

Preparation for Brexit

Key Challenges and Ongoing Developments

Speakers



Kshitij Bhatia

*Director, Risk and Analytics,
CRISIL Global Research & Analytics*



Stephen Knights

*Director, Risk and Analytics,
CRISIL Global Research & Analytics*

December 2017

CRISIL GR&A's Credentials

Global Leader in Research & Analytics Space

- Pioneered Global Research & Analytics; 25-year track record
- Works with 10 large banks for 5+ years, of which five banks have been our clients for 10 years
- Our primary allegiance across all our business lines is analytical rigour
- DNA originates from beginnings as a rating agency and differentiates our analytical quality

Strength in Research & Analytics

- 15 of the top 20 global investment banks
- 37 global buy-side firms
- Support 176 II ranked analysts globally
- Experience across 70+ global sectors
- Round-the-clock support across languages
- # 1 in client satisfaction surveys consistently

“Best People to Work With”

- Team of more than 2,800 analysts
- 50% of the talent is from premier schools
- Brand image to attract and retain talent
- Rigorous in-house training processes
- Experienced management team to ensure high-touch engagement

Strong Parentage & Governance

- S&P Global has been CRISIL's majority shareholder and currently has 67.03%
- Strong balance sheet with zero debt; Revenue of USD205mn
- Listed on Indian Stock Exchanges since 1993: market cap of USD2.33bn

Rigorous & Scalable Processes

- Strong project management capabilities
- Quality Assurance and Governance
- Information Security
- Robust training programs
- Business Continuity
- Inbuilt processes and tools to enhance productivity



Awards & Recognitions

NASSCOM®

NASSCOM® Exemplary Talent Practices Award



Talent Management Award
HR Project of the Year Award
by World HRD Congress, 2015

Overview

Brexit is an uncharted territory for financial services sector in UK and EU

Key Points

Loss of passporting rights

Conduct of cross-border business

Regulatory pressures

Operating model

BOE / EBA Guidance

- Preparation of contingency plan
- Regulatory expectations for granting EU banking license

Industry Status

- Fragmented planning
- Submissions on Contingency plans to be reviewed

Timeline



UK votes to leave EU

Jun'16

UK triggers Article 50

Mar'17

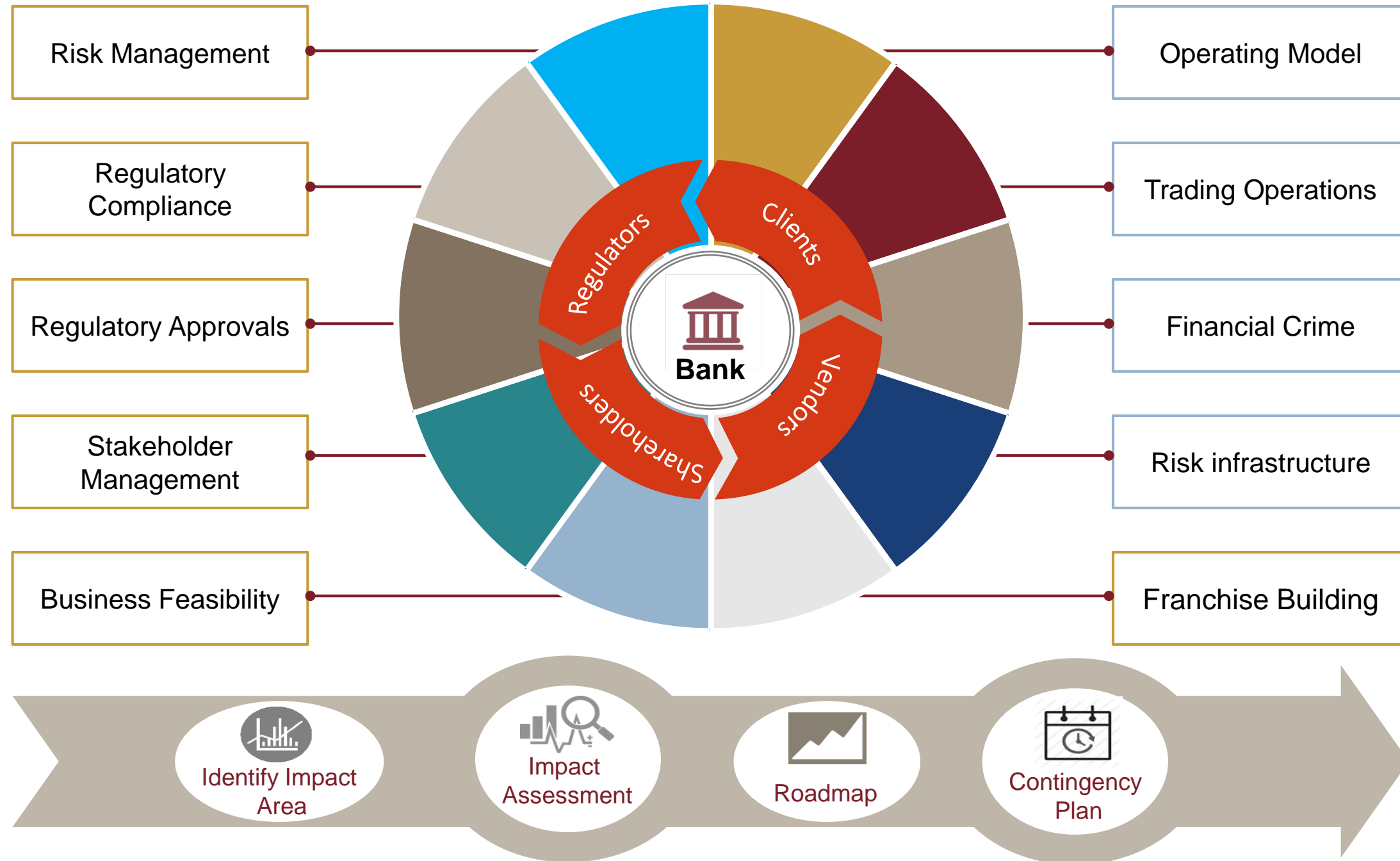
Jun'17-Oct'18

Brexit negotiations

UK to leave EU

Mar'19

Elements of Contingency Plan



Operating Model

Organization Structure

- Review existing legal entities
- Identify new jurisdiction for operations
- Attain necessary licensing

Business Process

- Review, Design & Update processes
- Identify new sources of risk and update risk management
- Review clearing and collateral management process

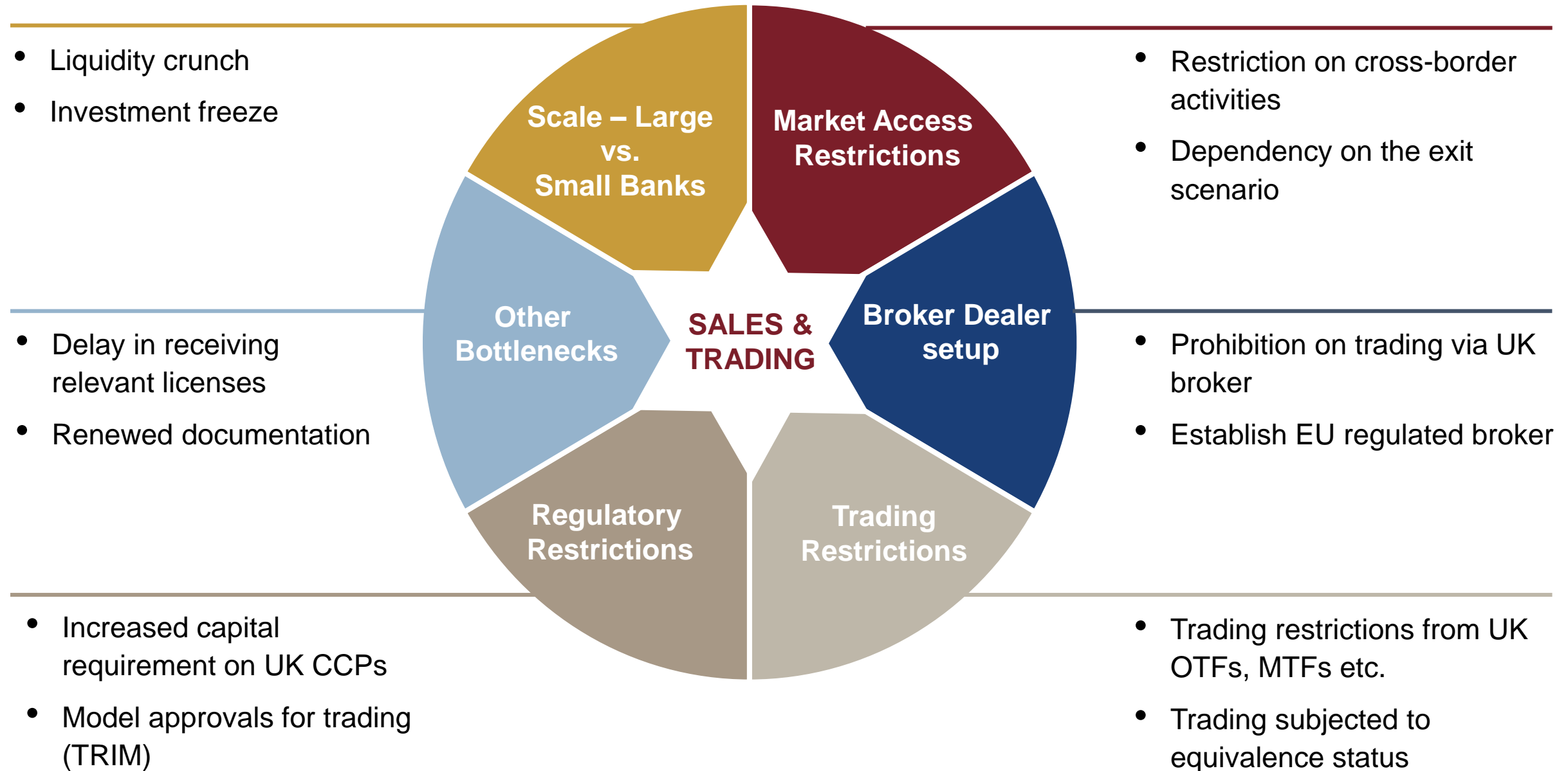
People & Location

- Retain, downsize or add resources
- Establish, downsize, maintain operations in existing and new locations

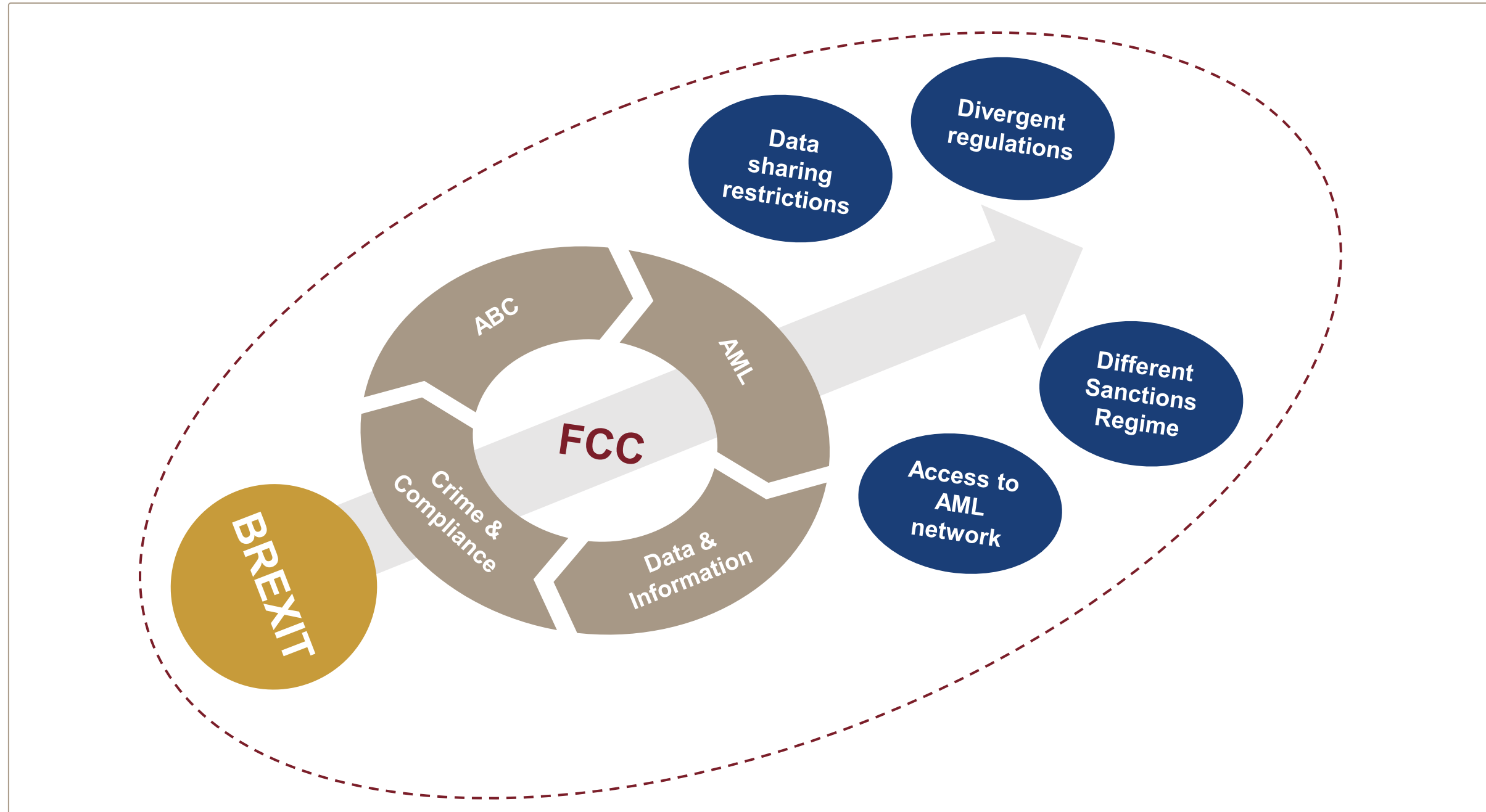
Technology

- Build new technology to match revised operating model
- Aligned to market infrastructure and regulatory requirements

Trading Operations



Financial Crime



Risk Infrastructure

IT Infrastructure

- Scalable & standardized infrastructure
- Support new operating model
- Functional from new location/entities



Challenges

Reporting & Governance

- Additional reporting requirements
- Disclosure requirements
- Comprehensive documentation



Data Infrastructure

- Comply with GDPR regulation
- Data for new operating model
- Data retention and privacy protection



Conclusion

Preparation for Brexit will be an uphill task

Key to successful transition involves

- An optimal operating model
- Decisions on trading operations
- Streamline risk infrastructure
- Robust Change management process

THANK YOU

About CRISIL Limited

CRISIL is an agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers.

We are 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.

About CRISIL Global Research & Analytics

CRISIL Global Research & Analytics (GR&A) is the world's largest and top-ranked provider of high-end research, risk and analytics services. We are the world's largest provider of equity and fixed-income research support to banks and buy-side firms. We are also the foremost provider of end-to-end risk and analytics services that include quantitative support, front and middle office support, and regulatory and business process change management support to trading, risk management, regulatory and CFO functions at world's leading financial institutions. We also provide extensive support to banks in financial crime and compliance analytics. We are leaders in research support, and risk and analytics support, providing it to more than 75 global banks, 50 buy-side firms covering hedge funds, private equity, and asset management firms. Our research support enables coverage of over 3,300 stocks and 3,400 corporates and financial institutions globally. We support more than 15 bank holding companies in their regulatory requirements and submissions. We operate from 7 research centers in Argentina, China, India, and Poland, and across several time zones and languages.

CRISIL privacy notice

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc and its subsidiaries (collectively, the 'company') you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit www.crisil.com/privacy. You can view the company's customer privacy policy at <https://www.spglobal.com/privacy>

Last updated April 2016