

April 19, 2019

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400 051

Listing Department  
BSE Limited  
P J Towers  
Dalal Street  
Mumbai 400 001

Dear Sirs,

**Sub.: Corporate Presentation Q1 2019**

We are enclosing herewith our corporate presentation updated with the Q1 FY 2019 Financial Results. This presentation will be published on the Company's website - [www.crisil.com](http://www.crisil.com) shortly.

Kindly take this communication on record.

Yours faithfully,  
For CRISIL Limited



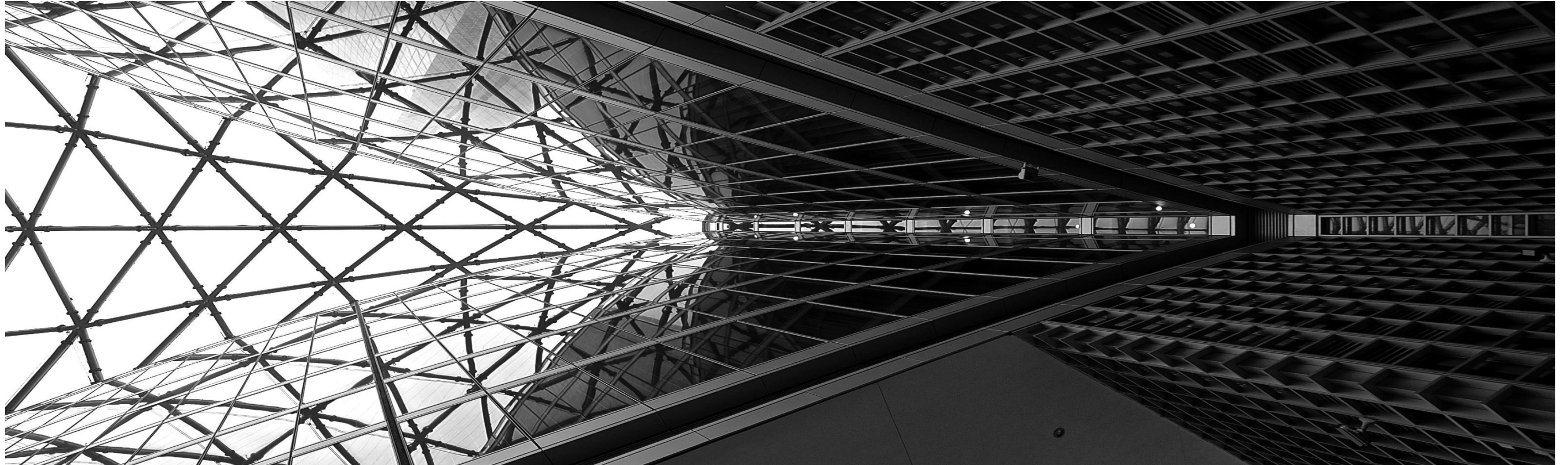
Minal Bhosale  
Company Secretary  
ACS 12999

Encl.: a/a

**CRISIL Limited**

Corporate Identity Number: L67120MH1987PLC042363

# Q1 2019 Analyst presentation



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Apr 2019

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# Agenda

## Executive Summary

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CRISIL Overview

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Business Environment

---

Financial Performance

---

Segment Performance

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Thought Leadership



# Executive summary

- Consolidated total income was ₹422.9 cr for the quarter ended March 31, 2019; profit after tax at ₹76.6 cr
  - Ratings business delivered strong growth supported by surge in corporate bond issuances and securitisation transactions
  - Coalition continued its growth momentum with strong performance across clients and products; Financial Research grew with the addition of buy-side clients and saw encouraging conversions for its SPARC platform. However, overall growth was impacted as the global risk analytics industry witnessed a decline in demand for select risk offerings
  - Advisory segment also grew driven by increasing demand for business intelligence and risk solutions
- CRISIL continued to provide thought leadership on topical matters. These include:
  - Roundtable in London on the topic of “Changing model risk management expectations in Europe”
  - White paper on Fundamental Review of the Trading Book (FRTB)
  - Released multiple thought leadership publications - ‘Global, national AAA ratings not comparable’, Covering the pledge’ and opinion pieces on current themes such as RBI norms, LNG prices, solar sector
- CRISIL Foundation released the CSR Yearbook, which included detailed analysis of CSR spends by corporate India

# Agenda

Executive Summary

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**CRISIL Overview**

---

Business Environment

---

Financial Performance

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Segment Performance

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Thought Leadership

# CRISIL, a leading global analytics company

**#Agile**  
to market needs

Unleashing  
**#Innovation**

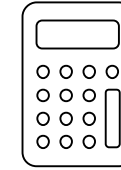
Defining  
**#Global** best  
standards

Empowering decision-  
making  
with cutting-edge  
**#Analytics**

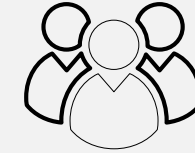
**1,00,000+**  
Customers



**28,000+**  
ratings



**3700+**  
employees



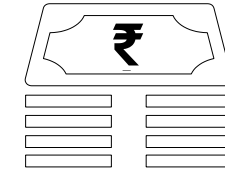
**9** countries  
direct presence



Rated over  
**144,000**  
micro, small and  
medium enterprises  
(MSMEs) in India



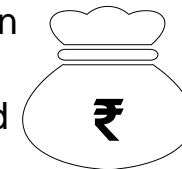
**90%** of  
India's banking  
industry by  
asset base  
are our clients



**15** of top **15**  
global investment  
banks are  
customers



**\$1.68** Trillion  
of Indian debt  
securities valued  
by us



Coverage of over  
**3,300** stocks  
And **3,400**  
credits globally



# Agenda

Executive Summary

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CRISIL Overview

---

**Business Environment**

---

Financial Performance

---

Segment Performance

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Thought Leadership



# Staying on the curve amid rising global risks



India

Indicator	FY2018	FY2019E	FY2020F
Real GDP (y-o-y %)	7.2	7.0	7.3
Investments (y-o-y %)	9.3	10.0	9.0
10 year G-sec yield (% , March)	7.6	7.5	7.5
Fiscal deficit (% of GDP)	3.5	3.4	3.4
Exchange rate (Re per \$, March average)	65.0	69.5	71.0
CPI Inflation (%)	3.6	3.4	4.5
Gross NPA (%)	11.6	11.0	-
Repo Rate (%)	6.00	6.25	Softening bias

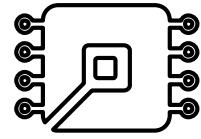


Global

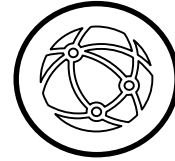
Indicator	CY2018	CY2019F
World GDP (y-o-y %)	3.6	3.3
United States of America (y-o-y %)	2.9	2.2
Eurozone (Euro Area-19) (y-o-y %)	1.8	1.1
China GDP (y-o-y %)	6.6	6.2
US Fed Rate (% , current)	2.5	Pause

Source : RBI, CSO, CRISIL, S&P Global Forecast (March 2019); World forecast are based on IMF World Economic Outlook (April 2019)

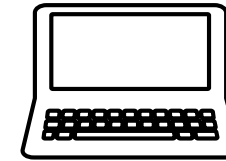
# Adapting swiftly to fast changing trends



**AI / Machine  
Decisioning**



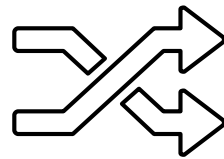
**Cyber  
risk**



**Data**



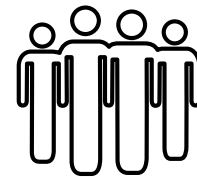
**ESG**



**Fintechs**



**Geopolitical  
risks**



**Millennials**



**Passive  
Investing**



**Regulation**

# Agenda

Executive Summary

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CRISIL Overview

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Business Environment

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**Financial Performance**

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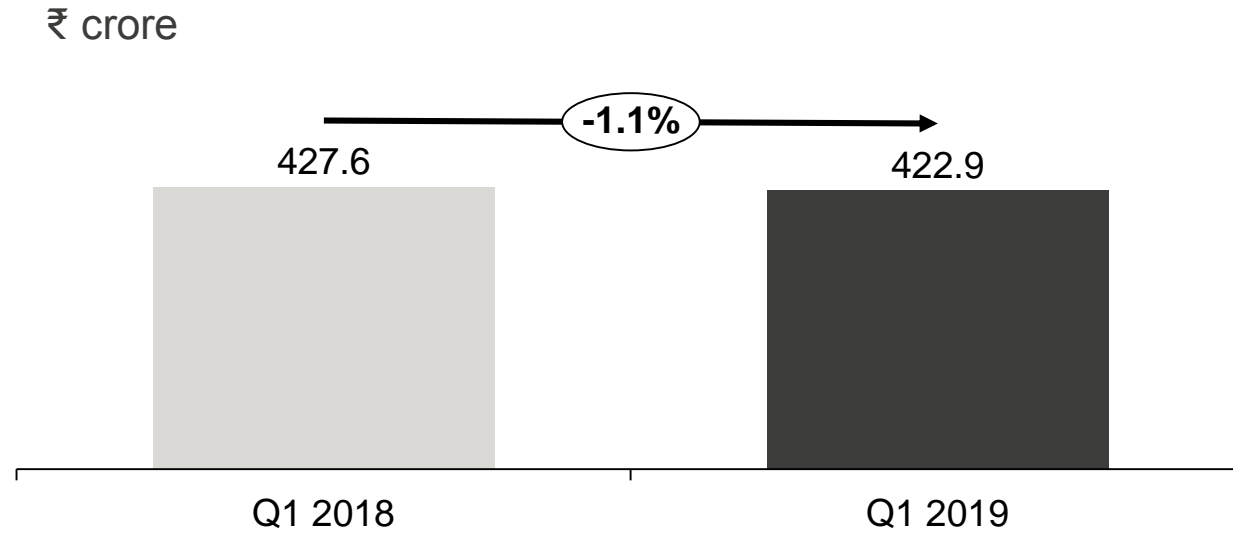
Segment Performance

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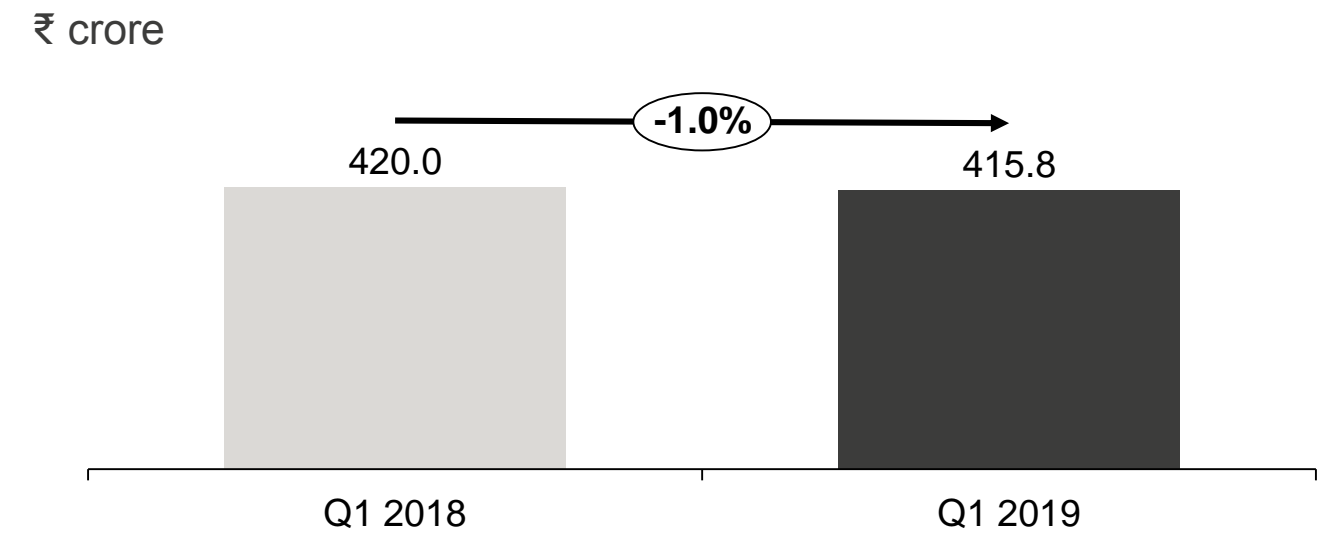
Thought Leadership

# Q1 2019 Total income at ₹422.9 crore; PAT at ₹76.6 crore

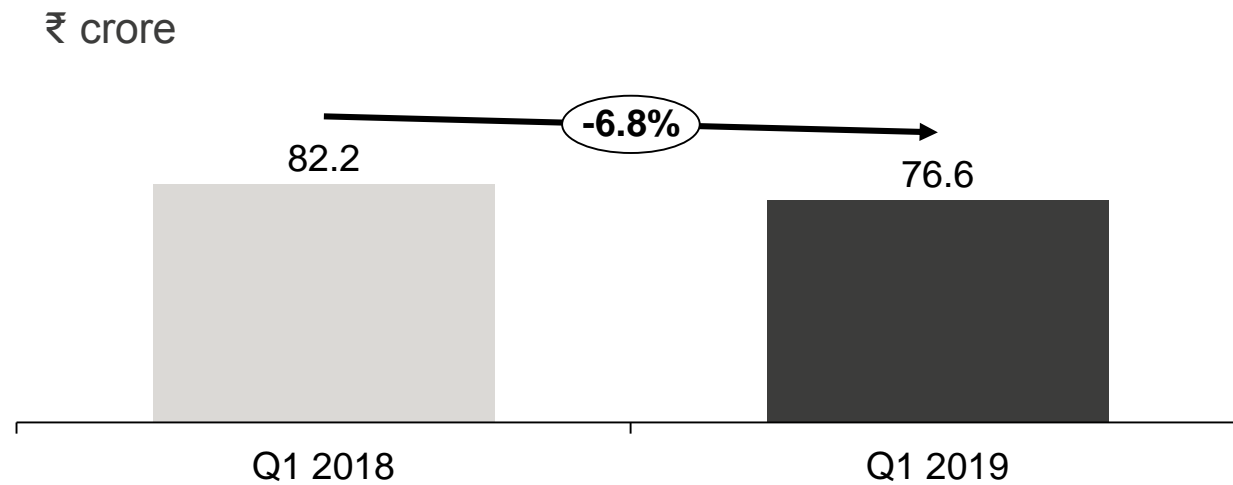
## Total Income



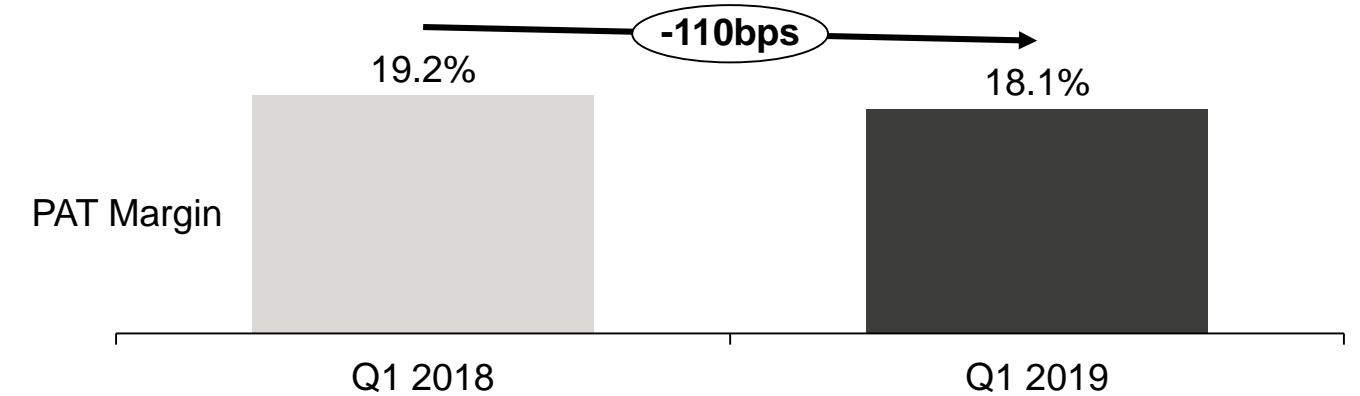
## Total Income from Operations



## Profit After Tax



## PAT Margin



Note: Numbers rounded off

# Agenda

Executive Summary

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CRISIL Overview

---

Business Environment

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Financial Performance

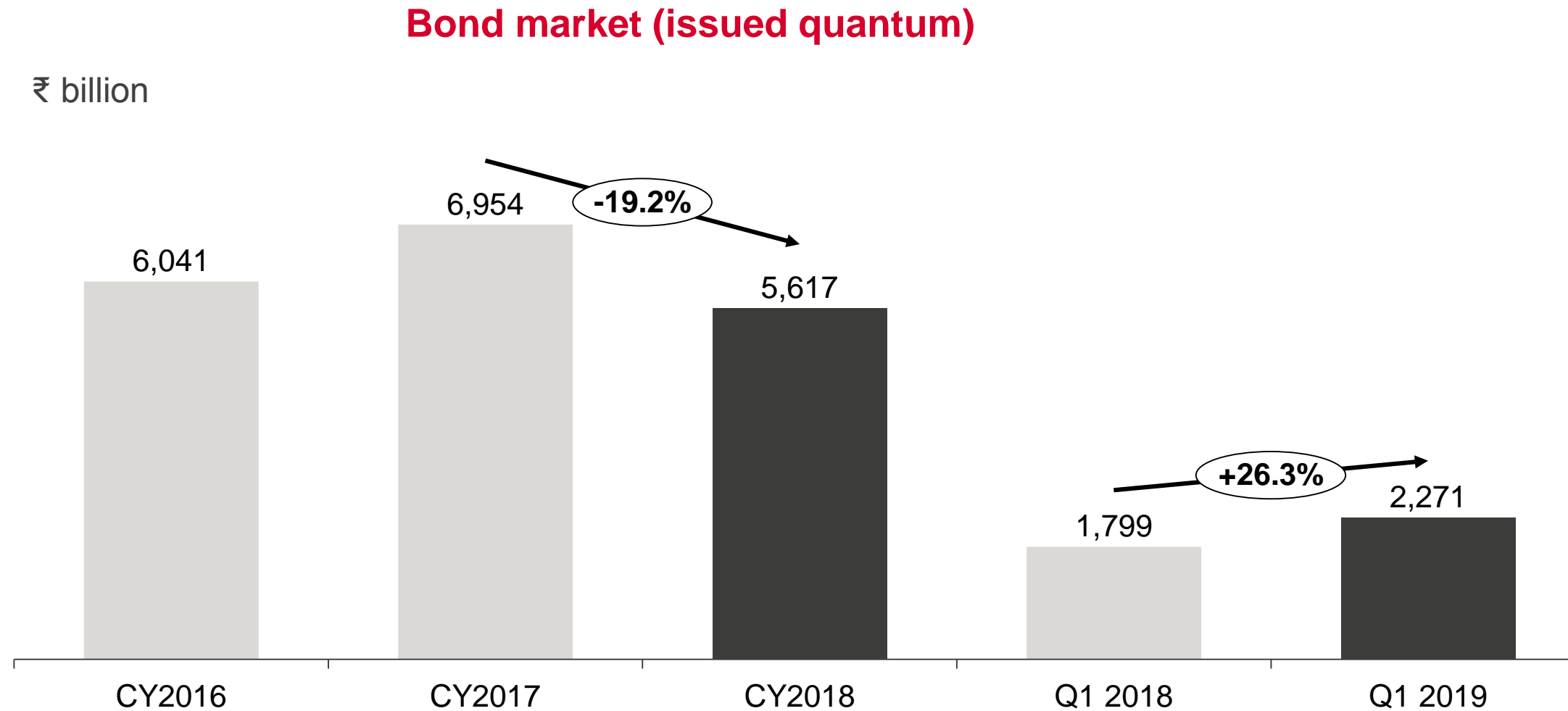
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**Segment Performance - Ratings**

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Thought Leadership

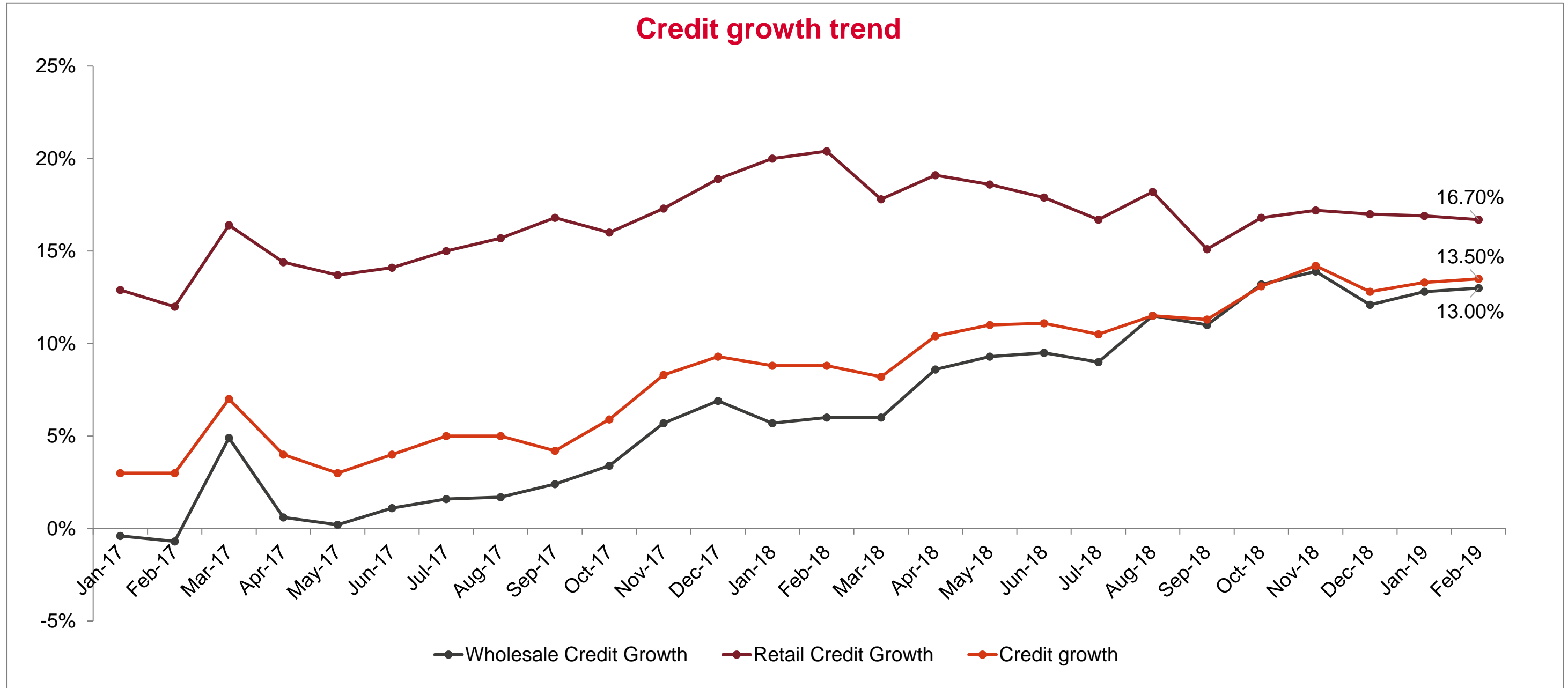
# Corporate bond issuances buoyant in Q1 2019



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



# Continued pickup in overall credit growth



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# Ratings: Q1 2019 highlights

## Financials

Particulars (₹ cr)	Q1 2018	Q1 2019	Growth (%)
Income from Operations	115.0	129.6	12.7%
Segment Profit	38.3	47.5	24.2%
Margin	33.3%	36.7%	-

Note: Numbers rounded off

## Business update

- Large and mid-corporate ratings grew 13.5% year-on-year while the overall Ratings segment grew by ~13% due to
  - Surge in corporate bond issuances
  - Strong pick-up in securitisation transactions; overall volumes in the market increased 81% year-on-year
- Institutional SME continued traction with addition of new clients and retention of existing clients

## Franchise update

- Multiple high impact releases on topical matters:
  - ‘Global, national AAA ratings not comparable’
  - ‘Promoter pledge: High overall cover key to sailing choppy markets’
  - ‘Banks need Rs 20 lakh crore fresh deposits to meet credit demand’
- Knowledge partner for SIDBI-ET INDIA MSE awards 2018

# Agenda

Executive Summary

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CRISIL Overview

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Business Environment

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Financial Performance

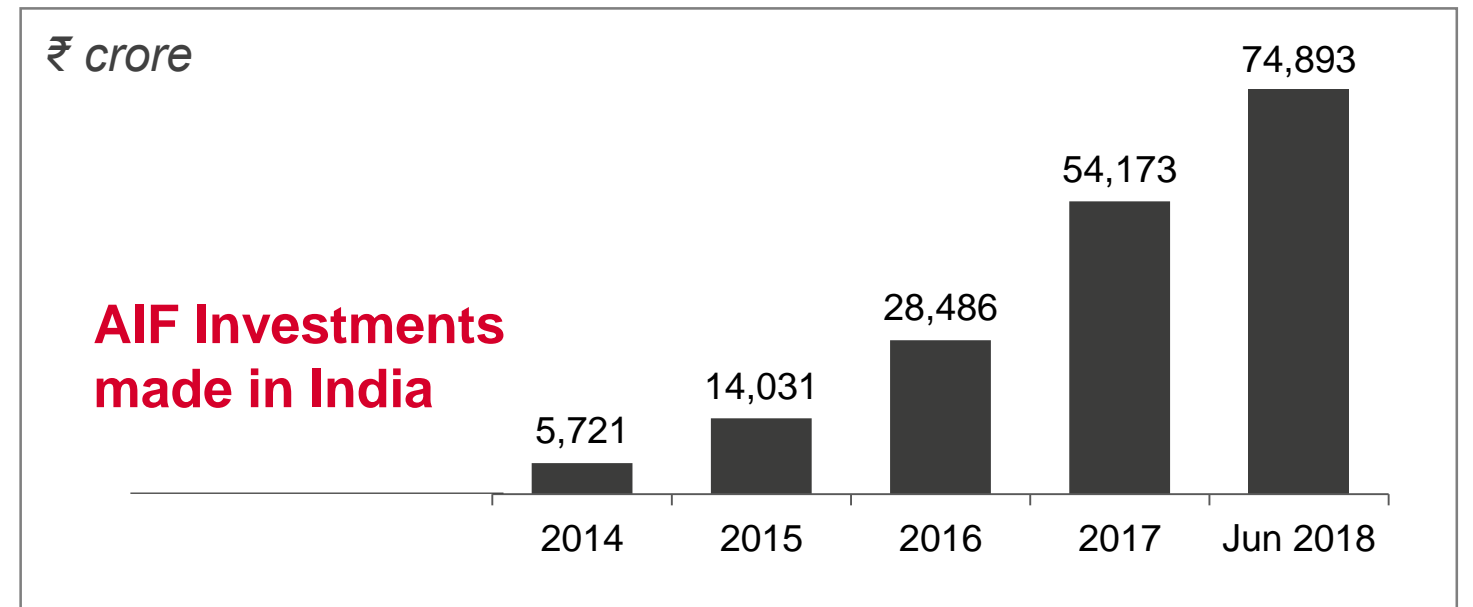
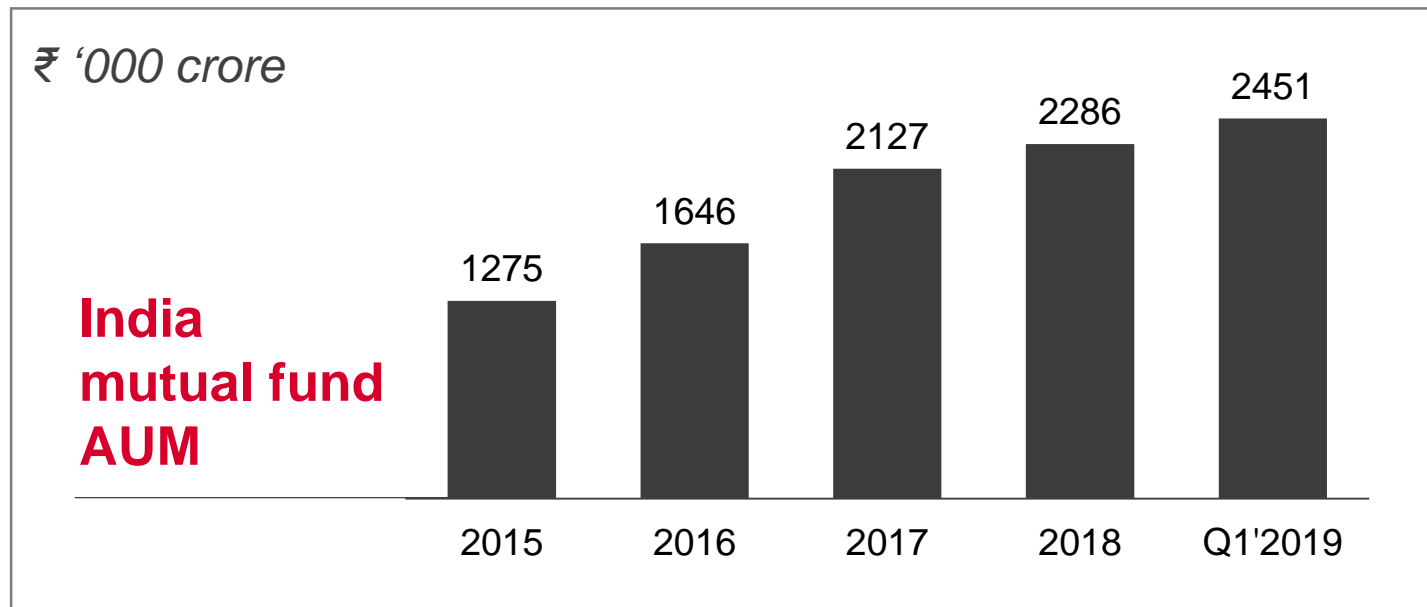
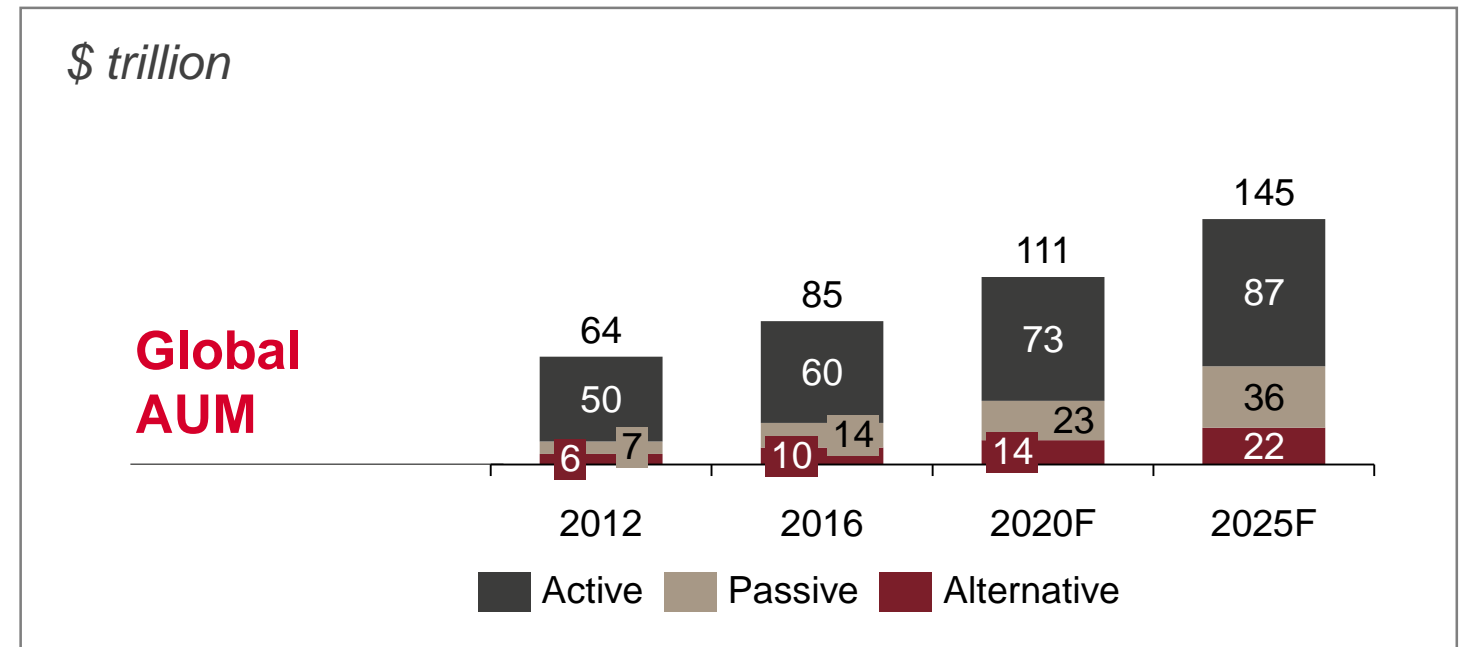
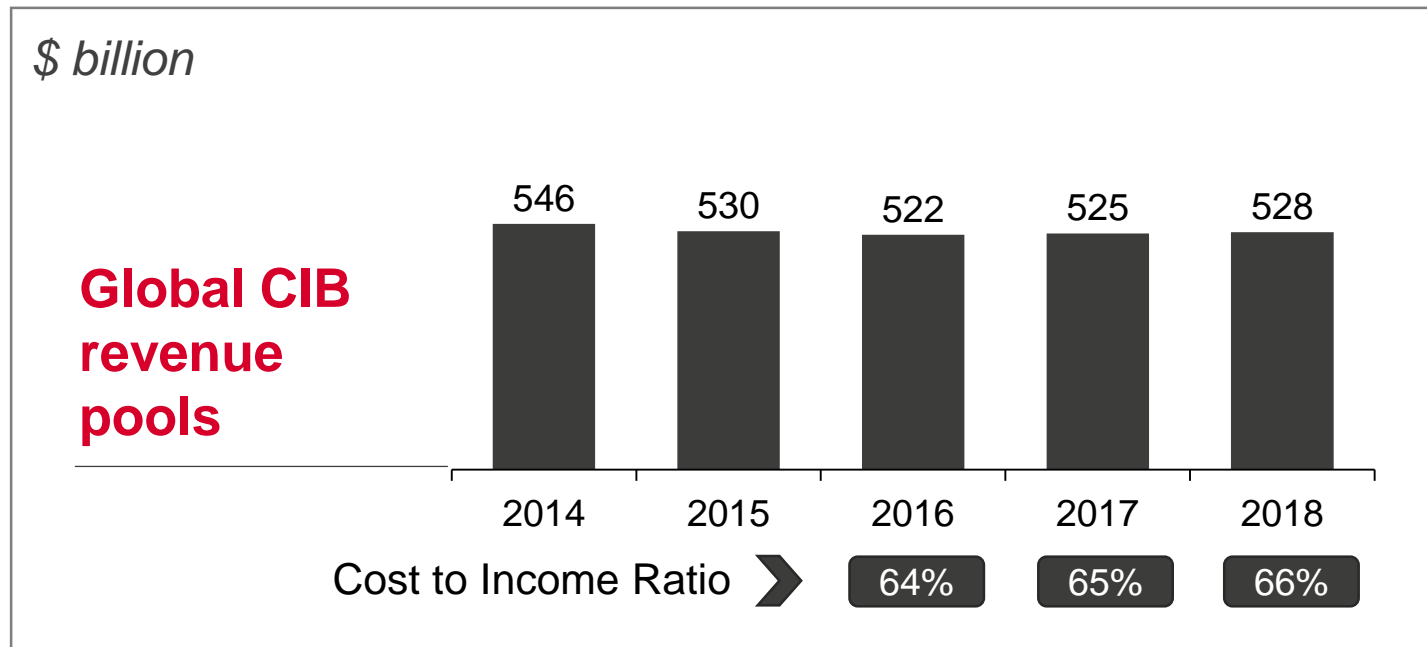
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**Segment Performance - Research**

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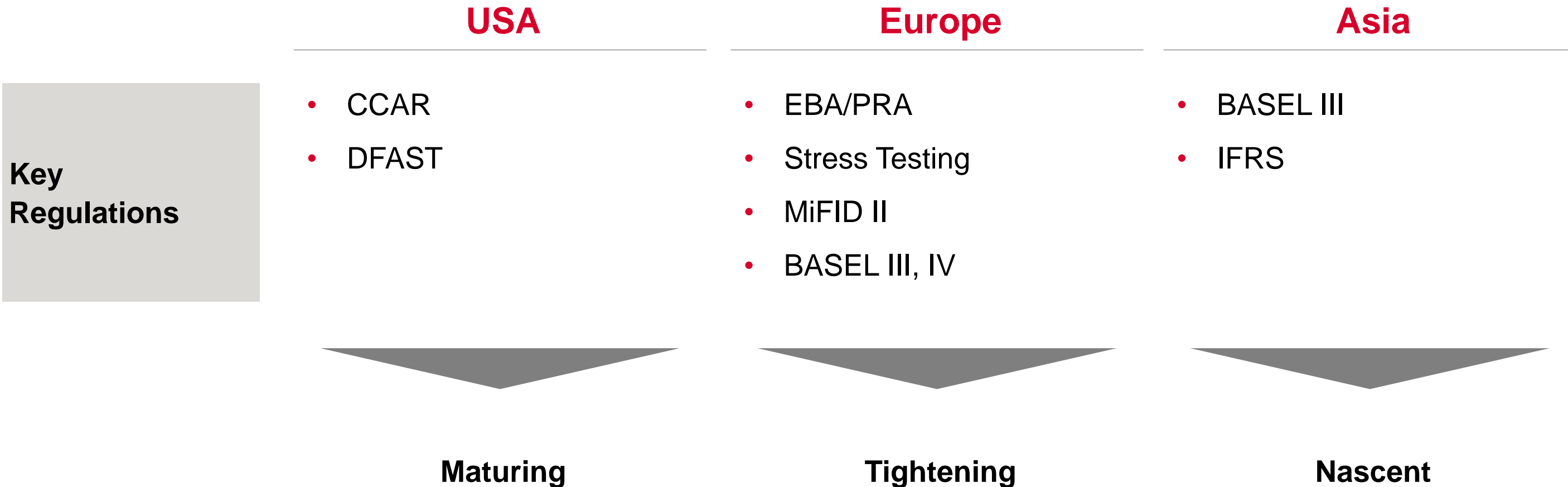
Thought Leadership

# Bottoming of global CIB revenue pools, increasing demand from existing and new investor segments



CIB: Corporate and Investment Banking  
 AUM: Assets Under Management  
 AIF: Alternate Investment Fund (Includes Category I, II and III investments made)  
 Source: SEBI, AMFI, CRISIL, Coalition, Industry Sources

# Evolving regulatory paradigm globally



CCAR: Comprehensive Capital Analysis and Review  
DFAST: Dodd-Frank Act Stress Tests  
EBA: European Banking Authority

PRA: Prudential Regulation Authority  
IFRS: International Financial Reporting Standards  
MiFID: Markets in Financial Instruments Directive

# Research: Q1 2019 highlights

## Financials

Particulars (₹)	Q1 2018	Q1 2019	Growth (%)
Income from Operations	273.8	245.4	-10.4%
Segment Profit	84.9	63.1	-25.7%
Margin	31.0%	25.7%	

Note: Numbers rounded off

CECL: Current Expected Current Loss

PFRDA: Pension Fund Regulatory and Development Authority

IOPS: International Organisation of Pension Supervisors

## Business update

- CRISIL Coalition continued to deliver strong performance with healthy renewals and additions in competitor and client analytics offerings; Financial Research added buy-side clients and saw encouraging conversions for its SPARC platform
- However, overall growth was impacted due to the changing landscape for risk analytics
- India Research grew due to high renewal rates across Industry Research and Funds and Fixed income segments

## Franchise update

- Knowledge partner for conference on “Creating sustainable pension systems in emerging markets”, which was organized by PFRDA and IOPS
- Organized roundtable discussions on:
  - ‘Changing Model Risk Management expectations in Europe and the UK’, London, UK
  - ‘CECL regulation’, Columbus, Ohio



# Agenda

Executive Summary

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CRISIL Overview

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Business Environment

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Financial Performance

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**Segment Performance - Advisory**

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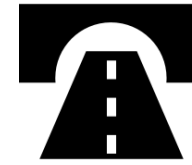
Thought Leadership

# Emerging needs for data analytics, risk and infrastructure offerings



## Risk Solutions, Pragmatix

- Increasing demand for integrated solutions that embed into customers' workflow
- Emerging opportunities driven by regulatory changes, risk environment and technology advancement
- New-age data sources driving alternative approaches to analytics
- Scenario planning & stress testing capabilities
- Rising demand for productized services, although with unique client preferences



## Infrastructure Advisory

- Focus on Infra development
- Increasing spend across key sectors
- Changing role of multilaterals
- Shift from policy formulation to implementation
- New opportunities at the state and city levels in India

# Advisory: Q1 2019 highlights

## Financials

Particulars (₹)	Q1 2018	Q1 2019	Growth (%)
Income from Operations	31.2	40.8	30.9%
Segment Profit	3.4	4.1	20.7%
Margin	11.0%	10.1%	

## Business update

- Growth in Advisory segment was driven by increasing demand for business intelligence and risk solutions
- Infrastructure Advisory business gained share in segments such as smart cities and airports as well as in select emerging markets

## Franchise update

- Organized webinar on 'Demystifying Digital Lending'
- Knowledge partner for the FICCI India Roads & Highways Summit

# Agenda

Executive Summary

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CRISIL Overview

---

Business Environment

---

Financial Performance

---

Segment Performance

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**Thought Leadership**



# Leading provider of independent opinion

## Events



CRISIL Ratings hosted its Kolkata Chapter of 'CRISIL Ratings Conclave- A knowledge sharing initiative'



CRISIL Research associated as the knowledge partner for PFRDA's fifth International Pension conference



CRISIL Ratings participated in the 10<sup>th</sup> Enterprising India Investors' Conference', organized by IIFL

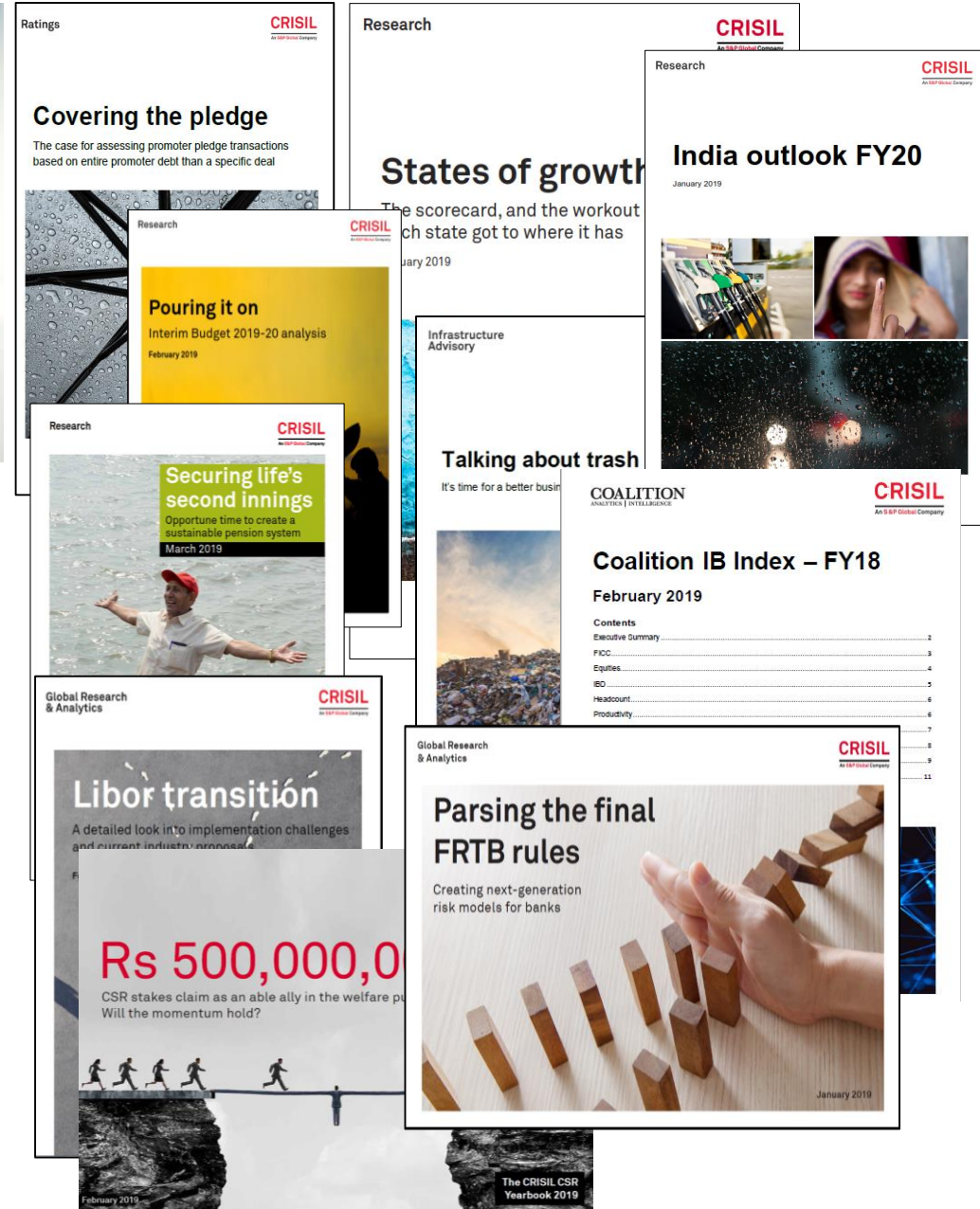


CRISIL GR&A hosted an industry discussion forum on Changing Model Risk Management expectations in Europe and the UK



CRISIL Infrastructure Advisory partnered with FICCI as a knowledge partner in the 'Roads and Highways Summit:'

## Publications



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# About CRISIL

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 through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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Last updated: May 2018

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