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Corporate Monitoring & Forecasting Model (COMFORT Model)

Model Summary Document (MSD)

1. Model Purpose and Description

The Corporate Monitoring and Forecasting Model (COMFORT) is a ratings model which provides the ability to perform financial analysis on an annual basis and is used to produce standardised financial statements and to calculate key coverage, leverage and cashflow ratios with associated graphs. Hence, the model is used by all sectors and regions within Corporates. In rating committees, the summary financial statements and ratios are reviewed alongside other credit information to support credit rating decisions.

The model uses basic accounting theory of double entries to ensure treatment is correct and the balance sheet balances.

Fitch evaluates risks of rated entities and structures under a variety of scenarios. The ratings-case and stress-case forecasts help to determine the amount of headroom in a company's credit ratings and inform the rating Outlook.

2. Model Assumptions

The assumptions in the model are described in Fitch's criteria

- Corporate Rating Criteria

3. Model Inputs

Historical values and forecast assumptions for line items in balance sheet, profit and loss, cash flow statements. Ratings-case projections are developed with a three- to five-year time horizon. Combined with typically at least the last three years of operating history and financial data, this constitutes one typical economic cycle of an issuer. Fitch believes this represents a reasonable time frame for forecasts.

4. Model Development Data

Not applicable to this rating model as it does not use historical data for its development and calibration, and it only uses issuer specific data and other related data as described in the relevant criteria and/or RAC.

5. Model Limitations

The model is intended only to analyse corporate issuers under the scope of the "Corporate Rating Criteria".

6. Material Changes

The current model version is 8.2.x. Any future material changes will be disclosed in this section.

Contact Information

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