

## Press release

### Over 140,000 EEA issuers and instruments rated by CRAs

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, today published its report on the European Union (EU) Credit Ratings market, providing for the first time a cross-market view of credit ratings reported to the EU.

ESMA finds that there were 823,400 credit ratings. at the end of 2022. These ratings were mostly for US-issued debt or issuers (69%), with 17% (141,600 credit ratings) on EEA30 instruments and issuers.

Verena Ross, Chair, said:

*“Credit ratings play a key role in EU financial markets by adding transparency on credit quality and facilitating risk management. This report – the first on credit ratings – presents a comprehensive overview of the market using the global credit ratings data reported to ESMA as the EU's CRA supervisor.”*

The main findings included in today's report are:

- **Size:** Of the 141,600 credit ratings for EEA30 instruments and issuers at the end of 2022, most were corporate ratings (79%), followed by sovereigns (12%) and structured finance ratings (9%).
- **Composition:** Over 90% of ratings for EEA debt and issuers had long-term horizons (a year or more), most are ratings of instruments (70%) rather than of issuers, and most were solicited by the debt issuer (73%). The largest three CRAs had issued most outstanding ratings (69%), including almost all of the ratings solicited by a debt issuer (92%).
- **Credit risk trends:** The COVID-19 pandemic was the most visible driver of events over the reporting period. Early in 2020 there was a marked increase in rating downgrades across asset classes, particularly for non-financial corporates and commercial mortgage-backed securities. These reflected the pressures faced in certain business sectors from the lockdowns and the associated economic uncertainties. In contrast, in late 2020 and in 2021 there was an improvement in credit risk indicators across asset classes, as government business support measures were introduced and took effect. In 2022, there were also the negative effects on credit quality of the Russian invasion of Ukraine and tightening monetary policy, though impacts here were much less pronounced and widespread than those of the pandemic.

The EU credit rating market report is based on data collected under Credit Rating Agency Regulation and provides an overview of credit rating markets in the EU, as well as risk

indicators and metrics for ongoing risk monitoring related to credit ratings. Importantly, the analysis presented in the report is separate from the supervisory work ESMA conducts on CRAs and does not present indicators at an individual CRA level.

## Notes for editors

1. [ESMA50-165-2477 ESMA markets report on the credit ratings market.](#)
2. ESMA is the European Union's EU's financial markets regulator and supervisor. Its mission is to enhance investor protection and promote stable and orderly financial markets.
3. It achieves this objective through three strategic priorities:
  - fostering effective markets and financial stability,
  - strengthening supervision of EU financial markets,
  - enhancing protection of retail investors,and two thematic drivers:
  - enabling sustainable finance; and
  - facilitating technological innovation and effective use of data.
4. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

## Further information:



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