

# S&P Global Ratings

## Credit Ratings. Research. Insights.

Spanning 27 countries, S&P Global Ratings is a leading provider of credit ratings, research, and insights essential to driving growth and transparency. S&P Global Ratings' analysts offer a combination of global perspective and local insight.

### Our Focus Forward

Strengthen analytical excellence to drive market relevance

Leverage new technology and data capabilities to transform our value chain

Enter new high-potential geographies with innovative products

Extend our strong analytical capabilities to new opportunities such as ESG and cybersecurity

*S&P Global Ratings rates more than \$47 trillion of global debt and has more than 1 million ratings outstanding*

Data as of 12/31/2021

## How S&P Global Ratings Generates Revenue

### Non-Transaction:

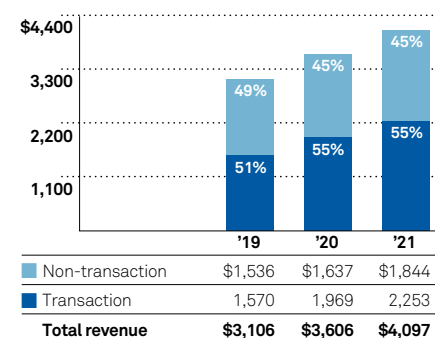
Surveillance of a credit rating, annual fees for customer relationship-based pricing programs, fees for entity credit ratings, and global research and analytics at CRISIL

### Transaction:

Ratings for new issuances, such as corporate, financial institution, insurance, government, and structured finance debt instruments; and bank loan ratings

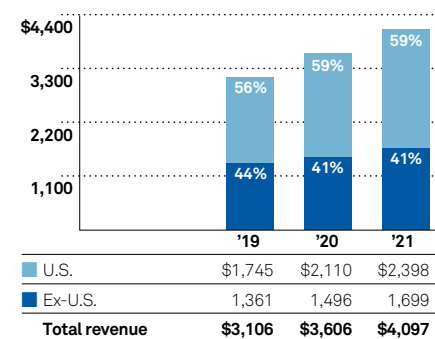
### Revenue by Type

(dollars in millions)



### Revenue by Geography

(dollars in millions)



#### Notes for pages 16 and 17:

2020 results reflect the acquisitions of the ESG Ratings Business from RobecoSAM and Greenwich Associates LLC

The Ratings division includes S&P Global Ratings, which is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization ("NRSRO"); CRISIL Limited, a global analytical company incorporated in India; and certain other ratings-related businesses

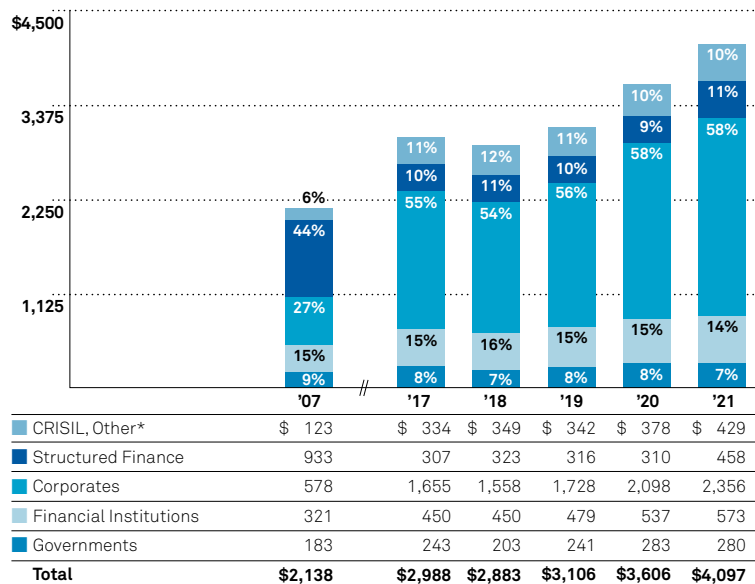
Division revenues do not include interdivision revenue elimination

# S&P Global Ratings

## Corporate Ratings Are Now a Larger Portion of the Business

### Change in Revenue Mix: 2007 vs. 2021

(dollars in millions)



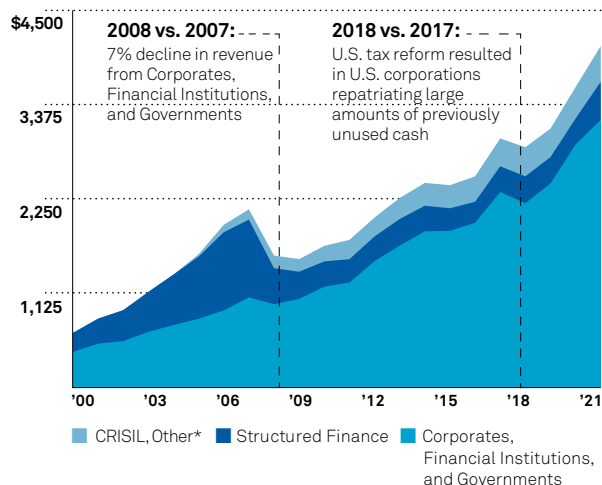
Notes: Details may not sum to total due to rounding

\*Other includes interdivision royalty, Taiwan Ratings Corporation, and adjustments

## Financial Crisis and U.S. Cash Repatriation Had Modest Impacts on Revenue from Corporates, Financial Institutions, and Governments

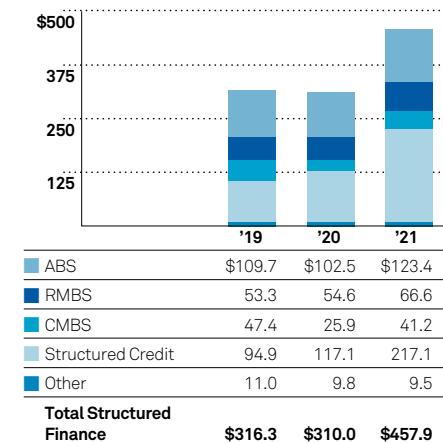
### Revenue: 2000–2021

(dollars in millions)



### Structured Finance by Asset Class

(dollars in millions)



### S&P Global Ratings Revenue by Quarter: 2019–2021

(dollars in millions)

	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CRISIL, Other*	\$ 83	\$ 84	\$ 91	\$ 83	\$ 86	\$ 91	\$ 93	\$ 109	\$ 97	\$ 102	\$ 106	\$ 124
Structured Finance	61	82	74	99	75	65	77	93	101	121	114	122
Corporates	386	458	439	445	475	632	510	482	605	622	582	547
Financial Institutions	113	117	126	122	128	145	133	130	141	152	144	136
Governments	52	59	60	70	61	73	81	68	72	77	72	60
<b>Total</b>	<b>\$ 696</b>	<b>\$ 801</b>	<b>\$ 789</b>	<b>\$ 820</b>	<b>\$ 825</b>	<b>\$ 1,006</b>	<b>\$ 894</b>	<b>\$ 881</b>	<b>\$ 1,017</b>	<b>\$ 1,073</b>	<b>\$ 1,017</b>	<b>\$ 989</b>

Notes: Details may not sum to total due to rounding

\*Other includes interdivision royalty, Taiwan Ratings Corporation, and adjustments

Corporate ratings are now a larger portion of S&P Global Ratings' business

# CRISIL Limited

An S&P Global Company

CRISIL is a leading agile and innovative global analytics company. It is India's foremost provider of ratings, data, research, analytics, and solutions. A strong track record of growth and innovation and a global footprint set it apart. It delivers independent opinions, actionable insights, and efficient solutions to more than 100,000 customers. CRISIL's businesses operate in India, Argentina, Australia, China, Hong Kong, Japan, Poland, Singapore, Switzerland, the U.A.E., U.K., and the United States.

[spglobal.com/CRISIL](https://spglobal.com/CRISIL)

## Mission

Making markets function better by providing independent opinions, actionable insights, and efficient solutions

## Customer Value Proposition

CRISIL's market-leading ratings, benchmarks, analytics, and solutions empower clients and stakeholders to make decisions with conviction

## Capabilities

Ratings  
Research  
Risk Solutions  
Analytics  
Benchmarking Services  
Assessments

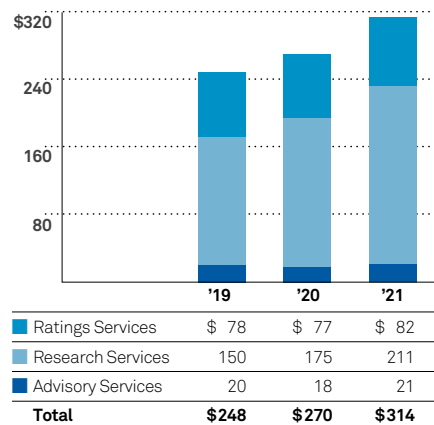
## Customers

Corporates  
Global and regional banks, and non-banking finance companies  
Asset allocators and asset managers  
Multilateral and government bodies

## CRISIL's Diversified Service Mix and Global Presence

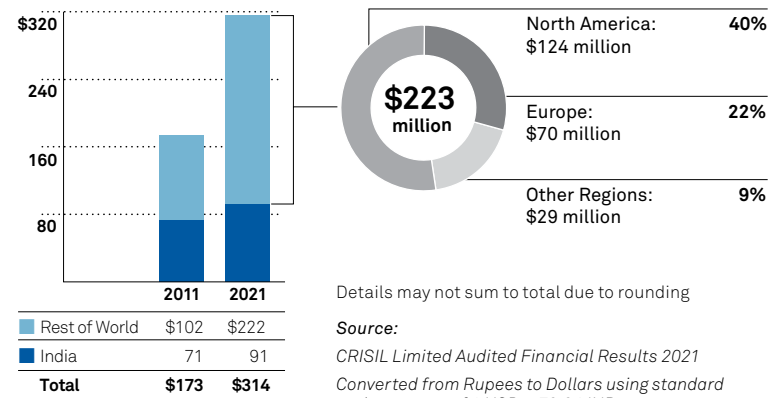
### CRISIL: Revenue by Segment

(dollars in millions)

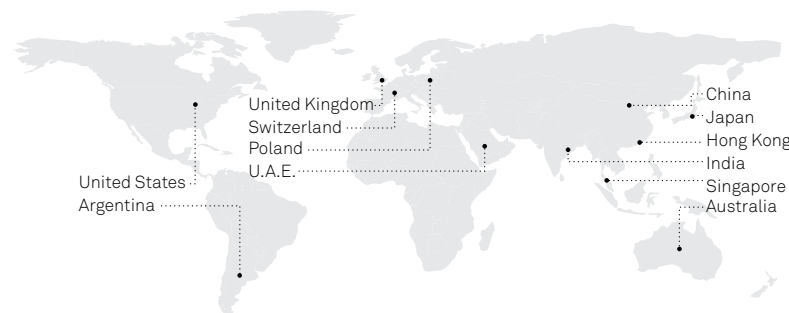


### More than 70% of CRISIL's Revenue Is from Outside India

(dollars in millions)



## CRISIL Presence



CRISIL is listed on the NSE and the BSE stock exchanges in India. S&P Global Inc. owns approximately 67% of CRISIL

# S&P Global Ratings Thought Leadership

Located in the world's major financial hubs, S&P Global Ratings' experienced team of analysts and economists provides **essential research and data on issues that matter to** financial market participants. In the past year, we focused our attention on providing **timely data-driven insights and analysis on the economic and credit implications** of the global coronavirus pandemic. We also examined the recovery path for economies and corporate sectors through our forward-looking "Shape of Recovery" and "Beyond COVID" research series.

In response, investors and other market participants demonstrated unprecedented demand for our **valued and timely thought leadership and perspectives**.

Our cross-sector analytical teams continued to publish other **forward-looking credit-related analysis on key market themes and topics**, including ESG (Environmental, Social, and Governance) and Sustainable Finance, Energy in Transition, Leveraged Finance and CLOs, China in Transition, and Beyond Brexit.

As the number of investors applying an ESG lens to investing grew rapidly, S&P Global Ratings expanded its **analytic capabilities and perspectives in the areas of sustainable finance and ESG**. With total global issuance of sustainable debt surpassing \$1 trillion, we continued to bolster our assessment of issuers' sustainability efforts through our ESG Evaluation and Sustainability Financing Opinions, including Second-Party Opinions. We also provided additional disclosure through ESG indicators which illustrate the ESG-related aspects of the credit rating analysis that are discussed in the body of our credit rating reports on rated entities.

## Notes:

- (1) Servicer Evaluations produces a ranking, not a credit rating
- (2) On March 9, 2022, S&P Global Ratings announced that it had suspended commercial operations in Russia
- (3) India includes S&P Global Ratings locations not issuing credit ratings

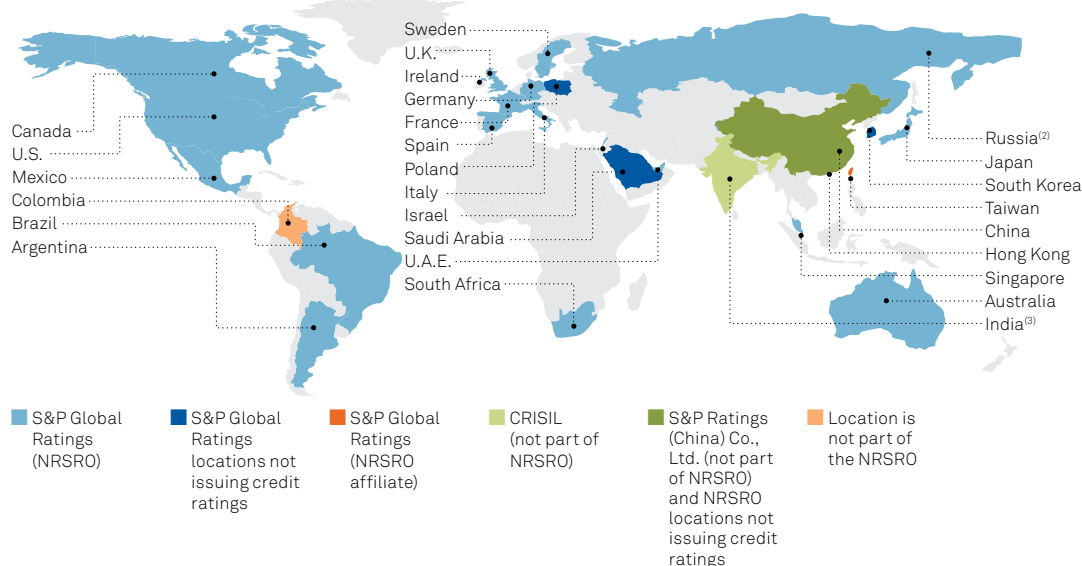
**Source:** Form NRSRO as filed on 3/25/2022

S&P Global Ratings is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization ("NRSRO") and does not include CRISIL Limited and certain other ratings-related businesses. Map is for illustrative purposes only

# Broad and Deep Analytical Coverage

S&P Global Ratings' credit ratings are opinions about credit risk; they express our view on the relative likelihood that debt issued by companies and governments will be repaid on time and in full. These ratings reflect in-depth analysis of the issuers and their debt obligations.

Financial Institution Ratings	Insurance Company Ratings	Corporate Ratings	Structured Finance Ratings	Government Security Ratings
<b>52,947</b>	<b>6,919</b>	<b>56,745</b>	<b>37,593</b>	<b>935,801</b>
Banks	Health	Industrials	Asset-Backed Commercial Paper	International Public Finance
Brokers/Dealers	Life	Utilities	Asset-Backed Securities	U.S. Public Finance
Finance Companies	Property/Casualty	Project Finance	Collateralized Debt Obligations	Sovereigns
Other Financial Institutions	Reinsurance/Specialty		Commercial Mortgage-Backed Securities	
	Bond		Residential Mortgage-Backed Securities	
			Servicer Evaluations <sup>(1)</sup>	



*Globally, S&P Global Ratings rated more than \$4.2 trillion in new debt par-value in 2021*

Data as of 12/31/2021

# S&P Global (China) Ratings Expands Its Capabilities in China's Domestic Bond Market

## 标普信评 S&P Global China Ratings

S&P Global (China) Ratings is authorized to rate issuers and issuances from:

**Corporates**  
**Financial institutions**  
**Structured finance**  
**Panda bonds**

As China continues to develop and open its capital markets, more international investors are eager to participate in the domestic markets. As the first wholly foreign-owned credit rating agency allowed to operate domestically in China, S&P Ratings (China) Co., Ltd, a wholly owned, indirect subsidiary of S&P Global, has demonstrated its inherent value to investors across the globe.

In January 2019, S&P Ratings (China) Co., Ltd., was granted a first-of-its-kind license to enter the domestic bond market in China. Based in Beijing with a team of approximately 50 employees, the new rating agency was officially launched in March 2019 and soon after issued ratings and cross-sector research under the brand name S&P Global (China) Ratings and 标普信评.

In October 2020, S&P Global (China) Ratings completed its registration filing for China's exchange bond market, becoming the first wholly foreign-owned CRA with the broadest remit in China.

The company employs its own ratings' standards, criteria, and methodology, with compliance and control standards derived from those of S&P Global Ratings. It has adopted a national rating scale in recognition of the size and diversity of China's domestic capital markets, applying a methodology relevant to those onshore markets. S&P Global (China) Ratings aims to bring onshore an international standard of ratings principles and combine it with on-the-ground local insights to provide forward-looking and granular ratings to domestic and international investors. It is also working with S&P Global Market Intelligence to meet the needs of fixed-income investors interested in China, bringing new depths of insight and analysis to this significant market.

*S&P Global (China) Ratings' entry into China's domestic bond market is a long-term initiative that will develop over the next three to five years*

## China's Domestic and Offshore Bond Markets

### China's offshore bond market:

S&P Global Ratings currently rates offshore bonds for hundreds of companies in China, including issuances in Renminbi and other major currencies. S&P Global (China) Ratings works with these same issuers and assigns domestic ratings to Chinese issuers and debt.

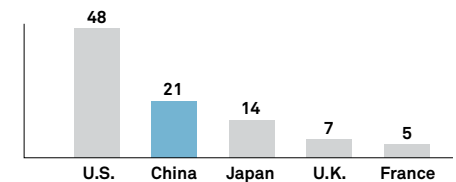
### China's domestic onshore bond market is one of the largest bond markets in the world.

S&P Global (China) Ratings' entry responds to a demand for more transparency and greater granularity around credit risk in the Chinese market. S&P Global views this as a longer-term initiative as China's debt market develops over the next three to five years.

## China's bond market is one of the largest in the world

### Total Bonds Outstanding

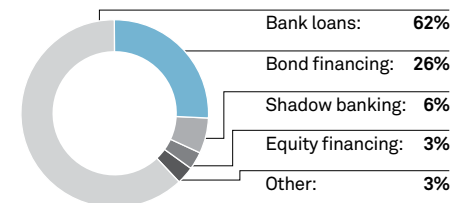
Domestic and International Debt Securities (dollars in trillions) (as of 9/31/2021)



Source: Bank for International Settlements

## Approximately 26% of financing in China is through bond financing

(as of 12/31/2021)

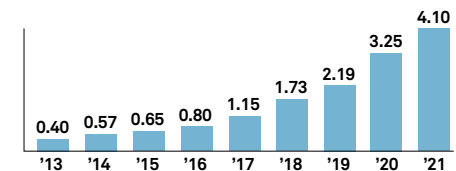


Source: People's Bank of China

## Foreign investors are increasing in China's bond market

### Chinese Bonds Held by Foreign Investors

(yuan in trillions)



Sources: China Central Depository & Clearing, Shanghai Clearing House

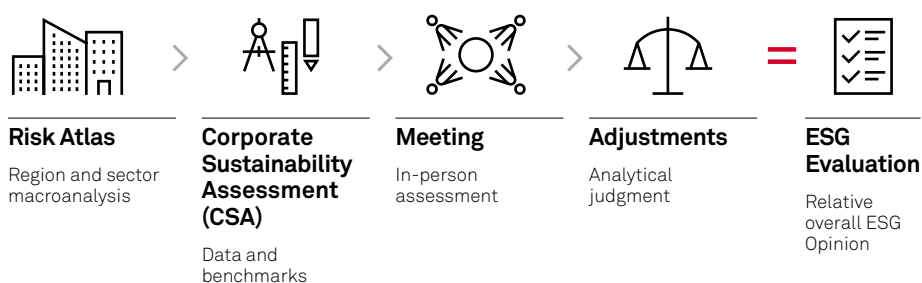
Note: Beginning in September 2018, the bond financing category was revised to include both corporate and government bonds. Previously, only corporate bonds were included

# ESG Evaluation and Sustainable Financing Opinions

## ESG Evaluation

The ESG Evaluation is a forward-looking, data-driven opinion of a company's ability to manage future ESG risks and opportunities. The ESG Evaluation uses company responses from the S&P Global Corporate Sustainability Assessment (CSA) and is further supported by deeper engagement between Ratings' Analysts, company management, and a board member. The final ESG Evaluation allows for a cross-sector comparison with other entities globally.

## Developing an ESG Evaluation



## There are two primary inputs to the ESG evaluation process

### Profile Analysis

#### Understand a company's current ESG performance

Assesses exposure to observable ESG risks and opportunities

Considers governance structure in mitigating risks and capitalizing on opportunities

### Preparedness Assessment

#### Understand extent to which the company is well prepared for future risks and opportunities

Incorporates the views of company management and a board member to assess a company's capacity to anticipate and adapt to a variety of long-term plausible disruptions (not limited to environmental or social scenarios)

## Sustainable Financing Opinions

S&P Global Ratings' Sustainable Financing Opinions help issuers/entities provide investors with greater insight into how their investment in an issuance may impact and align with global environmental, social, and sustainability goals.

### Offerings Include:

#### Second-Party Opinion Use of Proceeds Financing

Assesses a framework or transaction where the proceeds will be used exclusively to finance or refinance eligible environmental or social projects—for alignment with accepted market principles or guidelines.

#### Market principles or guidelines include:

##### Green Framework / Transaction

Alignment with Green Bond Principles (GBPs) and/or Green Loan Principles (GLPs)

Alignment with ASEAN Green Bond Standards

##### Social Framework / Transaction

Alignment with Social Bond Principles (SBPs) and/or Social Loan Principles (SLPs)

##### Sustainability Framework / Transaction

Alignment with SBPs and/or the GBPs (collectively known as the Sustainable Bond Guidelines)

#### Second-Party Opinion Sustainability-Linked Financing

Assesses a sustainable finance framework or transaction where the proceeds will be used for general corporate purposes but incorporate measurable, forward-looking sustainability key performance indicators and sustainable performance targets into the financial and/or structural characteristics of the instrument—for alignment with accepted market principles.

#### Market principles or guidelines include:

##### Sustainability-Linked Framework / Transaction

Alignment with Sustainability Linked Bond Principles (SLBPs) and/or Sustainability Linked Loan Principles (SLLPs)

### Transaction Evaluation

A Transaction Evaluation provides a point-in-time score on the relative environmental benefit generated by a green/resilience financing and an opinion on governance and reporting. A green Transaction Evaluation can also be combined with an alignment opinion with Green Bond Principles, Green Bond Standards, and Green Loan Principles.

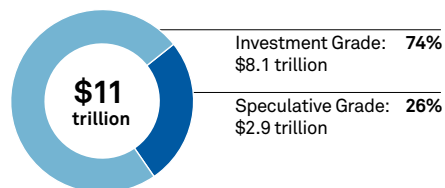
*S&P Global Ratings' ESG Evaluation allows for cross-sector comparison with other entities globally*

# Global Corporate Debt Maturities Through 2026

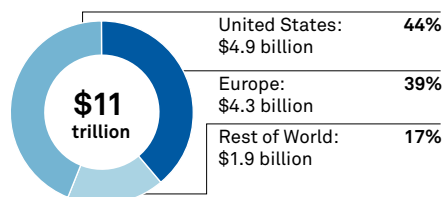
Annual estimate published by S&P Global Ratings Research

S&P Global Ratings Research estimates that about \$11 trillion in corporate debt rated by S&P Global Ratings is scheduled to mature globally from the end of 2021 through the end of 2026 (see charts below).

## Global Corporate Debt Maturities by Grade (2022–2026)

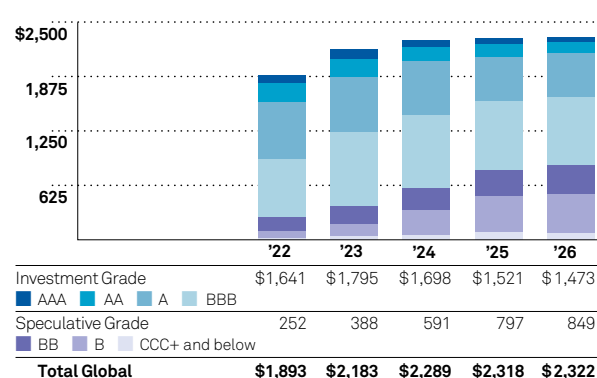


## Global Corporate Debt Maturities by Region (2022–2026)

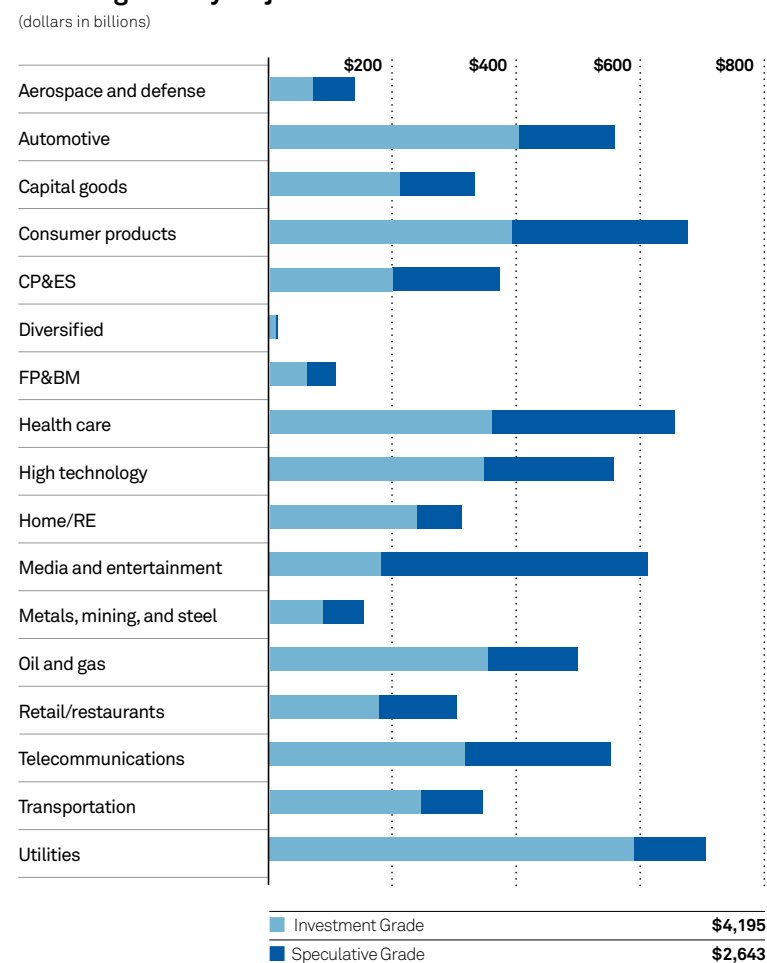


See footnotes on page 23

## Global Corporate Debt Maturities by Rating Category (2022–2026) (dollars in billions)



## Maturing Debt by Major Nonfinancial Sectors (dollars in billions)



**Note:** CP&ES—Chemicals, packaging, and environmental services. FP&BM—Forest products and building materials. Home/RE—Homebuilders/real estate companies

*The majority (approximately 74%) of rated corporate debt maturing through 2026 is investment-grade (rated 'BBB-' or higher)*

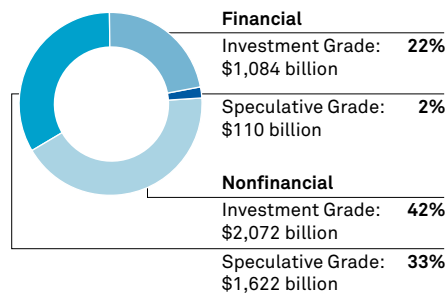


## Estimated Global Schedule for Maturing Corporate Debt (2022–2026)

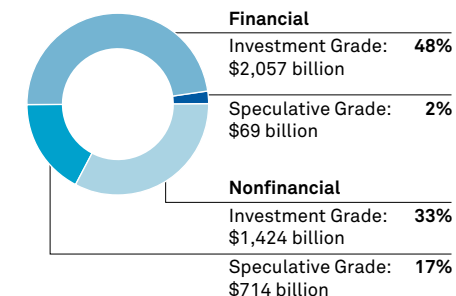
(dollars in billions)

	2022	2023	2024	2025	2026	Total
<b>United States</b>						
<b>Financial</b>						
Investment grade	\$ 180	\$ 236	\$ 240	\$ 215	\$ 212	\$ 1,084
Speculative grade	9	16	20	33	33	110
<b>Nonfinancial</b>						
Investment grade	350	448	438	435	401	2,072
Speculative grade	129	209	360	460	464	1,622
<b>Total United States</b>	<b>\$ 668</b>	<b>\$ 910</b>	<b>\$ 1,057</b>	<b>\$ 1,143</b>	<b>\$ 1,109</b>	<b>\$ 4,888</b>
<b>Europe</b>						
<b>Financial</b>						
Investment grade	\$ 453	\$ 496	\$ 384	\$ 374	\$ 351	\$ 2,057
Speculative grade	12	12	16	15	15	69
<b>Nonfinancial</b>						
Investment grade	315	275	307	273	254	1,424
Speculative grade	50	98	135	198	233	714
<b>Total Europe</b>	<b>\$ 830</b>	<b>\$ 880</b>	<b>\$ 840</b>	<b>\$ 860</b>	<b>\$ 854</b>	<b>\$ 4,264</b>
<b>Rest of world</b>						
<b>Financial</b>						
Investment grade	\$ 187	\$ 183	\$ 188	\$ 111	\$ 123	\$ 793
Speculative grade	12	12	12	13	5	54
<b>Nonfinancial</b>						
Investment grade	156	158	143	111	131	699
Speculative grade	40	41	49	77	100	307
<b>Total rest of world</b>	<b>\$ 395</b>	<b>\$ 393</b>	<b>\$ 392</b>	<b>\$ 313</b>	<b>\$ 359</b>	<b>\$ 1,853</b>
<b>Total Global</b>	<b>\$1,893</b>	<b>\$2,183</b>	<b>\$2,290</b>	<b>\$2,316</b>	<b>\$2,323</b>	<b>\$11,005</b>

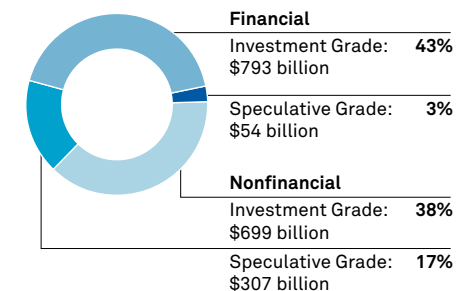
### United States: \$4,888 billion



### Europe: \$4,264 billion



### Rest of World: \$1,853 billion



#### Notes for pages 22 and 23:

Includes nonfinancial corporate and financial services issuers' bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings. Excludes debt instruments that do not have a global scale rating. Foreign currencies are converted to U.S. dollars at the exchange rate on close of business on 1/1/2022.

Data as of 1/1/2022

Details may not sum to total due to rounding

Source: S&P Global Ratings



# U.S. Debt Market

## Dollar volume by new-issue category

In 2021, S&P Global Ratings rated approximately 76% of the \$3.0 trillion in addressable debt issued in the U.S. market compared with 85% in 2020. Rated debt issuance by dollar volume in the U.S. increased by 5% from 2020 to 2021 while the number of issues increased by approximately 3%.

The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated U.S. debt market primarily comprises six new-issue categories (shown below): (1) Corporates (Industrials, Infrastructure, and Financial Services), (2) Municipals, (3) Sovereigns, (4) Mortgage-Backed Securities (Residential and Commercial), (5) Asset-Backed Securities, and (6) Collateralized Debt Obligations.

### Rated U.S. Debt Market: 2021 Dollar Volume by New-Issue Category <sup>(a, b, c, d, e)</sup>

CORPORATES	Industrials	\$782	
	Infrastructure	\$104	
	Financial Services	\$605	
GOVERNMENT	Municipals	\$429	
	Sovereigns	\$ 70	
STRUCTURED	RMBS	\$204	
	CMBS	\$ 97	
	ABS	\$278	
	CDOs	\$418	
<b>Total:</b>		<b>\$3.0 Trillion</b>	

**Notes:** Annual figures; dollar volume in billions; data by domicile of issuer/assets

Details may not sum to total due to rounding

Historical percentages calculated based on unrounded figures

Data as of 12/31/2021 and subject to revision to reflect final deal information

**Notes for pages 24 and 25:**

(a) Excludes municipal student loans and private placements

(b) Excludes confidential transactions

(c) Includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred stocks. Excludes private placements (except Rule

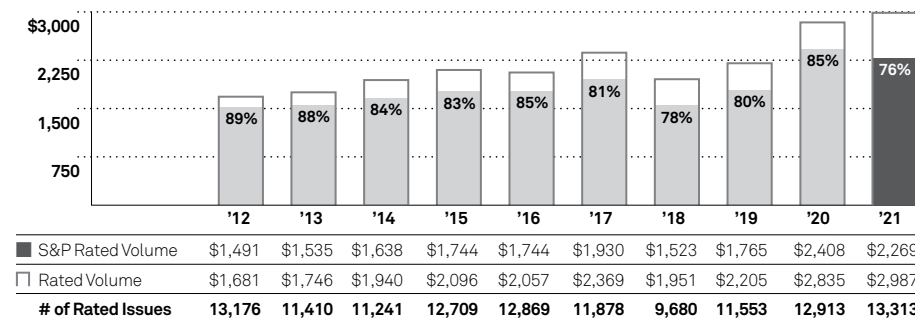
144a issues), retail notes, commercial paper, and all agency issues

(d) Excludes agency deals. Includes home equity loans

(e) Excludes asset-backed commercial paper and letters of credit

### Rated U.S. Debt Market <sup>(a, b, c, d, e)</sup>

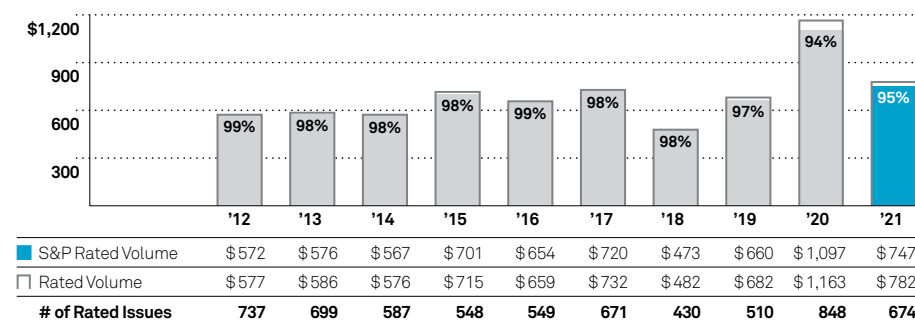
(S&P penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Refinitiv, Green Street Advisors, S&P Global Ratings

### U.S. Corporates: Industrials <sup>(c)</sup>

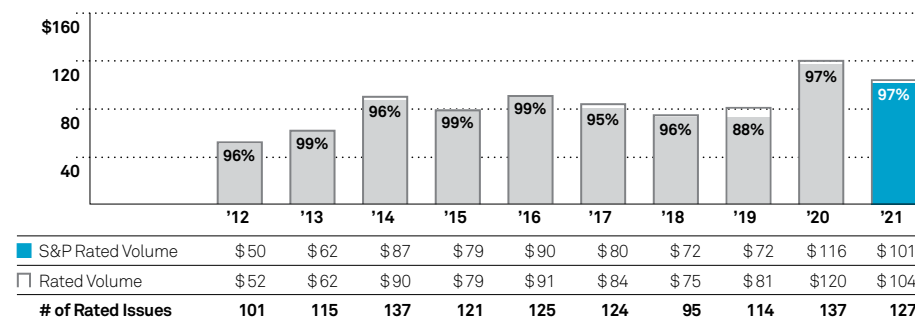
(S&P penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

### U.S. Corporates: Infrastructure

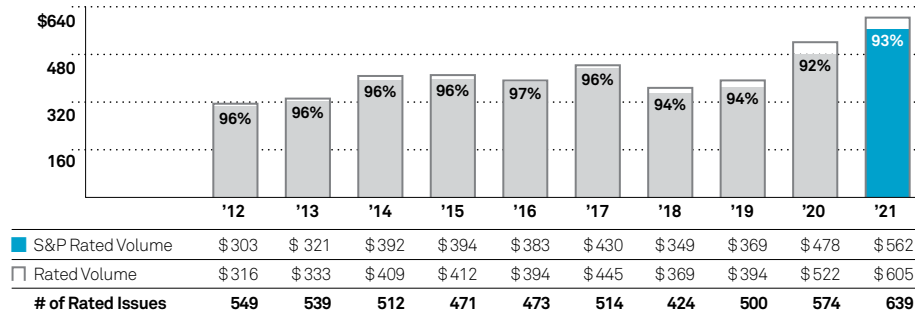
(S&P penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

## U.S. Corporates: Financial Services <sup>(c)</sup>

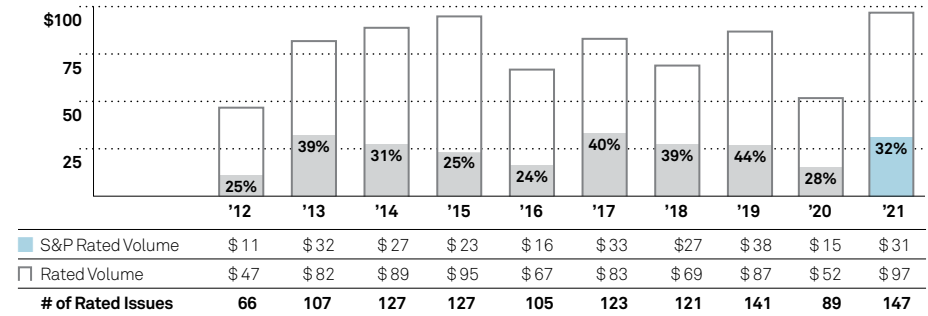
(S&P penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

## U.S. Commercial Mortgage-Backed Securities (CMBS) <sup>(b)</sup>

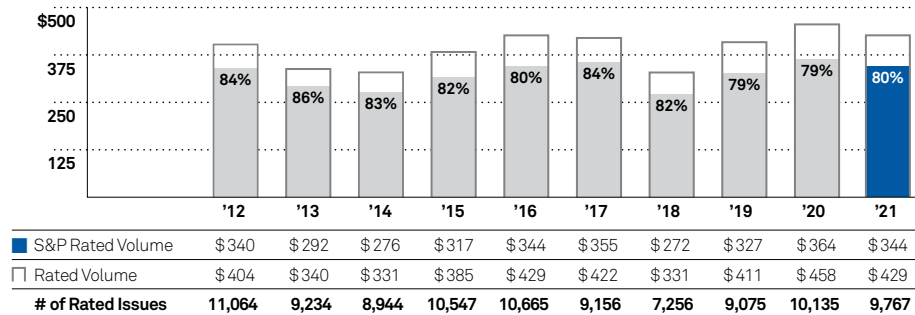
(S&P penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

## U.S. Municipals <sup>(a)</sup>

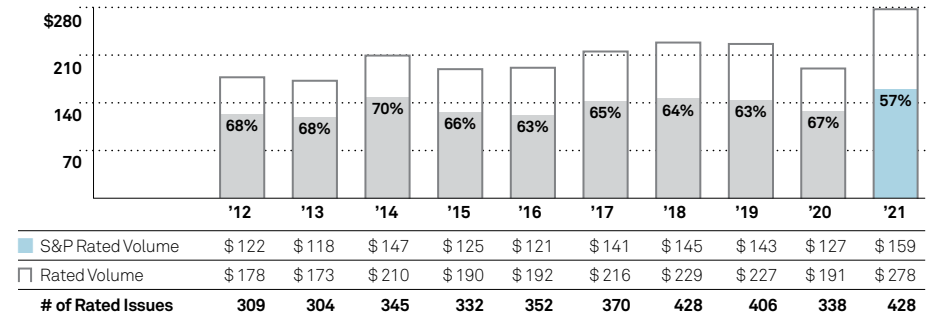
(S&P penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

## U.S. Asset-Backed Securities (ABS) <sup>(b, e)</sup>

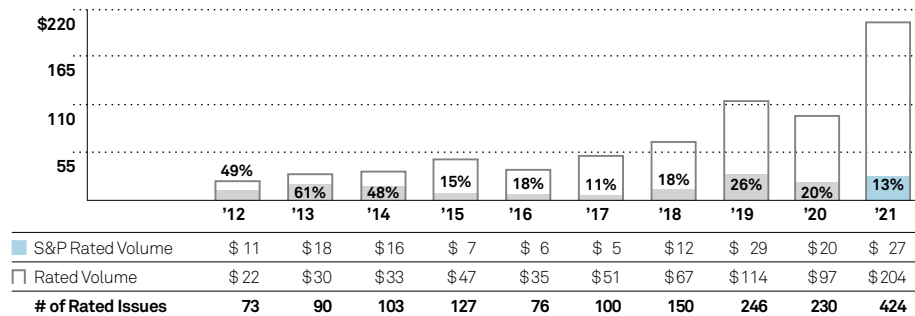
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

## U.S. Residential Mortgage-Backed Securities (RMBS) <sup>(b, d)</sup>

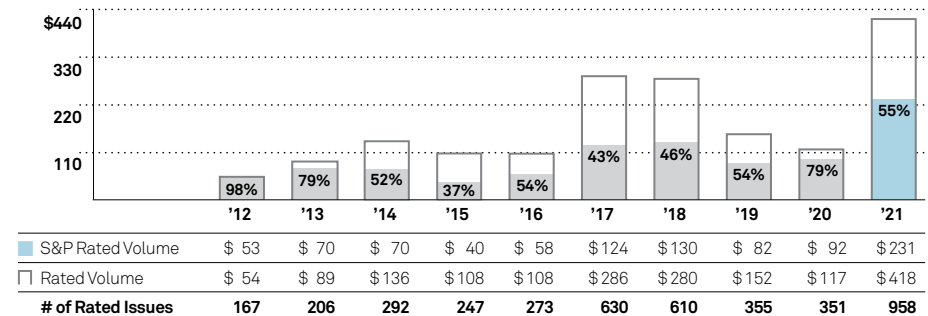
(S&P penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

## U.S. Collateralized Debt Obligations (CDOs) <sup>(b)</sup>

(S&P Global Ratings penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

# EMEA (Europe, Middle East, Africa) Region Debt Market

## Dollar volume by new-issue category

In 2021, S&P Global Ratings rated approximately 74% of the \$2.0 trillion of addressable debt issued in the EMEA region market, which includes Europe, the Middle East, and Africa, compared with 75% in 2020. Rated debt issuance by dollar volume in the region decreased by approximately 5% from 2020 to 2021 while the number of issues increased by 15%.

The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated EMEA debt market comprises six new-issue categories (shown below): (1) Corporates (Industrials, Infrastructure, and Financial Services), (2) Sovereigns/International Public Finance (IPF), (3) Mortgage-Backed Securities (Residential and Commercial), (4) Asset-Backed Securities, (5) Collateralized Debt Obligations, and (6) Covered Bonds.

### Rated EMEA Debt Market: 2021 Dollar Volume by New-Issue Category (a, b, c, d)

CORPORATES			
Industrials	\$435		
Infrastructure	\$ 74		
Financial Services	\$666		
GOVERNMENT			
Sovereigns/IPF	\$445		
STRUCTURED			
RMBS	\$ 51		
CMBS	\$ 9		
ABS	\$ 49		
CDOs	\$118		
Covered Bonds	\$138		
<b>Total:</b>	<b>\$2.0 Trillion</b>		

**Notes:** Annual figures; dollar volume in billions; data by domicile of issuer/assets  
Details may not sum to total due to rounding  
Historical percentages calculated based on unrounded figures

Data is subject to revision to reflect final deal information

#### Notes for pages 26 and 27:

(a) Excludes confidential and repo transactions

(b) Includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred

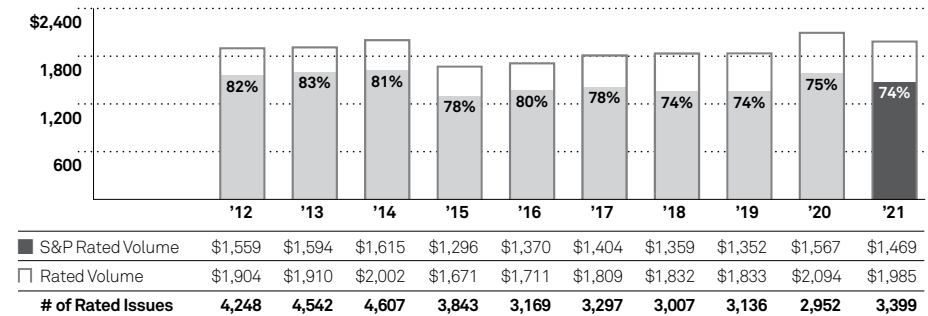
stocks. Excludes private placements (except Rule 144a issues), retail notes, and commercial paper

(c) Excludes asset-backed commercial paper and letters of credit

(d) Includes home equity loans

### Rated EMEA Debt Market (a, b, c, d, e)

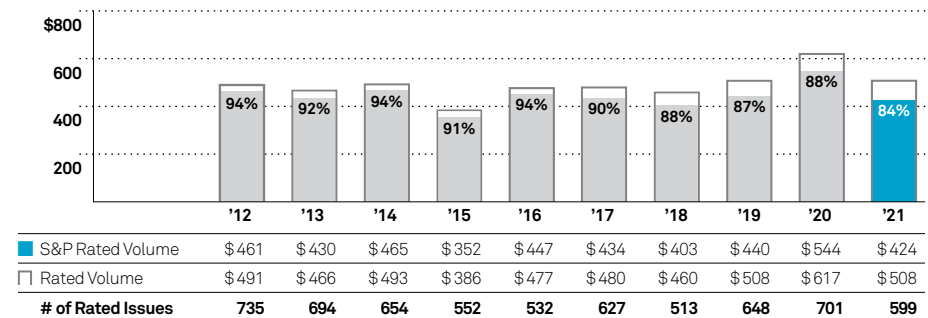
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Refinitiv, Green Street Advisors, S&P Global Ratings

### EMEA Corporates: Industrials<sup>(c)</sup> and Infrastructure

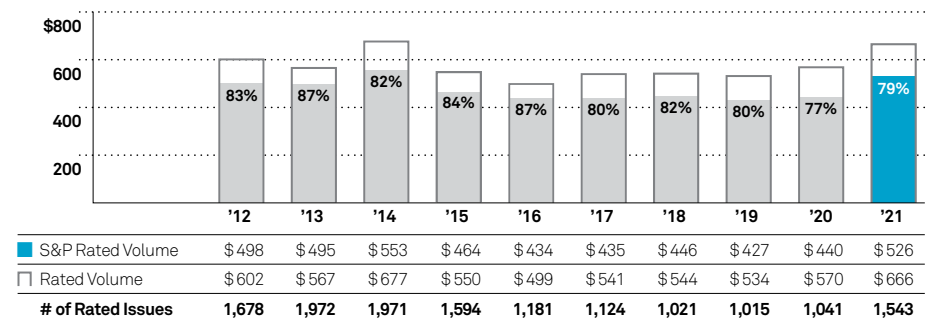
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

### EMEA Corporates: Financial Services<sup>(c)</sup>

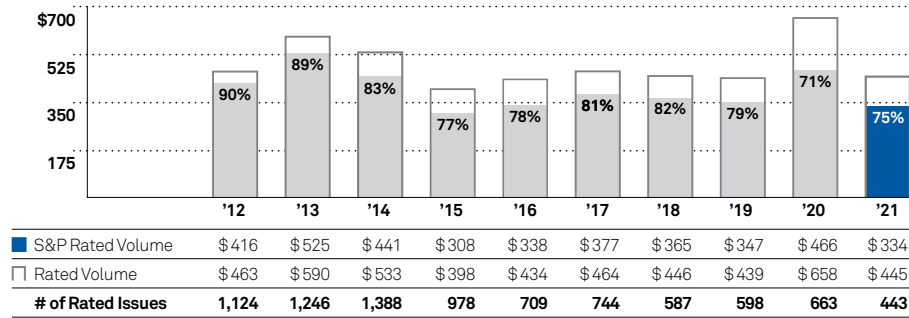
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

## EMEA Sovereigns/IPF

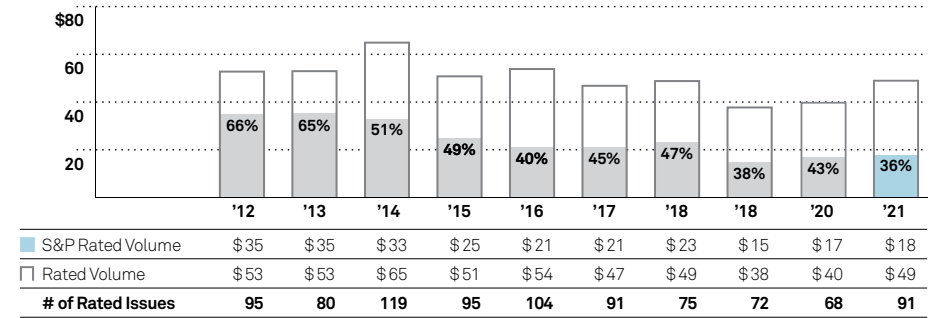
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

## EMEA Asset-Backed Securities (ABS) (b, e)

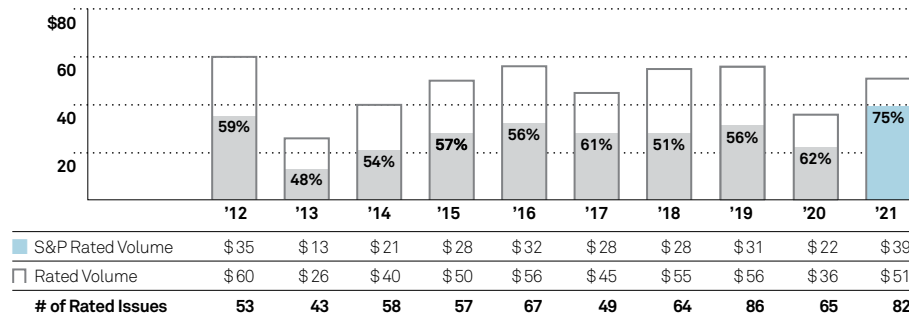
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

## EMEA Residential Mortgage-Backed Securities (RMBS) (b, d)

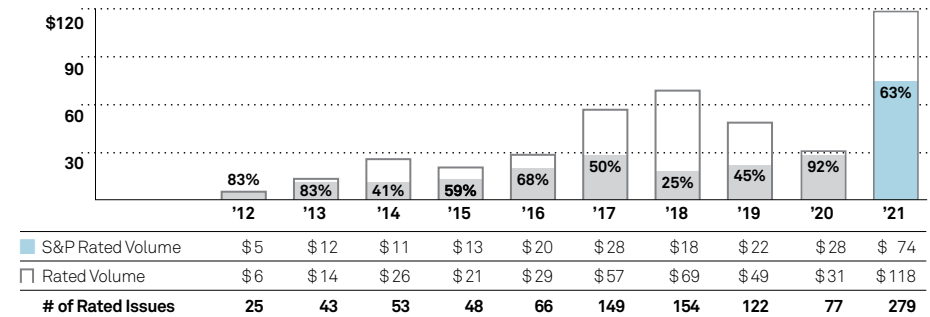
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

## EMEA Collateralized Debt Obligations (CDOs) (b)

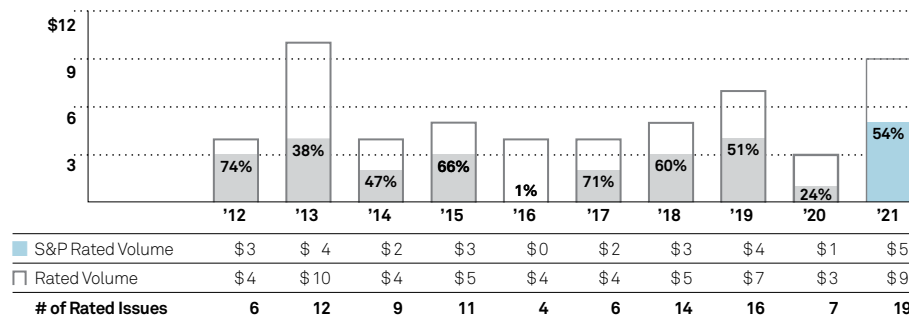
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

## EMEA Commercial Mortgage-Backed Securities (CMBS) (b)

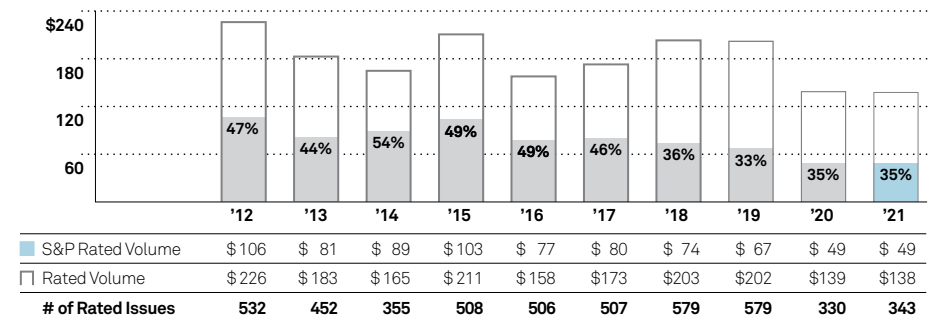
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

## EMEA Covered Bonds (a)

(S&P Global Ratings penetration rate as a % of rated dollar volume) (data through 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

# Asia-Pacific Region Debt Market

## Dollar volume by new-issue category

In 2021, S&P Global Ratings rated approximately 60% of the \$903 billion of addressable debt issued in the Asia-Pacific market compared with 57% in 2020. Rated debt issuance by dollar volume in the region increased by 9% from 2020 to 2021 while the number of rated issues increased by approximately 16%.

The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated Asia-Pacific debt market comprises six new-issue categories (shown below): (1) Corporates (Industrials, Infrastructure, and Financial Services), (2) Sovereigns/International Public Finance (IPF), (3) Mortgage-Backed Securities (Residential and Commercial), (4) Asset-Backed Securities, (5) Collateralized Debt Obligations, and (6) Covered Bonds.

### Rated Asia-Pacific Debt Market: 2021 Dollar Volume by New-Issue Category <sup>(a, b, c, d, e)</sup>

CORPORATES			
Industrials	\$264		
Infrastructure	\$ 18		
Financial Services	\$289		
GOVERNMENT			
Sovereigns/IPF	\$152		
STRUCTURED			
RMBS	\$ 68		
CMBS	\$ 0		
ABS	\$ 87		
CDOs	\$ 3		
Covered Bonds	\$ 22		
<b>Total:</b>	<b>\$903 Billion</b>		

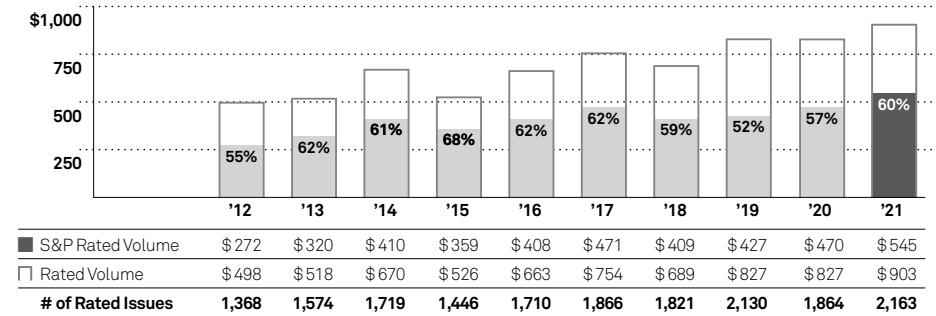
**Notes:** Annual figures; dollar volume in billions; data by domicile of issuer/assets  
Details may not sum to total due to rounding  
Historical percentages calculated based on unrounded figures  
Data is subject to revision to reflect final deal information

**Notes for page 28:**  
(a) Excludes confidential and repo transactions  
(b) Includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred stocks. Excludes sovereign issuers, private placements (except Rule 144a issues), retail notes, commercial paper, and all agency issues

(c) Excludes asset-backed commercial paper and letters of credit  
(d) Includes home equity loans  
(e) Includes sovereigns

### Rated Asia-Pacific Debt Market <sup>(a, b, c, d, e)</sup>

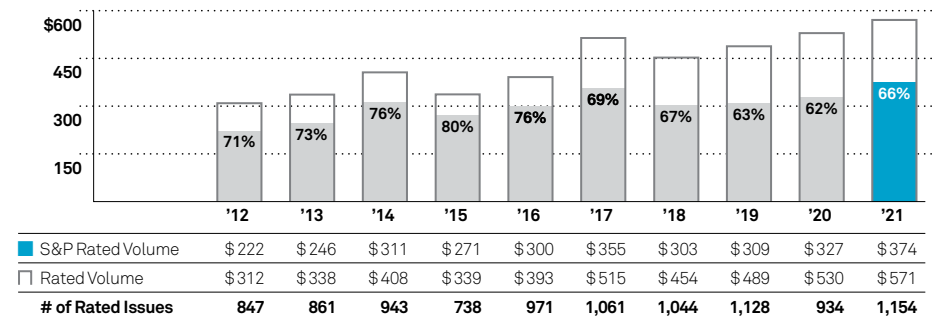
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Refinitiv, Green Street Advisors, S&P Global Ratings

### Asia-Pacific Corporates (Industrials, Infrastructure and Financial Services) <sup>(b)</sup>

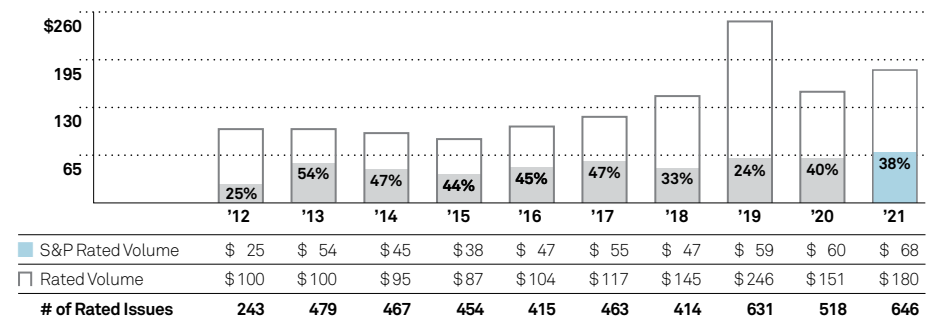
(S&P Global Ratings penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Refinitiv, S&P Global Ratings

### Asia-Pacific Structured Finance <sup>(a, c, d)</sup>

(S&P Global Ratings penetration rate as a % of rated dollar volume) (data as of 12/31/2021)



Sources: Green Street Advisors, S&P Global Ratings

# S&P Global Ratings' Track Record: Standing the Test of Time

## What are credit ratings?

Credit ratings express an opinion about the ability and willingness of an issuer to meet its financial obligations in full and on time. They also speak to the credit quality of an individual debt issue and the relative likelihood that the debt issue may default.

Corporations or governments often raise funds for projects—such as the construction of a factory, school, or highway, or a green energy project—by issuing debt securities like bonds. Our credit ratings can help them communicate their creditworthiness.

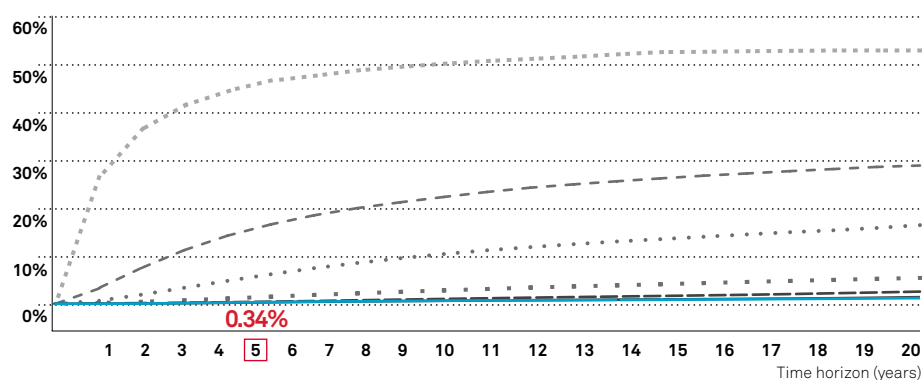
## How S&P Global Ratings' credit ratings perform

The charts to the right show the default rates experienced for each rating category.

**For example:** The five-year cumulative default rate for corporate issuers rated AAA has been **0.34%**, or fewer than four defaults for every 1,000 ratings.

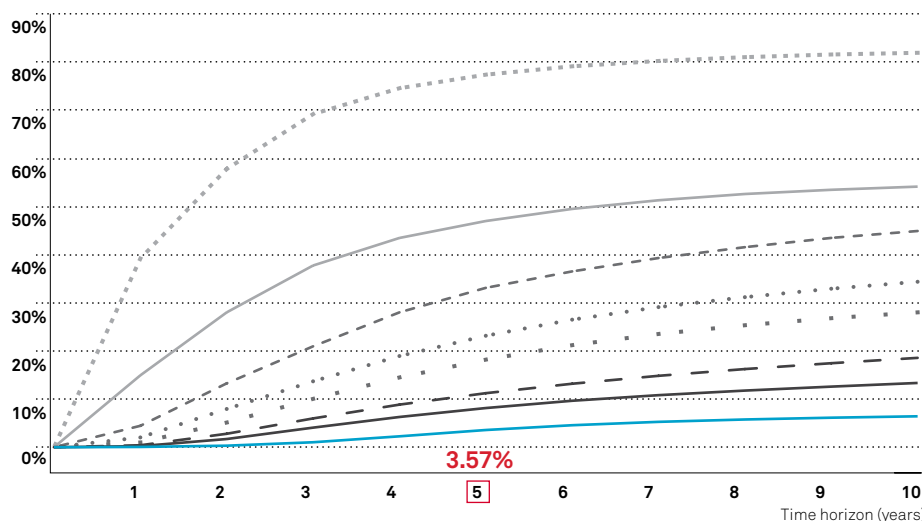
The five-year cumulative default rate for AAA-rated structured finance issues has been **3.57%**.

**Global Corporates**  
**Average Cumulative Default Rates by Rating, 1981–2021 (a)**



Source: S&P Global Ratings, "Default, Transition, and Recovery: 2021 Annual Global Corporate Default and Rating Transition Study," April 13, 2022, Chart 6

**Global Structured Finance**  
**Average Cumulative Default Rates by Rating, 1976–2021 (a, b)**



Source: S&P Global Ratings, "Default, Transition, and Recovery: 2021 Annual Global Structured Finance Default and Rating Transition Study," May 25, 2022, Table 2

.....	CCC/C
-----	B
.....	BB
.....	BBB
-----	A
-----	AA
-----	AAA

.....	CC
-----	CCC
-----	B
.....	BB
.....	BBB
-----	A
-----	AA
-----	AAA

### Notes:

- (a) Average cumulative default rates are derived by calculating "conditional on survival" marginal default rates from experiences of each static pool and time horizon
- (b) Includes only one security per transaction that S&P Global Ratings originally rated 'AAA'

*S&P Global Ratings' data shows that lower-rated issuers and securities have generally exhibited higher default rates*

# Ratings Diversification

## Credit risk assessment, pricing, and structuring for syndicated loans

### S&P Global Ratings' Loan & Recovery Ratings

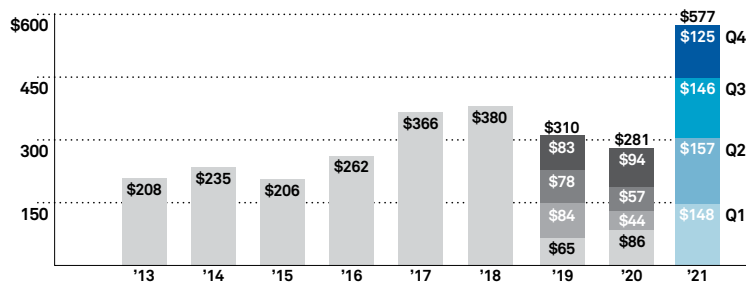
S&P Global Ratings' loan ratings are widely used in the loan market for credit risk assessment, pricing, and structuring of syndicated loans. A loan rating is the issue-specific rating assigned to a borrower's syndicated loan. These ratings give the market an important recovery assessment.

Recovery ratings are used in a variety of ways in the collateralized loan obligation (CLO) market. They are an integral input into S&P Global Ratings' CLO analysis and ratings. CLO asset managers may use recovery ratings as a key consideration in trading decisions as it relates to their portfolio parameters. CLO investors may use recovery ratings to monitor the overall expected recovery of their portfolio of leveraged loans.

S&P Global Ratings has assigned ratings on syndicated loans since 1996 across different sectors and borrower types, including investment-grade, speculative-grade, infrastructure, and project-finance loans. S&P Global Ratings currently rates syndicated loans of close to 2,100 borrowers totaling more than \$2.5 trillion.<sup>(1)</sup>

#### S&P Global Ratings: Bank Loan Ratings Revenue

(dollars in millions)



(1) Data based on bank loans outstanding as of 1/1/2022. Spans corporate, financial institutions, insurance, and non-U.S. Excludes revolving bank facilities.

### Why Clients Obtain Loan Ratings

Efficient and transparent market pricing

Increased liquidity in the secondary loan market

Investor base broadened to new classes of lenders

Quick assessment of the effect of a loan rating resulting from contemplated changes to a borrower's capital structure

Improved terms and efficiencies with vendors

Third-party, unbiased recovery assessment in a heightened regulatory and credit risk environment

### Loan Ratings Process

In the loan ratings process, S&P Global Ratings reviews revolving lines of credit, first-lien term loans, second-lien term loans, and other subordinated debt. Leveraged loan ratings are accompanied by a full recovery rating analysis based on S&P Global Ratings' ratings scale and methodology.

The table below illustrates how a recovery rating is used to adjust the Issuer Credit Rating, the anchor rating in the loan process, for an issuer with a speculative-grade issuer credit rating.

Recovery Rating	Recovery Description	Nominal Recovery	Issue-Level Rating Notched from Issuer Credit Rating
1+	Highest expectation for full recovery	100%	+3 notches
1	Very high recovery	90%–100%	+2 notches
2	Substantial recovery	70%–90%	+1 notch
3	Meaningful recovery	50%–70%	0 notches
4	Average recovery	30%–50%	0 notches
5	Modest recovery	10%–30%	-1 notch
6	Negligible recovery	0%–10%	-2 notches

**Note:** Recovery ratings are capped in certain countries to adjust for reduced creditor recovery prospects in these jurisdictions. The table applies to 23 countries designated as Jurisdiction A by S&P Global Ratings.

*S&P Global Ratings' loan ratings offer an industry-wide recognized gauge of creditworthiness*

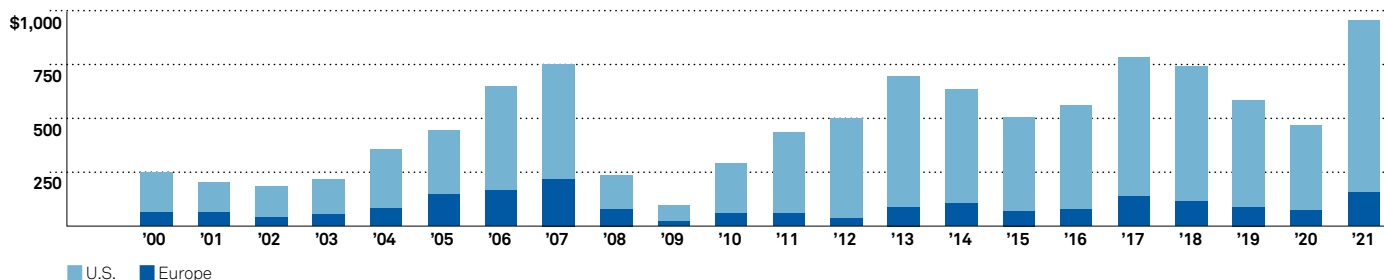


# Trends in the Leveraged Lending Market

## Global Leveraged Loan Issuance Volume Doubled in 2021

### Leveraged Loan Issuance Volume Syndicated in U.S. and Europe

(dollars in billions)



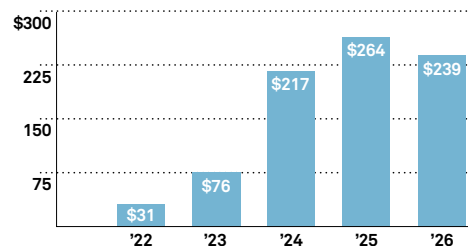
Note: Includes institutional and pro rata loan issuance, rated and unrated

Sources: LCD, an offering of S&P Global Market Intelligence

## Annual Maturities for Speculative-Grade Term Loans Rise to \$264 Billion in 2026

### Annual Maturities for Speculative-Grade Term Loans

(dollars in billions)



Notes: Includes term loans that are rated 'BB+' or lower by S&P Global Ratings from U.S. issuers

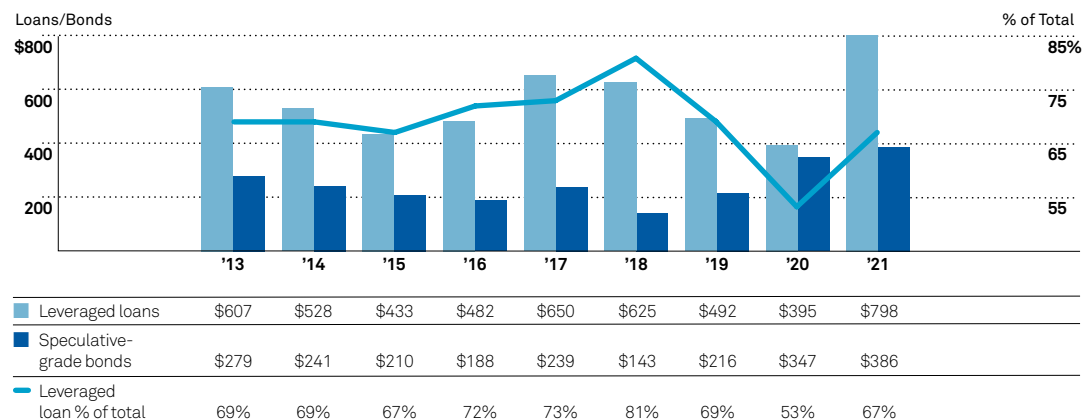
Data as of 1/1/2022

Source: S&P Global Ratings Research

## Loans Grew as a Share of Leveraged Finance Issuance in 2021

### U.S. Leveraged Loans and Speculative-Grade Bonds

(dollars in billions)



Note: Data through 12/31/2021

Sources: Thomson; LCD: an offering of S&P Global Market Intelligence; and S&P Global Ratings Research

Total leveraged loan issuance was more than \$950 billion globally in 2021