



European Securities and
Markets Authority

CRAs' Market share calculation according to Article 8d of the CRA Regulation





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Acronyms used

CRA	Credit rating agency.
CRA Regulation	Regulation (EC) No 1060/2009 of the European Parliament and of the Council (as last amended by Regulation (EU) No 462/2013, so-called CRA III Regulation).
ESMA	European Securities and Markets Authority.
CEREP	Central Repository of rating data reported by CRAs to ESMA according to Commission Delegated Regulation (EU) No 448/2012 of 21 March 2012 supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the presentation of the information that credit rating agencies shall make available in a central repository established by the European Securities and Markets Authority.



I. Executive Summary

Reasons for publication

The CRA Regulation aims at increasing competition in the credit rating market by encouraging the recourse to smaller credit rating agencies. To this end, Article 8d of the CRA Regulation requires issuers or related third parties that intend to appoint at least two credit rating agencies for the credit rating of the same issuance or entity to consider appointing at least one credit rating agency with no more than 10% of the total market share, which can be evaluated by the issuer or a related third party as capable of rating the relevant issuance or entity, provided that there is a credit rating agency available for rating the specific issuance or entity.

With a view to facilitating the above-mentioned evaluation by the issuer or a related third party, ESMA is required to annually publish on its website a list of registered credit rating agencies, indicating their total market share and the types of credit ratings issued, which can be used by the issuer as a starting point for its evaluation.

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In this document, ESMA provides the list of all registered credit rating agencies indicating their total market share. For the purpose of this exercise, total market share is measured with reference to the annual turnover generated from credit rating activities and ancillary services, at group level. The total turnover is calculated with respect to credit rating activities and ancillary services generated by CRAs registered in the European Union. The annual turnover is based on the calendar year 2012.

ESMA also provides the types of credit ratings issued by registered CRAs in 2013. The rating types are classified as follows: sovereign ratings, corporate ratings (including non-financial, financial, and insurance ratings), structured finance ratings, and covered bonds ratings.



II. Introduction

1. Article 8d of the CRA Regulation requires ESMA to annually publish on its website a list of registered credit rating agencies, indicating their total market share and the types of credit ratings issued. This information can be used by issuers or related third parties that intend to appoint at least two credit rating agencies for the credit rating of the same issuance or entity to consider appointing at least one credit rating agency with no more than 10% of the total market share, which can be evaluated by the issuer or a related third party as capable of rating the relevant issuance or entity.
2. Article 8d(3) of the CRA Regulation requires ESMA to measure total market share with reference to annual turnover generated from credit rating activities and ancillary services, at group level.
3. ESMA provides the list of all the credit rating agencies registered¹ with ESMA as of 12 December 2013 indicating their total market share. Total market share is calculated with reference to annual turnover generated by credit rating agencies registered in the European Union from credit rating activities and ancillary services, at group level. The annual turnover is based on the calendar year 2012.
4. ESMA also provides the types of credit ratings issued by registered CRAs in 2013 based on the information gathered through the registration process and the reporting obligations of CRAs to ESMA through the central repository CEREP². The rating types have been classified as follows: corporate ratings, financial ratings, insurance ratings, sovereign ratings, structured finance ratings, and covered bonds ratings.
5. This report is structured in the following way: Section III provides the CRAs' total market share calculation and an explanation of the basis for calculation; Section IV provides the type of credit ratings issued by registered CRAs.

III. Total Market share calculation

6. The CRAs' total market share is calculated with reference to the annual turnover for the calendar year 2012 generated by credit rating agencies registered in the European Union from credit rating activities and ancillary services, at group level.
7. For the calculation of the relevant total turnover, the following activities have been included: credit rating activities and ancillary services. Credit rating activities refer to the definition of credit ratings provided in Article 3(1)(a) of the CRA regulation. They comprise opinions regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument. As for ancillary services, point 4, Section B of Annex I of the CRA Regulation states

¹ The list of certified and registered CRAs is published in ESMA website at: <<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>>

² CEREP publishes rating activity and rating performance statistics of all registered and certified credit rating agencies in compliance with the CRA Regulation. The repository was launched in February 2012 and is publicly accessible through ESMA website at: <<http://cerep.esma.europa.eu/cerep-web/>>. CEREP allows the search and filter of statistics for individual CRAs for time periods of varying length and rating types of choice.

that they comprise market forecasts, estimates of economic trends, pricing analysis and other general data analysis as well as related distribution services.

8. The total turnover is calculated with respect to credit rating activities and ancillary services generated by CRAs registered in the European Union.

Table 1. CRAs' market share calculation (based on 2012 turnover generated by CRAs registered in the EU from credit rating activities and ancillary services)

Registered Credit Rating Agency	Market share %
AM Best Europe-Rating Services Ltd. (AMBERS)	0.72
ARC Ratings, S.A.	0.04
ASSEKURATA Assekuranz Rating-Agentur GmbH	0.30
Axesor S.A.	0.39
BCRA-Credit Rating Agency AD	0.02
Capital Intelligence (Cyprus) Ltd	0.16
CERVED Group S.p.A.	2.60
Creditreform Rating AG	0.49
CRIF S.p.A.	0.34
Dagong Europe Credit Rating Srl (Dagong Europe)	<0.01
DBRS Ratings Limited	0.97
Economist Intelligence Unit Ltd	4.65
Euler Hermes Rating GmbH	0.20
European Rating Agency, a.s.	<0.01
Feri EuroRating Services AG	0.81
Fitch ³	17.66
GBB-Rating Gesellschaft für Bonitätsbeurteilung mbH	0.33
ICAP Group SA	0.77
Moody's ⁴	34.75
Scope Credit Rating GmbH	0.10
Spread Research SAS	0.09
Standard & Poor's ⁵	34.61
TOTAL	100

³ The following Fitch legal entities are currently registered with ESMA: Fitch France S.A.S, Fitch Deutschland GmbH, Fitch Italia S.p.A., Fitch Polska S.A., Fitch Ratings España S.A.U., Fitch Ratings Limited and Fitch Ratings CIS Limited.

⁴ The following Moody's legal entities are currently registered with ESMA: Moody's Investors Service Cyprus Ltd, Moody's France S.A.S., Moody's Deutschland GmbH, Moody's Italia S.r.l., Moody's Investors Service España S.A. and Moody's Investors Service Ltd.

⁵ The following Standard & Poor's legal entities are currently registered with ESMA: Standard & Poor's Credit Market Services France S.A.S., Standard & Poor's Credit Market Services Italy S.r.l. and Standard & Poor's Credit Market Services Europe Limited.

IV. Types of ratings issued

9. Table 2 below refers to the types of ratings issued by all the CRAs registered with ESMA as of 12 December 2013. This information is based on the information gathered through the registration process and the reporting obligations of CRAs to ESMA through the central repository CEREP.

Table 2. Types of ratings issued in 2013

Credit Rating Agency	Corporate	Financials Institutions	Insurance	Sovereign	Structured Finance Products	Covered Bonds
AM Best Europe-Rating Services Ltd. (AMBERS)	Yes	No	Yes	No	No	No
ARC Ratings, S.A.	Yes	Yes	No	No	No	No
ASSEKURATA Assekuranz Rating-Agentur GmbH	No	No	Yes	No	No	No
Axesor S.A.	Yes	No	No	No	No	No
BCRA-Credit Rating Agency AD	No	Yes	Yes	Yes	No	No
Capital Intelligence (Cyprus) Ltd	Yes	Yes	No	Yes	No	No
CERVED Group S.p.A.	Yes	No	No	No	No	No
Creditreform Rating AG	Yes	No	No	No	Yes	Yes
CRIF S.p.A.	Yes	No	No	No	No	No
Dagong Europe Credit Rating Srl (Dagong Europe)	Yes	Yes	Yes	No	No	No
DBRS Ratings Limited	Yes	Yes	Yes	Yes	Yes	Yes
Economist Intelligence Unit Ltd	No	No	No	Yes	No	No
Euler Hermes Rating GmbH	Yes	Yes	No	No	No	No
European Rating Agency, a.s.	No	No	No	Yes	No	No
Feri EuroRating Services AG	No	No	No	Yes	No	No
Fitch	Yes	Yes	Yes	Yes	Yes	Yes
GBB-Rating Gesellschaft für Bonitätsbeurteilung mbH	No	Yes	No	No	No	No
ICAP Group SA	Yes	No	No	No	No	No
Moody's	Yes	Yes	Yes	Yes	Yes	Yes
Scope Credit Rating GmbH	Yes	No	No	No	Yes	No
Spread Research SAS	Yes	No	No	No	No	No
Standard & Poor's	Yes	Yes	Yes	Yes	Yes	Yes