



ESBG's comments on ESMA's call for evidence on ratings data periodic reporting requirements for CRAs according to Article 21 (3) (e) of the Draft Amended CRA Regulation

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The European Savings Banks Group (ESBG) herewith provides its comments on the European Securities and Markets Authority (ESMA)'s call for evidence on ratings data periodic reporting requirements for CRAs according to Article 21 (3) (e) of the Draft Amended CRA Regulation.

For the purposes of this consultation, ESBG has answered solely those questions which fall under the categories entitled '*Questions for all Stakeholders*'.

The answers have been provided in a chronological order below:

IV. Option for requesting analytical ratings data on a monthly basis

Questions for all Stakeholders – Costs and Benefits:

9. In your view, is there any redundant or missing information in the list in paragraph 9 which should be included or omitted in order to improve supervision?

ESBG believes that in this list one more type of rating action should be added, which refers to the changes of ratings induced by changes in the methodologies applied. In ESBG's view it is of paramount importance that this type of rating action be added as it should be available to the risk analyst. In addition ESBG believes that in order to improve supervision – the following should be added: the country of the corporate, the type of financial entity, SPV or qualifying object, the economic group, as well as the analyst allocated for the particular rating in question, their specific role and their location.

10. Please indicate the costs and benefits that you envisage from the analytical reporting requirements described above, for example regarding:

- a. **Any specific reasons for an increase in the costs or a reduction in the quality or availability of the credit ratings as a consequence of the reporting requirements mentioned above;**
- ESBG does not see any change in this respect.
- b. **Any expected improvement in the quality of the credit ratings or credit rating processes and methodologies from CRAs in response to more effective supervisory activity;**
- ESBG agrees with this idea.
- c. **Any possible advantages linked to the increased potential for supervisory action to identify and address critical issues on specific ratings.**
- ESBG agrees with this idea.

Please explain these costs and benefits, and where possible quantify them or provide examples.



V. Option of requesting aggregate ratings data on a monthly basis

Questions for all Stakeholders – Costs and Benefits:

18. In your view, does the list in paragraph 12 above include any redundant information or is it missing any relevant information? Please provide the relevant information, and reasons.

ESBG would like to add the following to paragraph 12, which it considers to be of relevance:

- The number of ratings affected by this new methodology as applied by rating type
- The number of analysts implied

19. Please indicate the costs and benefits that you envisage from the content and frequency of the aggregate ratings data reporting described above, for example regarding:

- a. **Any specific reasons for an increase in the costs or a reduction in the quality or availability of the credit ratings as a consequence of the reporting requirements mentioned above;**
 - ESBG does not envisage that this will occur.
- b. **Simplification and enhanced efficiency (possible more focused use of resources) of supervisory activity, driven by assessment of trends and identification of possible gaps or flaws in the rating sector;**
 - ESBG concurs that this will occur.
- c. **Higher efficiency in the use of supervisory resources – i.e. no need to analyse a large amount of data, with the possibility that any additional information may be requested when necessary from CRAs.**
 - ESBG also concurs that this will occur.

In general ESBG is of the view that with regard to option a. the supervisor is going to carry out follow up in much greater detail than with regard to the other two listed options as a greater volume of information would be available in this instance, and also with regard to option a there will be greater pressure on rating agencies concerning the quality and consistency of the ratings issued.



About ESBG (European Savings Banks Group)

ESBG – The European Voice of Savings and Retail Banking

ESBG (European Savings Banks Group) is an international banking association that represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of over € 6.000 billion, non-bank deposits of € 3.100 billion and non-bank loans of € 3.300 billion (all figures on 1 January 2009). It represents the interests of its members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects.

ESBG members are typically savings and retail banks or associations thereof. They are often organised in decentralised networks and offer their services throughout their region. ESBG member banks have reinvested responsibly in their region for many decades and are a distinct benchmark for corporate social responsibility activities throughout Europe and the world.



ESBG - Association internationale sans but lucratif/Internationale vereniging zonder winstoogmerk/
International not-for-profit association

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