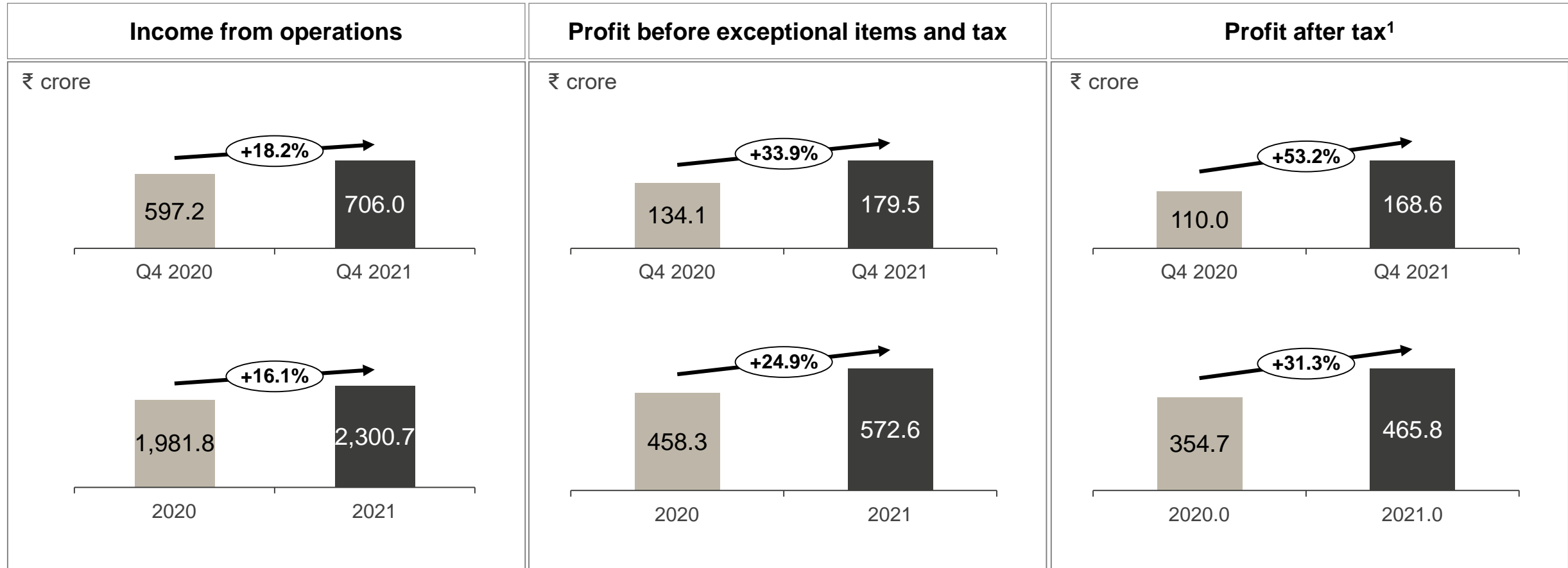
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# 2021 Performance snapshot

- Strong financial performance
  - Income from operations for the quarter up 18.2% and for the year 2021 up 16.1%
  - PBT before exceptional items and tax for the quarter up 33.9% and for the year 2021 up 24.9%
  - Profit after tax up 53.2% for the quarter and 31.3% for the year 2021
- Sustained progress on customer, operations, and people agenda
  - Robust client additions across all business segments
  - Maintained market leading position in corporate bond ratings
  - Tapped opportunities across risk transformation, credit risk, buy side research and sustainability
  - Positive momentum across new product offerings and solutions
  - Enhanced engagement with stakeholders through whitepapers, webinars and events
  - Continued focus on “employee first” approach through multiple initiatives
  - Investments across talent and technology

# Robust growth in Q4 2021 and full year 2021



- Final dividend of Rs 22 per share, including a special dividend of Rs 7 per share, recommended. Total dividend of Rs 46 per share for the year 2021 vs Rs 33 per share in 2020

Numbers rounded off to first decimal

The results include the full-year financials of Greenwich Associates LLC (acquired on February 26, 2020), while for the same period last year, 10-month financials were considered.

<sup>1</sup>Profit after tax for the quarter and year ended December 31, 2021, includes Rs 45.8 crore towards profit on sale of property

# Strategy of sustainable growth driven through new solutions and offerings..



Possible with  
**SMART**

**Independent Credit  
Evaluation**

**Expected Loss  
Ratings**



**Quantix**  
Information | Intelligence | Insights



**CRISIL Alternate Investment Funds  
Benchmarks**

**CRISIL ESG Scores**

# ..including sharper focus on ESG

## Our commitment to ESG

**At CRISIL, we endeavour to make sustainability foundational to everything we do**

**We minimise our carbon footprint and contribute to protecting the ecosphere of the communities we work in**

**Diversity, equity and inclusion, and employee well-being are essential for our long-term, sustainable growth**

**We are committed to upholding the highest standards of corporate governance**

**We integrate environmental, social and governance (ESG) factors in our offerings**

**Our ESG research, data, insights, assessments and solutions empower customers and stakeholders to make decisions with conviction, and contribute to sustainable progress globally**

## Growing suite of offerings

- **ESG Scores (India) – 225+ companies**
- **ESG research for sell side and buy side**
- **Sustainability assessment of loan book**
- **ESG Benchmarks and framework assessment**
- **Supporting S&P Global in ESG evaluations**

## Thought Leadership

**RISE Roundtable:**  
How cross-industry collaboration between Multilateral Development Banks (MDBs) can help them better navigate the impact of Climate Change

**Key takeaways**

**ESG India Leadership Summit**  
The inexorable march of ESG

**Discussion forum**  
Bracing for convergence in ESG reporting standards

**Moderator**  
Anand Narasimhan  
Practice Head, Fundamental Research  
CRISIL Global Research and Risk Solutions

**Panelists**

- Cécilia Moltry**  
Co-Head of Sustainable Finance Markets  
BNP Paribas CIS
- Glen K. Yelton**  
Head of ESG Client Strategies, North America  
Invesco Global Asset Management
- Steven Bullock**  
Global Head of ESG Product Innovation and Analytics  
Thruost, part of S&P Global

# Recognition through multiple awards and honors

## Great Place to Work Recognition



Awarded 2<sup>nd</sup> year in a row

## Diversity Recognition



Part of "2021 Working Mother & Avatar Best Companies for Women in India"

## Diversity Recognition



Part of "IWEI Top Employers"

## Marketing Impact Recognition



Product Launch - ESG Gauge

## Global Recognition



Risk Markets Technology Award for best modelling innovation - SEM

## Human Resources Recognition



HR Excellence Award

## Governance Recognition









Ethical Business Group

## CSR Recognition

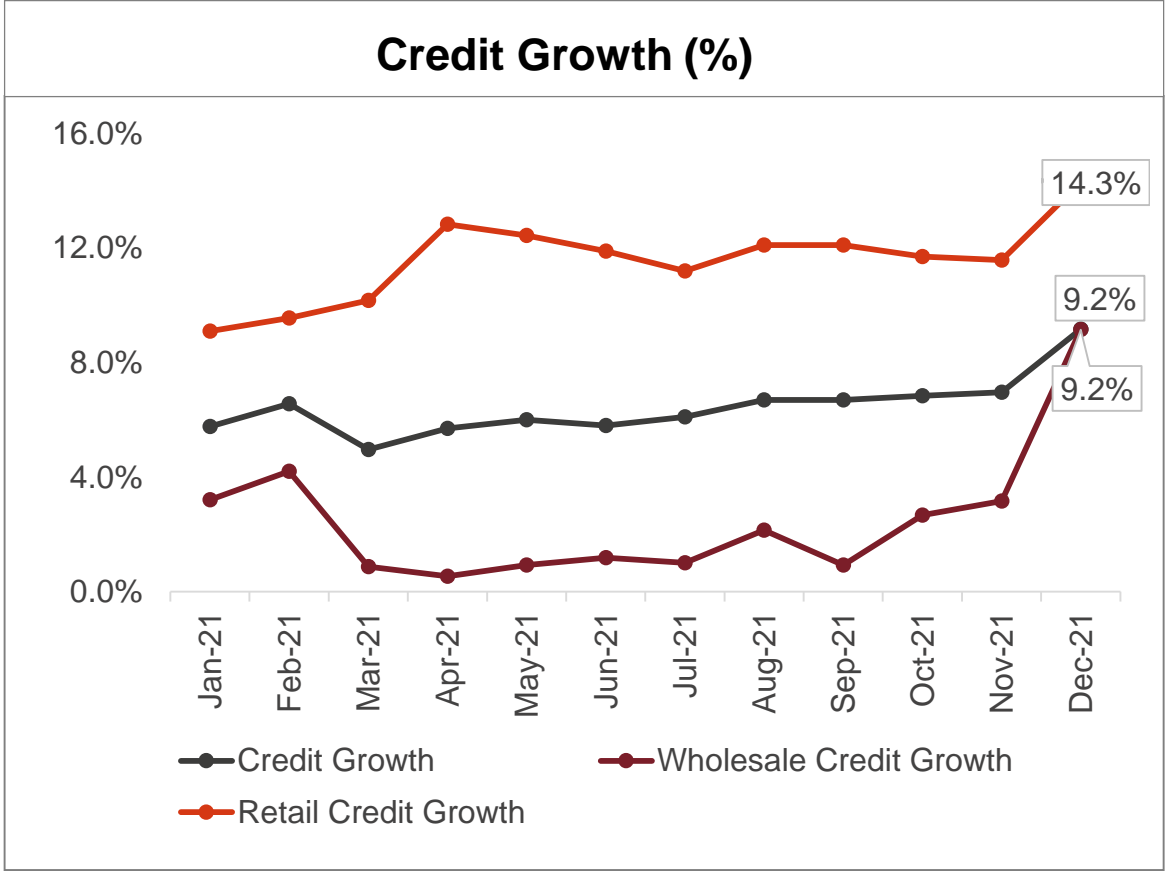
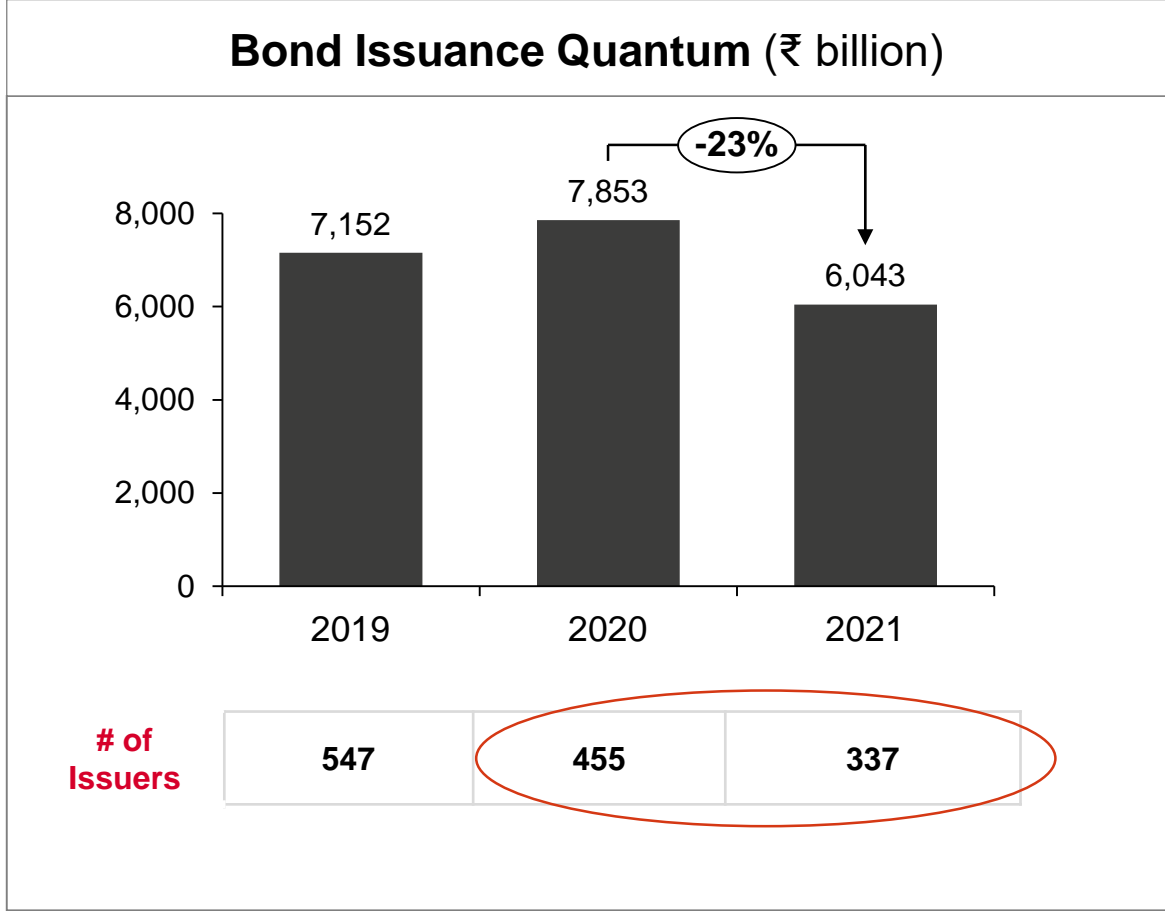


CSR Foundation of the Year Award

# Agenda

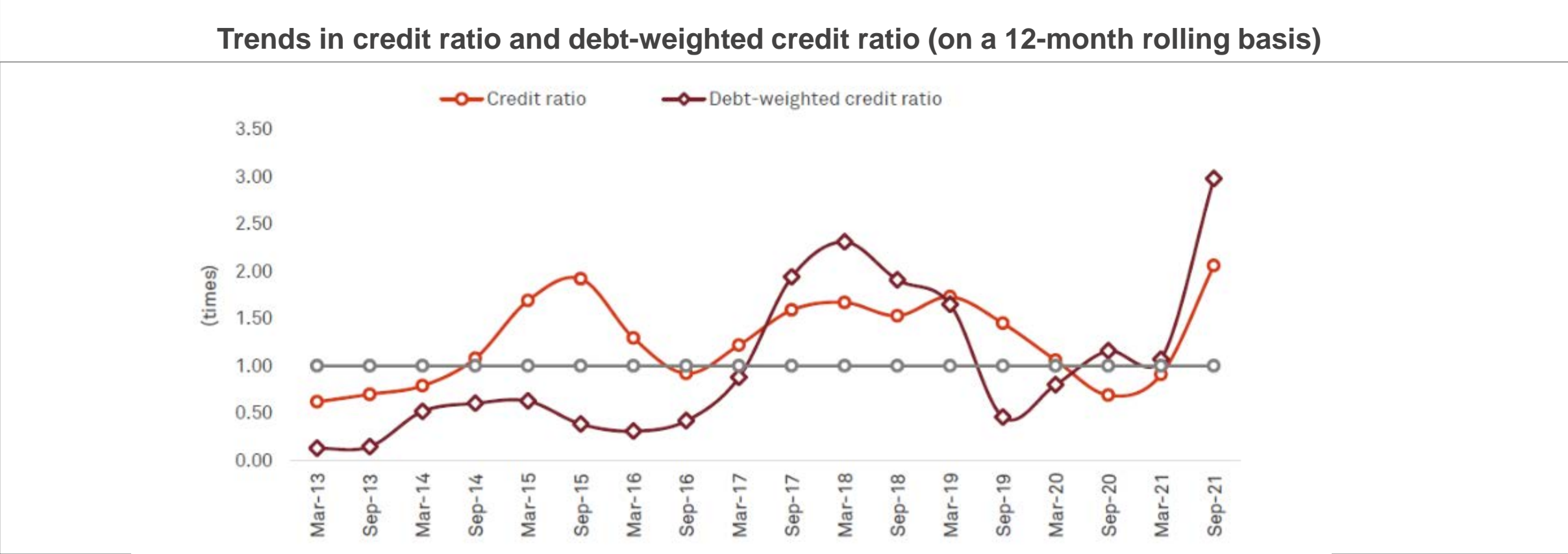
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# Capital markets issuers saw decline during the year; credit growth remains subdued



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

# Sustained economic recovery driving improvement in credit ratio<sup>1</sup>



<sup>1</sup>Reflects to the ratio of upgrades to downgrades. Excludes rating actions involving ratings with the Issue-not-cooperating (INC) suffix

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# Ratings: Highlights



## Financials

Particulars (₹ cr)	Q4 2020	Q4 2021	Growth
Income from Operations	150.7	165.0	<b>9.5%</b>
Segment Profit	58.0	66.0	<b>13.8%</b>
Margin	<b>38.5%</b>	<b>40.0%</b>	<b>150 bps</b>

Particulars (₹ cr)	2020	2021	Growth
Income from Operations	565.0	604.1	<b>6.9%</b>
Segment Profit	226.7	252.7	<b>11.5%</b>
Margin	<b>40.1%</b>	<b>41.8%</b>	<b>170 bps</b>



## Business update

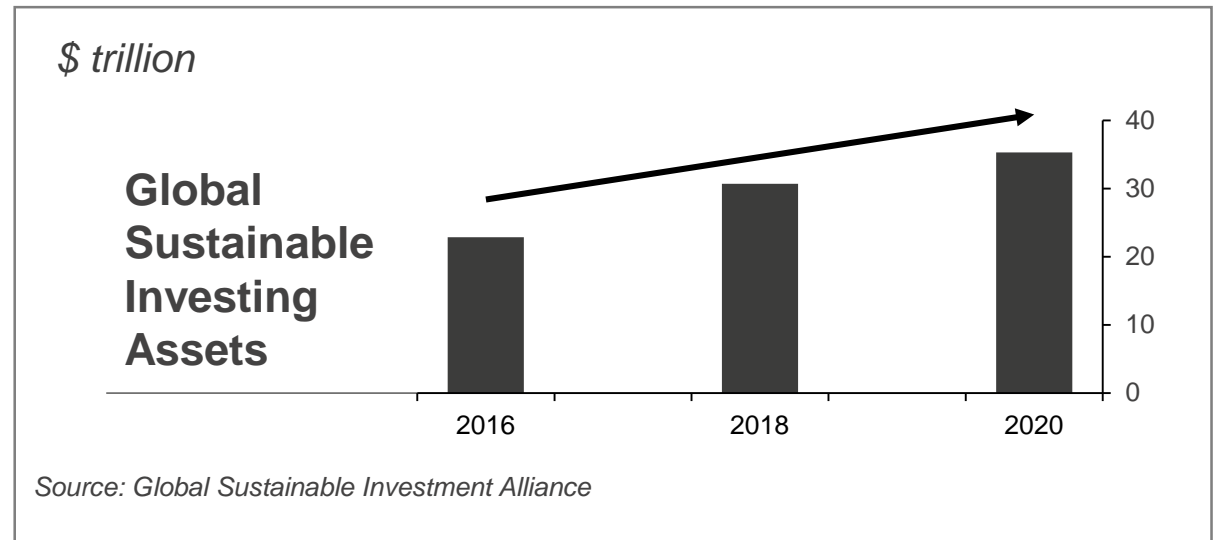
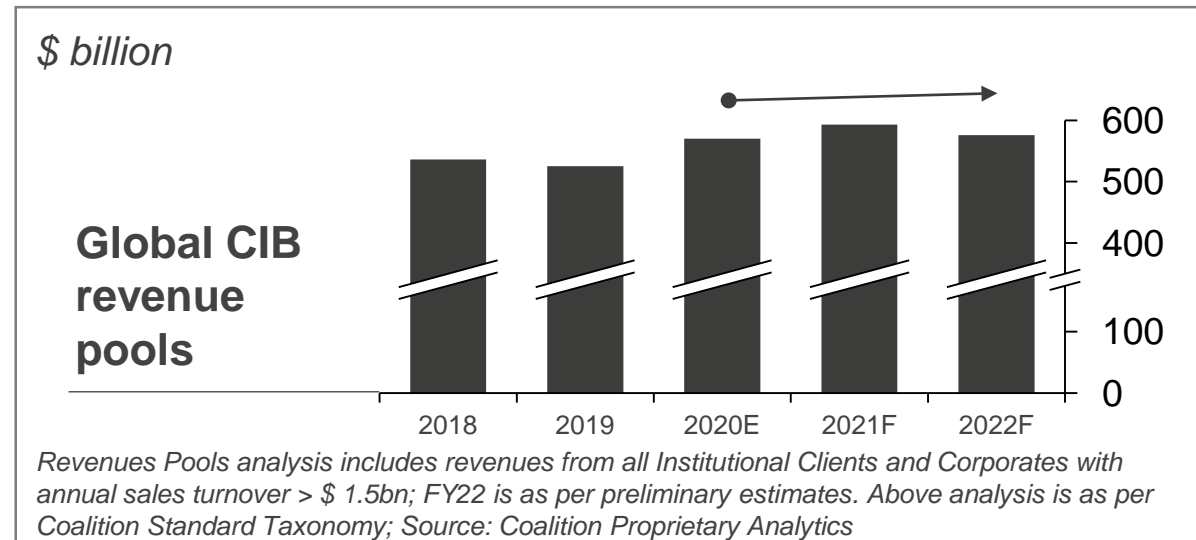
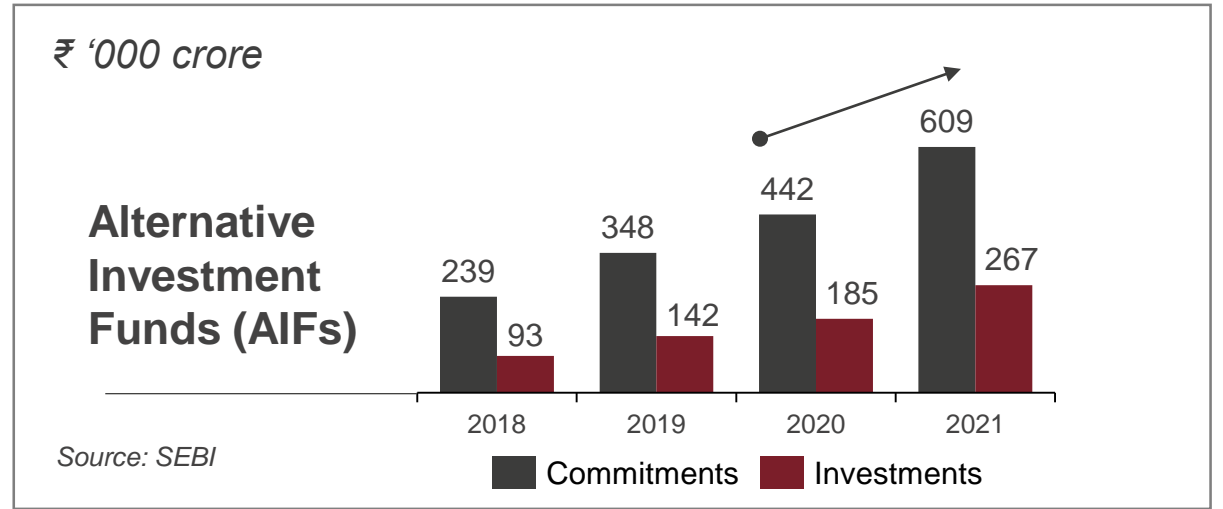
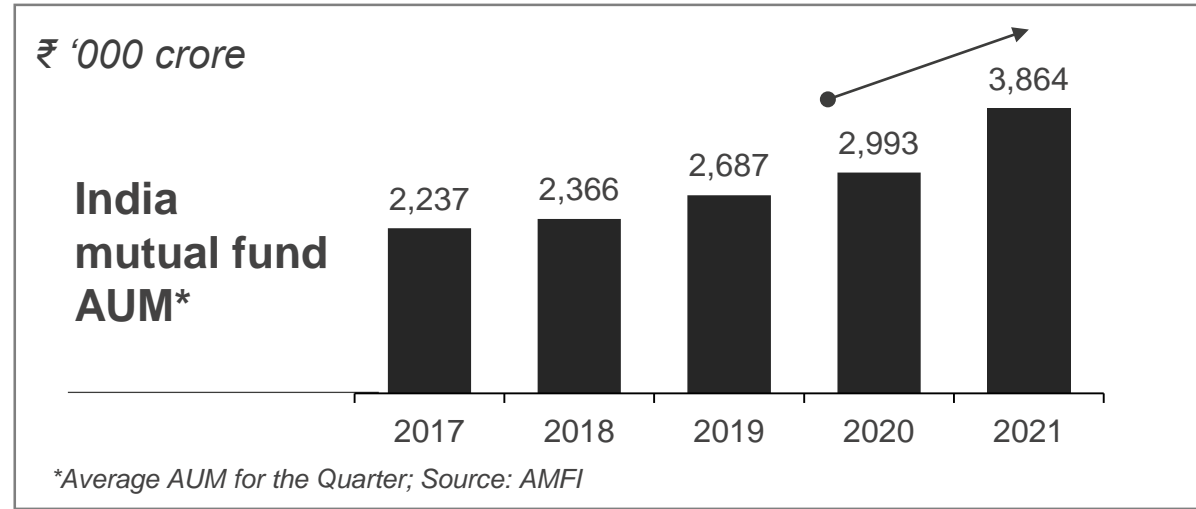
- CRISIL Ratings continues to maintain market leading position in corporate bond ratings and added new clients during the quarter driven by improved lending activity in line with economic recovery
- The business also saw increased penetration in the mid-corporate segment and traction for stressed asset offerings
- Revenue at CRISIL Ratings grew 16.8% on-year in the December quarter, and 7.5% in 2021
- Global Analytical Center (GAC) increased support to the analytical, sustainability and transformation projects of S&P Global Ratings Services
- The Ratings segment revenue grew 9.5% on-year in the December quarter and 6.9% in 2021

Note: Numbers rounded off to first decimal

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# Indian markets continue positive run and ends the year on a high; Globally, CIB industry normalizes and ESG gains momentum



# Evolving regulations present opportunities

## USA

- DFAST
- FRTB
- CECL
- BSA / AMLA
- OCC's MRM Handbook
- UMR (Phase V and VI)

## Europe, including UK

- SFDR, EU Taxonomy
- CBES, SS 3/19
- BASEL III finalization
- ICAAP
- CCR
- IRRBB
- DTS plan deficiencies
- Regulatory reporting
- UMR (Phase V and VI)

## Global themes

- ESG integration, reporting
- FCC/AML
- Stress Testing
- Cyber security
- Third-party risk
- Customer and Conduct risk

## APAC & Australia

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

DFAST: Dodd-Frank Act Stress Tests  
 FRTB: Fundamental review of the Trading Book  
 CECL: Current Expect Credit Loss  
 BSA/AML: Banking Secrecy Act, Anti-Money Laundering Act  
 OCC's MRM: Office of the Comptroller of the Currency; Model Risk Management  
 UMR: Uncleared Margin Rules

CBES: BOE's Climate Biennial Exploratory Scenario  
 SS 3/19: BOE's Supervisory Standard on Climate Risk  
 SFDR: Sustainable Finance Disclosure Regulation  
 CCR: Counterparty Credit Risk  
 Basel III finalization: FRTB and Output Floors

DTS: Digital Transformation Strategy  
 IRRBB: Interest Rate Risk in the Banking Book  
 CVA: APRA's Climate Vulnerability Assessment  
 APS 117: APRA's prudential standard for IRRBB  
 CPS 230: APRA's new standard for operational risk mgmt.

# Research: Highlights



## Financials

Particulars (₹ cr)	Q4 2020	Q4 2021	Growth
Income from Operations	406.8	494.3	<b>21.5%</b>
Segment Profit	71.1	107.5	<b>51.2%</b>
Margin	<b>17.5%</b>	<b>21.7%</b>	<b>420 bps</b>

Particulars (₹ cr)	2020	2021	Growth
Income from Operations	1282.7	1543.7	<b>20.3%</b>
Segment Profit	209.0	324.1	<b>55.1%</b>
Margin	<b>16.3%</b>	<b>21.0%</b>	<b>470 bps</b>









## Business update

- In Research, the Global Research & Risk Solutions (GR&RS) business saw client wins and continued to grow in December quarter led by
  - Increased demand for our offerings in the areas of regulatory reporting, product control, sustainability, and buy-side research
  - Business opportunities driven by investments in digital and regulatory-driven transformation agenda at financial institutions
- The India Research business witnessed growth following the pick-up in economic activity with increased traction for data, insights, and capital market research offerings
- Revenue growth at Global Benchmarking Analytics was driven by deals with global corporate and investment banks
  - Greenwich Associates strengthened its regional client base and expanded relationships with commercial banks
- The overall Research segment revenue grew 21.5% on-year in the December quarter and 20.3% in 2021

Note: Numbers rounded off to first decimal

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# Advisory: Highlights



## Financials

Particulars (₹ cr)	Q4 2020	Q4 2021	Growth
Income from Operations	39.8	46.8	<b>17.6%</b>
Segment Profit	6.4	8.8	<b>37.5%</b>
Margin	<b>16.1%</b>	<b>18.8%</b>	<b>270 bps</b>

Particulars (₹ cr)	2020	2021	Growth
Income from Operations	134.1	152.9	<b>14.0%</b>
Segment Profit	10.1	16.6	<b>64.4%</b>
Margin	<b>7.5%</b>	<b>10.9%</b>	<b>340 bps</b>









## Business update

- The Advisory segment saw good momentum with revenue growing 17.6% on-year in the December quarter and 14.0% in 2021
- The business bagged large wins from multilaterals and expanded its overseas clients' footprint
- The Business Intelligence and Risk Solutions business saw wins for its regulatory offerings

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# A 'TRUSTED' voice in Media



## Media

It is difficult to find the right talent for your business. Use our recruitment panel, and AI-powered recruitment function.

Published: 2021-11-11

**NEWS: A CRISIL ANALYSIS**

**Robust awarding to keep revenue in fast lane**  
Credit outlook for road EPCs remains stable

**REVENUE**  
Highly robust performance in revenue growth

**THINKING AHEAD**  
CRISIL's outlook for road EPCs remains stable

**RETAIL VERTICAL LOOKS SET**  
Retail vertical looks set for a strong start in 2022

**ON COURSE DESPITE BEING BUFFETED BY COVID-19 WAVES**  
CRISIL's outlook for road EPCs remains stable



## Webinars & Events

**Ratings**

**CRISIL Ratings**

**A positive**

**CRISIL Ratings Seminar**

**NBFCs: Revival post-pandemic**

**December 22, 2021**  
12:30 PM - 4:30 PM

**Register now**

**INDIA 2022**

**Will the strong performers sustain?**

**Discover at the upcoming webinar on gold jewellery**

**"Glittering again"**

**December 22, 2021**  
12:30 PM - 4:30 PM

**Register now**

**GCD North American Online Conference**

Comparing Banks' Stress Testing Practices: GCD & CRISIL's data-driven industry advisory study

Organized by Global Credit Data (GCD)

Date: October 18, 2021 | Time: 2:30 PM EST

**Speakers**

**Amit Prakash**  
Senior Analyst  
Head of Research & Analytics  
GCD, S&P Global Services

**Stephen Knights**  
Executive Director  
GCD, S&P Global Services

**Kunal Kapoor**  
Executive Director  
GCD, S&P Global Services



## Reports

**CRISIL Impact**

**The richest 20% face more inflation than the poorest 20%**

**Code still amber**  
Sectoral outlook remains positive

**The sail ahead**  
What might emerge from the report, and what might not

**DeRisk**  
AI+ML, the new cornerstone of modelling

**CRISIL Global Research & Risk Solutions**

**October 05, 2021**

**Indian Economy: The three tempos of recovery**



## Social Media

**CRISIL**

**PODCAST**

**Tech the road to green finance: Compliance costs turning non-discretionary and improving issuance economics will steer ESG automakers to sustainable finance**

**Ramifications of the F**

**Key insights on the ESG landscape**

**Re. 10,473 crore**  
AUM of 10 ESG funds in India as on March 31, 2021

**\$37 trillion**  
AUM committed to support the goal of net zero emissions by 2050 or earlier

**4,524**  
Number of global sustainable funds as of the first quarter of 2021

**Join Us Now**

**Streamlined of model risk**

**Schedule a demo**

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# Continue to create social impact through CSR initiatives

Amplifying CRISIL's ESG agenda by driving inclusive growth and conserving the environment



## Financial capability building of rural women and communities

- Mein Pragati expanded its outreach and impact through 1,800+ trained Sakhis in 2,800+ villages of Assam and Rajasthan.
  - During the year, ~850 new Sakhis were on-boarded to cover 1,500 villages
  - As part of RBI's Scale-up CFL Project, 400+ CFL centres launched across 17 States/UTs with support from RBI and sponsor banks



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

- Afforestation initiatives continued through on-ground partners – total plantation count at 109,000+ trees as against 1 lakh commitment by 2021
- Through “Take The Shot” vaccination drive, 8,300+ marginalized community members were provided Covid-19 vaccination doses



CRISIL Foundation, CRISIL CSR arm has been awarded the CSR Foundation of the Year Award (small companies category) at the 7<sup>th</sup> CSR Impact Awards organised by CSR Box & Dalmia Bharat Foundation.

# Risks



Evolving regulatory environment



Information security and cyber-related risks



Adverse currency movement



Intense competition



Reputation risk

**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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