



GLOBAL RATINGS

A subsidiary of CARE Ratings Limited

# Sovereign and Global Scale Ratings – A fresh perspective

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# CareEdge Global Rating Launched in Oct 2024

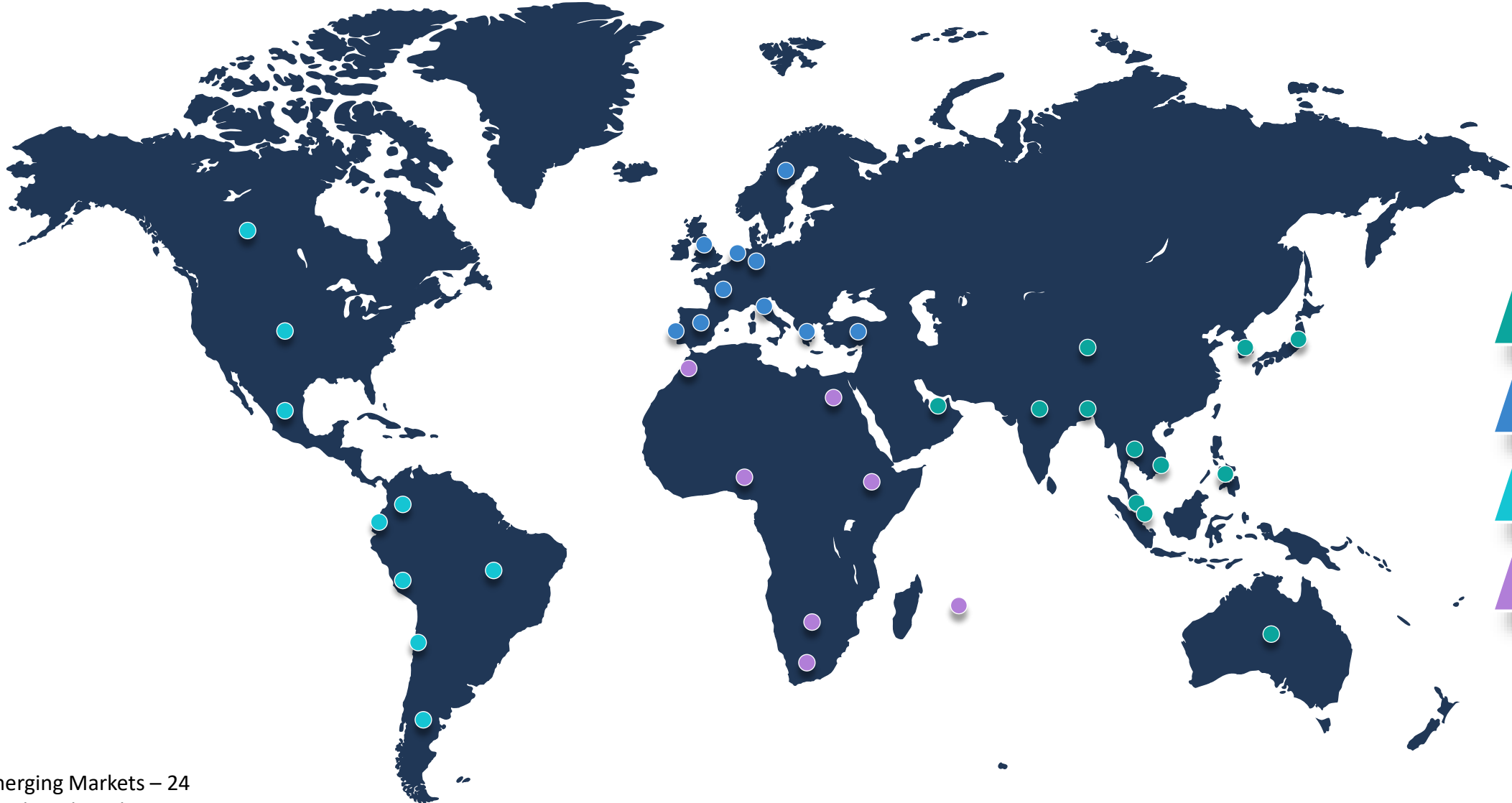
## Assigned Global Scale Ratings on 39 Sovereigns



Since the launch, CareEdge Global has also assigned Global Scale Ratings to USD debt issuances of about \$2 billion across Infrastructure and FIs

These 39 countries represent 85-90% of the World GDP

Geographically well-diversified



APAC (13)

Europe (10)

Americas (9)

Africa (7)

Emerging Markets – 24  
Developed Markets - 15

# CGIL portfolio of 39 countries is well spread across the rating scale

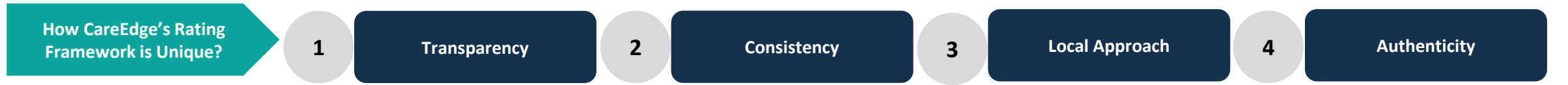
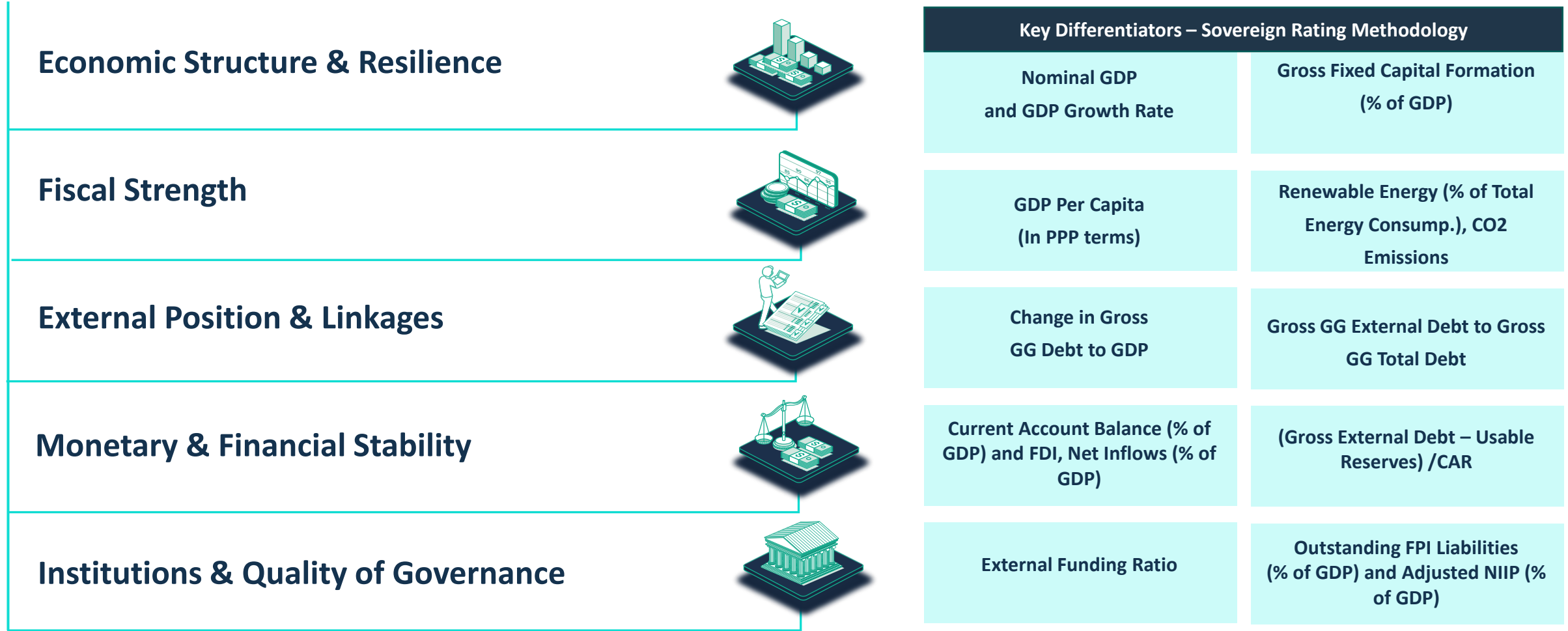
## Long Term Foreign Currency Ratings\*



\* As on Oct 3, 2024; Unsolicited Ratings

# Transparent, objective, and relevant rating framework

## Sovereign Rating – Key Pillars

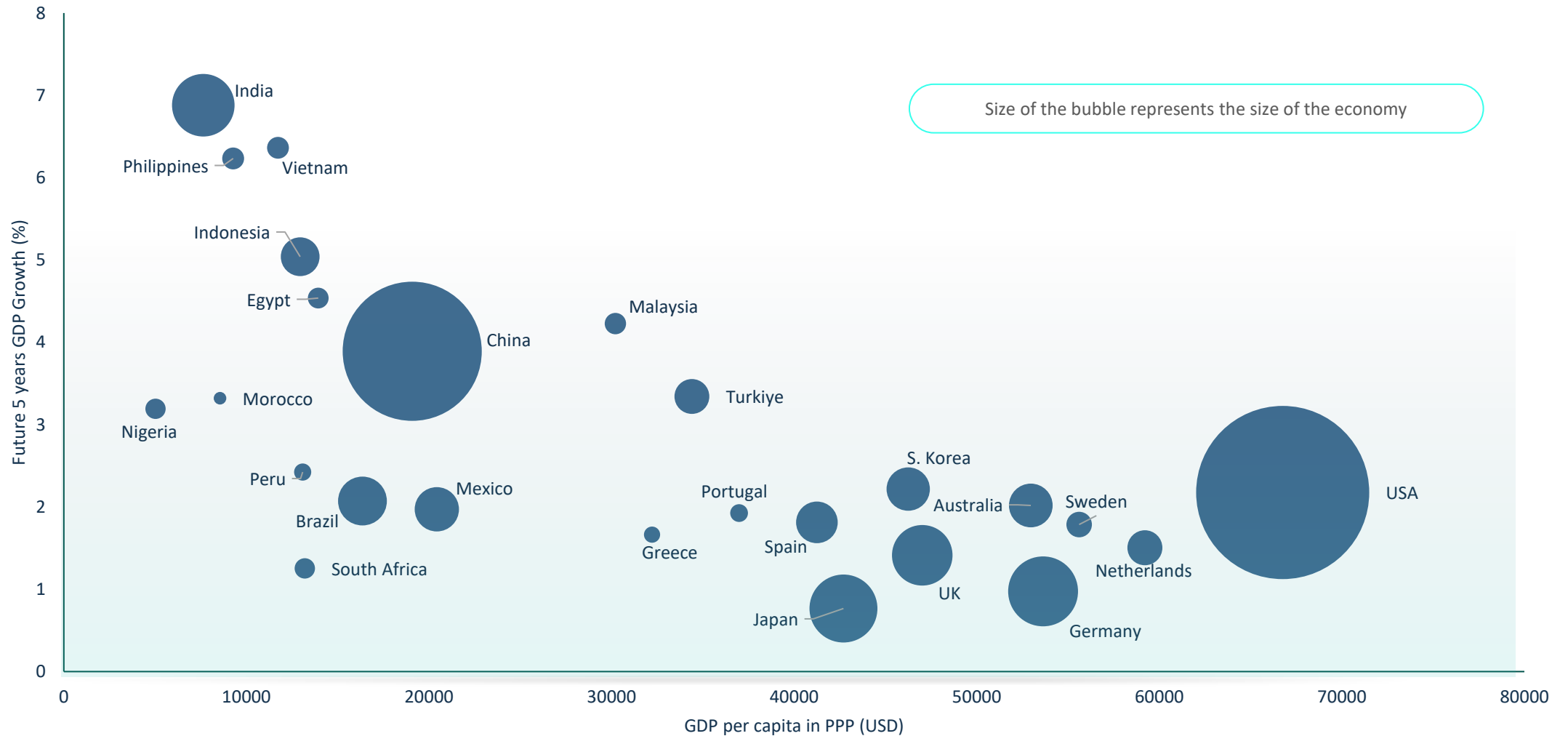


# Insights from **Assessment**

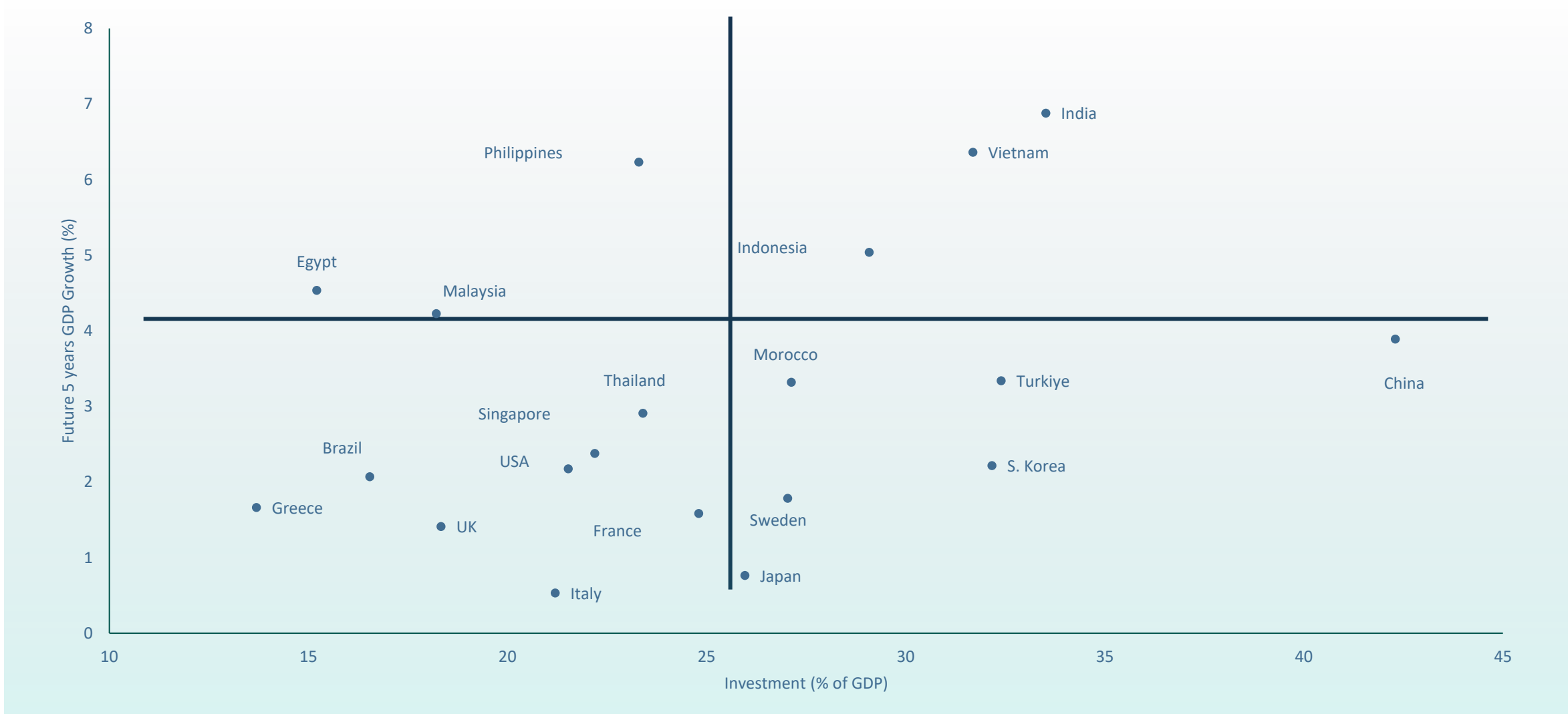
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# Critical Parameters for Economic Pillar



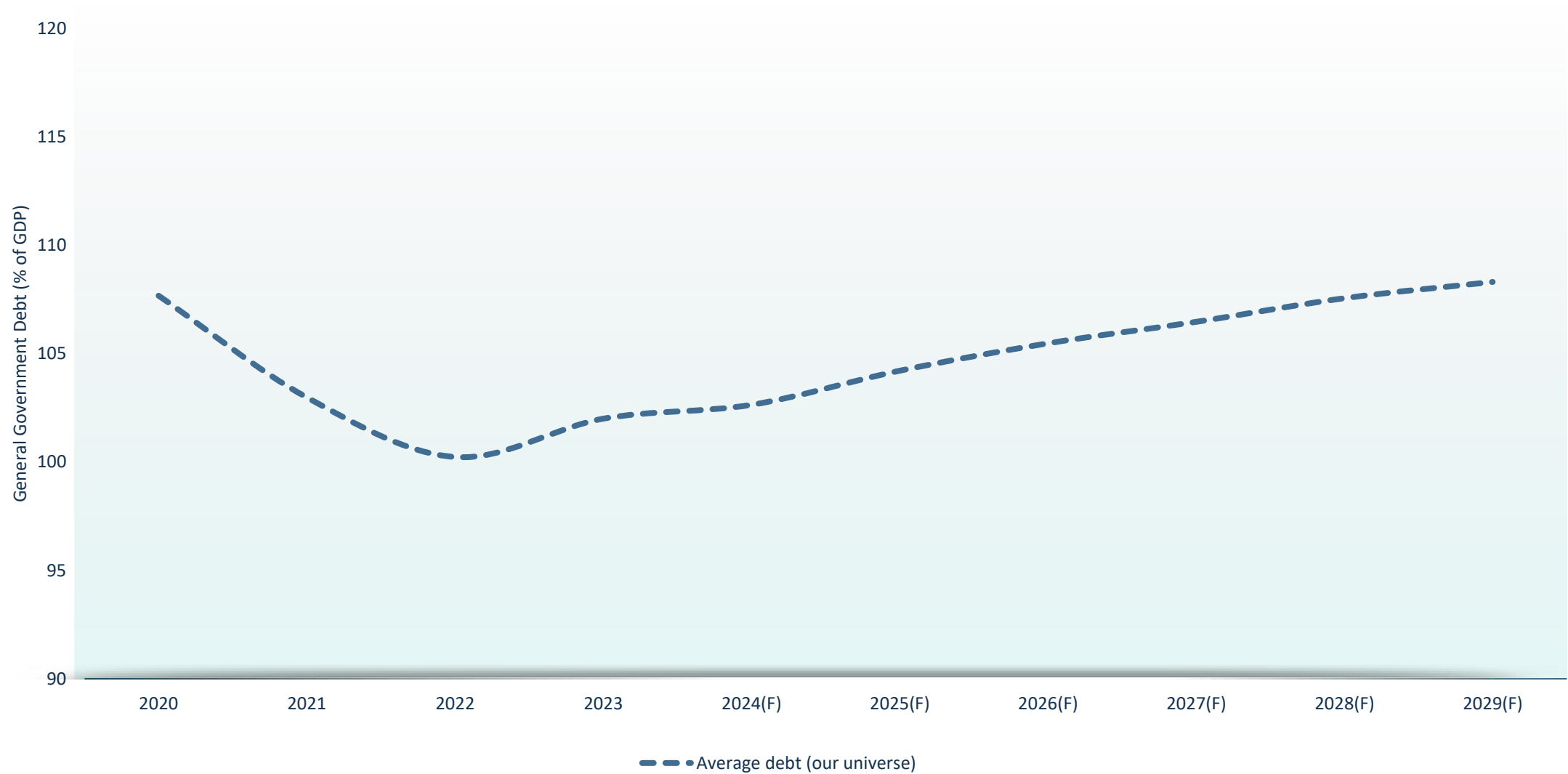
# Investment: A key indicator of future growth



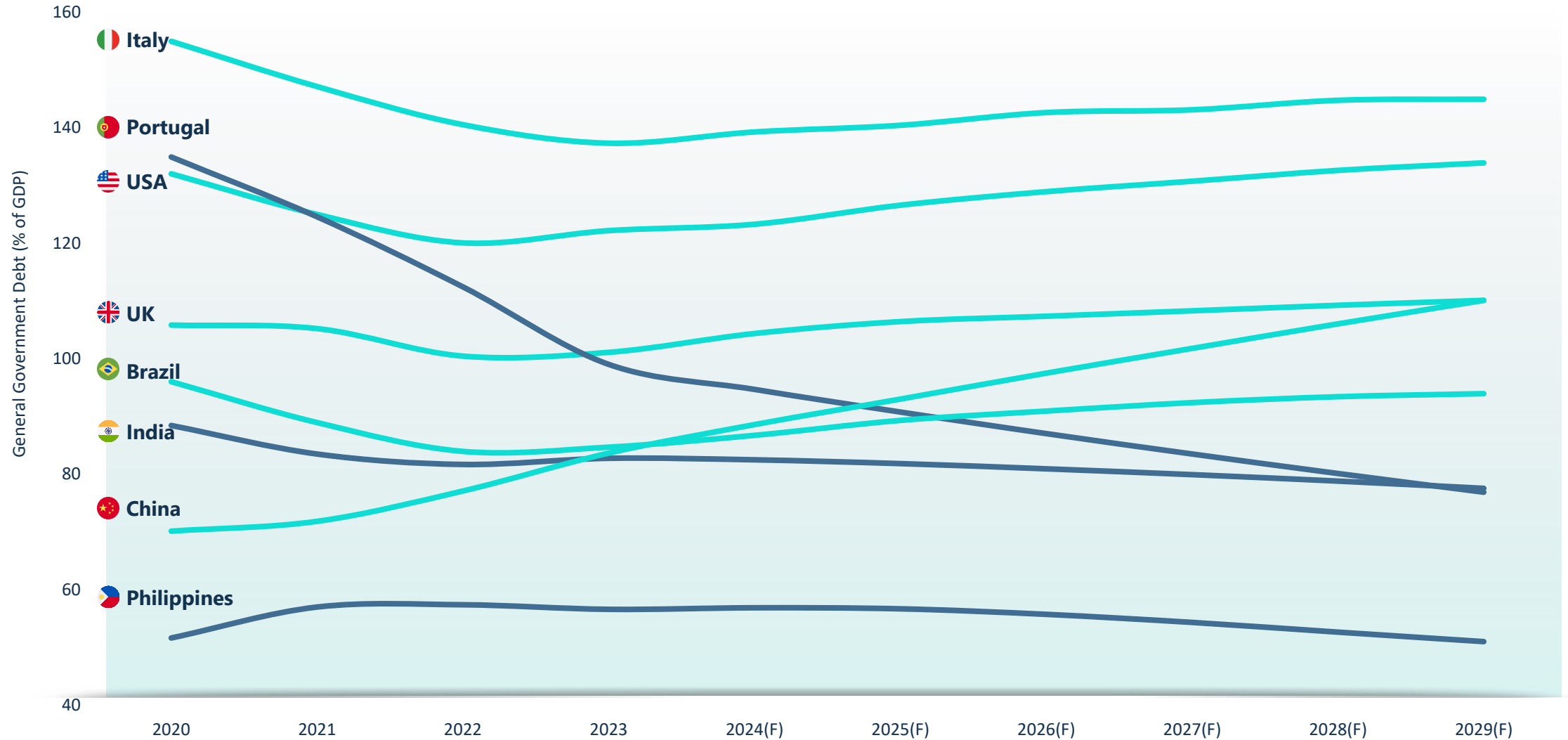


# Aggregate Government

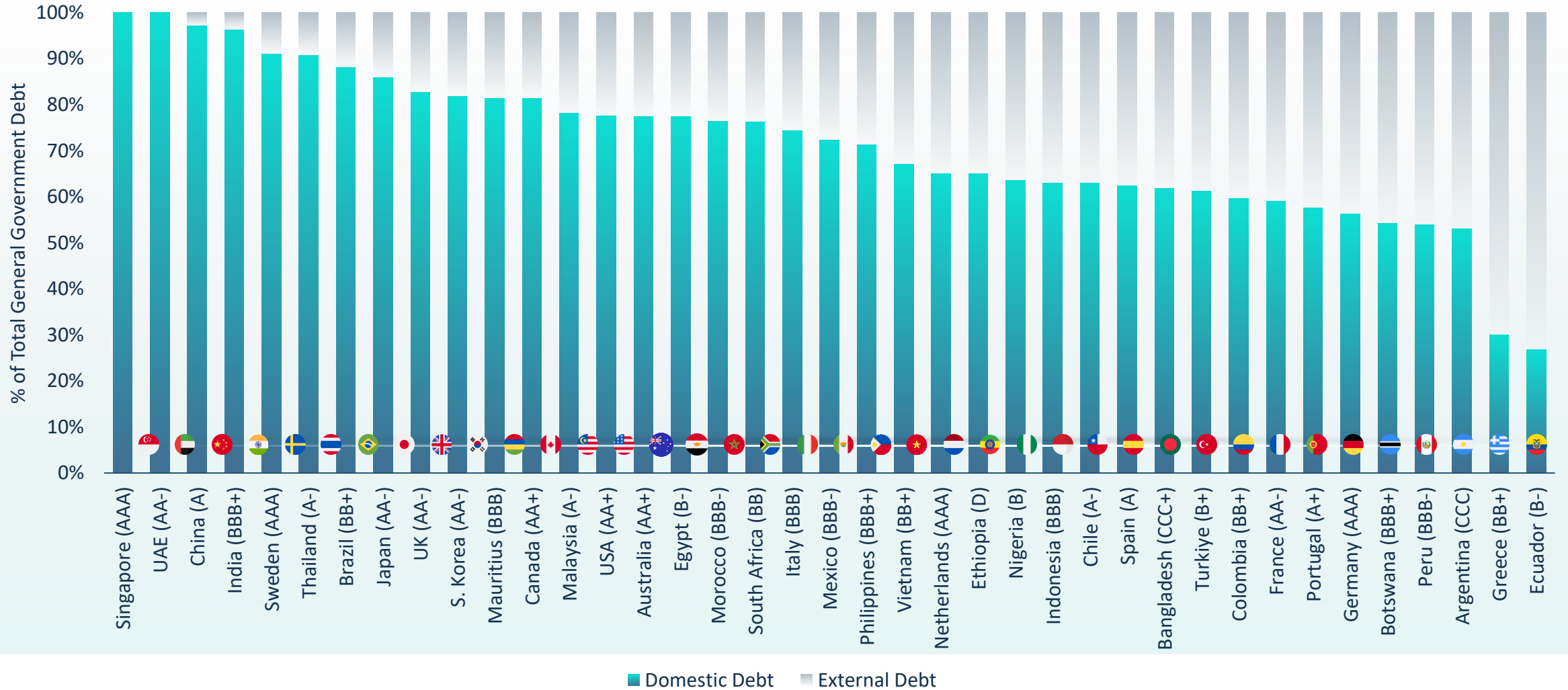
## Debt likely to rise



And for most nations,  
with a few exceptions


















# Composition of Government Debt



Sources: International Monetary Fund, World Bank, National Sources, CareEdge Global

# Rating Convergence

## Compared to other Global CRAs

Sr No	Name of the country	Initial rating by CGIL (As on Oct 3, 2024)	Subsequent rating actions by other Global CRAs	
1	 Bangladesh	CareEdge CCC+ (Unsolicited)		 Moody's downgraded the rating to 'B/Negative' from 'B+/Stable'
2	 Brazil	CareEdge BB+ (Unsolicited)		 Moody's upgraded the rating to 'BB+/Positive' from 'BB/Positive'
3	 France	CareEdge AA- (Unsolicited)		 Fitch revised the outlook to 'Negative' at 'AA'. Moody's revised the outlook to Negative in October and downgraded the rating to AA-/Stable on Dec 14 <sup>th</sup>
4	 Nigeria	CareEdge B (Unsolicited)		 Fitch has revised the outlook to 'Positive' while reaffirming the rating at 'B-'
5	 South Africa	CareEdge BB (Unsolicited)		 S&P revised the rating outlook to 'Positive' while reaffirming the rating at 'BB-'

\* Source: Information publicly available on respective websites

CGIL vs. other global CRAs (Oct 3, 2024)	S&P	Moody's	Fitch
Same	18	10	16
CGIL Higher	8	13	12
CGIL Lower	12	16	9
Not Rated	1	-	-



## Rating Scale & Products offered

Rating Symbol	Definition
CareEdge AAA	Denotes highest degree of safety regarding servicing of debt obligations.
CareEdge AA+	
CareEdge AA	
CareEdge AA-	
CareEdge A+	
CareEdge A	Denotes adequate degree of safety regarding servicing of debt obligations with low credit risk.
CareEdge A-	
CareEdge BBB+	
CareEdge BBB	Denotes a moderate degree of safety regarding servicing of debt obligations.
CareEdge BBB-	
CareEdge BB+	
CareEdge BB	Denotes inadequate degree of safety regarding servicing of debt obligations.
CareEdge BB-	
CareEdge B+	
CareEdge B	Denotes high vulnerability to default regarding servicing of debt obligations.
CareEdge B-	
CareEdge CCC+	
CareEdge CCC	Denotes very high vulnerability to default regarding servicing of debt obligations.
CareEdge CCC-	
CareEdge CC	
CareEdge C	Denotes imminent likelihood of default.
CareEdge D*	Denotes default.

**Solicited / Unsolicited  
Sovereign Ratings**

**Country Ratings**  
(Solicited assignments - ratings on countries)  
(Unsolicited rating coverage on important countries)

**Credit Rating for  
Issuers and Issue**

**Gov. / Sovereign  
Bonds**

**Foreign Currency  
Corp. Bonds**

**Green / SLB Bonds**

**Issuers from**

- Financial
- Infrastructure
- Corporate

**Any other debt instrument entailing ratings on  
global scale (issued by domestic or global  
issuer)**

**Bond Valuation Services**

**Bond Valuation services**  
(Catering to the demand of fund houses in GIFT City)

**ESG Services**

**ESG Ratings**  
**ESG KPI Monitoring Service**

**Private Credit Ratings**

**Scenario Ratings; Loan Rating for borrowers;  
Private Rating for investors or lenders**

# Profile of the team and key stakeholders

## Global expertise

### Board Members



**Mr. Najib Shah**  
 Non-Executive Independent  
 Director



**Dr. Ravindra Dholakia**  
 Non-Executive Independent  
 Director



**Mr. Mehul Pandya**  
 Managing Director & Group  
 CEO of CareEdge



**Mr. Jinesh Shah**  
 Chief Financial Officer  
 CareEdge Ratings

### External Committee Members



**Mr. Paul Coughlin**  
 Former Executive MD and Global  
 Head of Credit Ratings, S&P  
 (Australia)



**Dr. Ajit Ranade**  
 Renowned Economist  
 (India)



**Dr. Soumendra Dash**  
 Vice President -  
 Risk Management,  
 Africa Finance Corporation  
 (Nigeria)



**Dr. Sanjay Banerji**  
 Professor and Head of  
 Finance Group,  
 Nottingham University  
 (UK)

### Advisors



**Mr. Mark Adelson**  
 Former Chief Credit Officer,  
 S&P Former MD, Moody's  
 (US)



**Mr. Pawan Agrawal**  
 Former Chief Risk Officer,  
 CRISIL



**Ms. Revati Kasture**  
 Chief Executive Officer

### Key Employees



**Mr. Nitesh Jain**  
 Chief Rating Officer



**Mr. Kiran Kavala**  
 Senior Director



**Mr. Gaurav Dixit**  
 Senior Director

# Key takeaways - PMT

## CareEdge Global is fully ready to serve global issuers and investors\*

1

### CareEdge Global benefits from the strong Parentage

- Over 3 decades of experience;
- CareEdge Ratings is the 2<sup>nd</sup> largest rating agency in India
- Rating operations in Nepal and Mauritius; received licence to start rating agency in South Africa recently

2

### Our rating Methodologies are transparent, objective, and relevant to the changing global landscape

- Extensive engagements with stakeholders since the release of the draft rating methodology for Sovereign rating in Jan 2024; Appointed one of the IIMs to validate the methodology
- Highest weightage to objective parameters
- Published rating methodologies for Project Finance and Financial Institutions (FIs)

3

### CareEdge Global Team has relevant experience and expertise

- The team is further guided by external committee members and advisors having decades of experience in global credit ratings and macro economic research across geographies

4

### Recent rating actions by other Global CRAs are converging towards CareEdge Global ratings

- Positive feedback from various investors as well as multilateral funding agencies
- As presented in the previous slide, rating actions by other global CRAs are testimony to the robustness of our rating methodologies

**\*Offering public and private ratings to Sovereign, Corporate, Project Finance and Financial Institutions (Issuer as well as Issue Rating)**





Ratings • Analytics • Consulting • Sustainability

# THANK YOU

## About Us

CareEdge is a knowledge-based analytical group offering services in Credit Ratings, Analytics, Consulting and Sustainability. Established in 1993, the parent company CARE Ratings Ltd (CareEdge Ratings) is India's second-largest rating agency, with a credible track record of rating companies across diverse sectors and holding leadership positions in high-growth sectors such as BFSI and Infra. The wholly-owned subsidiaries of CareEdge Ratings are (I) CARE Analytics & Advisory Private Ltd (previously known as CARE Risk Solutions Pvt Ltd), (II) CARE ESG Ratings Ltd (previously known as CARE Advisory Research and Training Ltd) and (III) CareEdge Global IFSC Ltd. CareEdge Ratings' other international subsidiary entities include CARE Ratings (Africa) Private Ltd in Mauritius, CARE Ratings South Africa (Pty) Ltd, and CARE Ratings Nepal Ltd.

## CARE Ratings Limited

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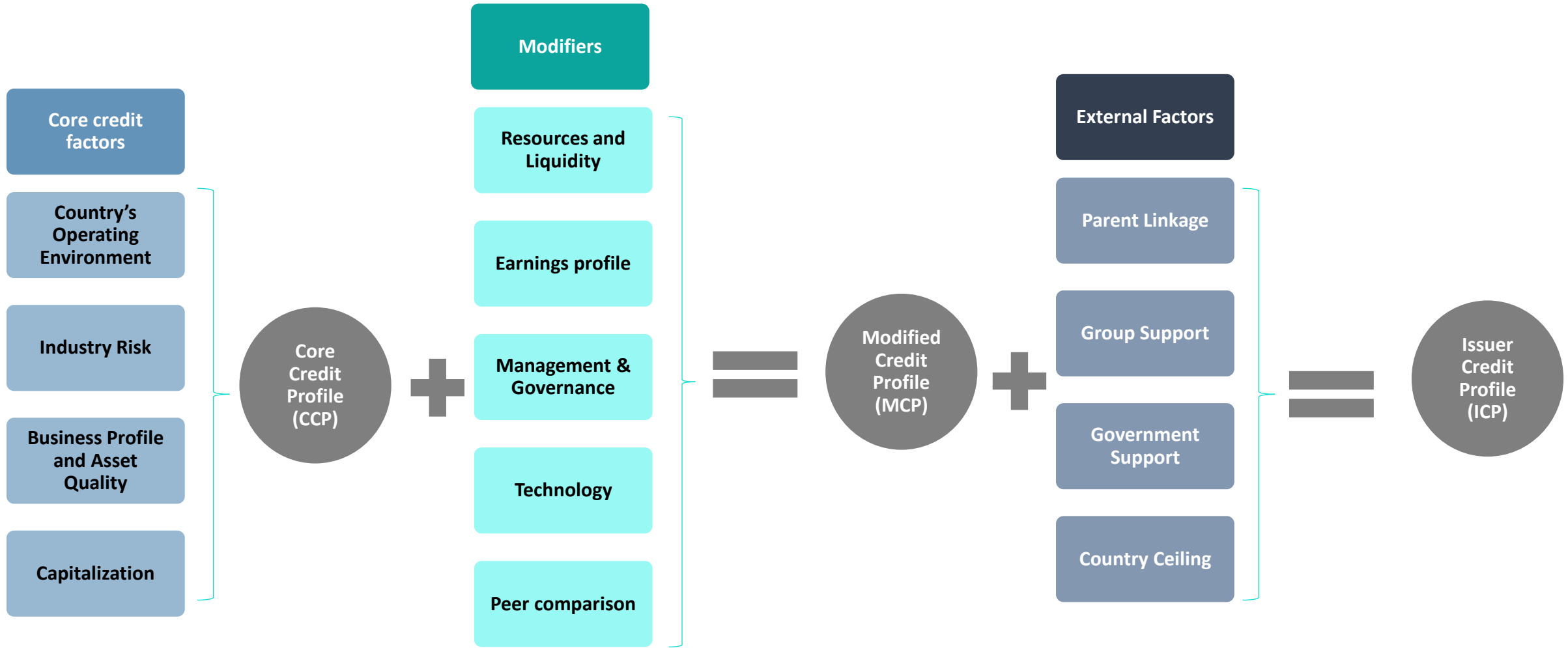




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# Financial Institutions (FIs) Rating Methodology

# Financial Institutions (FIs) Evaluation Framework





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# Project Finance Rating Methodology

# Project Finance Rating Methodology

