

# Sovereign Credit Solution

## Interactive Sovereign Rating Model

Fitch's Sovereign rating criteria is differentiated by its transparency, consistency and strong quantitative foundation underpinned by the Sovereign Rating Model (SRM). The interactive SRM (iSRM) enables users of ratings to generate a score calibrated to the Long-Term Foreign-Currency Issuer Default Rating (IDR) scale to analyse different scenarios.

### Replicate Fitch Ratings' SRM calculations

- The SRM is fully documented in Fitch Ratings' criteria for transparency, including calculations and coefficients.
- The interactive SRM tool (iSRM), implementing these calculations in Excel, is provided to third parties for convenience.

### Run stress and risk scenarios

- Users can assess the resilience above a given level of the model output with their own scenarios and stress tests
- Transparent adjustment rationales, provided in Rating Reports, help users analyse whether their scenario would impact the likeliness of an adjustment being carried forward.

### Anticipate the impact of users' own projections

- The tool enables users to test the model outcome at a future date, using Fitch Rating's latest forecasts
- Users can also input their own forecasts, see the changes in model output and measure the impact on the notch scale

FitchRatings   Research & Data		FitchRatings Interactive Sovereign Rating Model v1.6.0 Data 20250912												
Model		LEGEND FOR OVERWRITEABLE USER INPUT CELLS					ANCILLARY FUNCTIONALITY							
<b>QUICK GUIDE</b> Step 1. Press button below to select Sovereign and Year Step 2. Press REFRESH in the Fitch Solutions excel ribbon Step 3. Input your own data in the User Defined Scenario Click this button to select Sovereign and Year		Live Fitch Ratings data; unchanged since Rating Date. Live Fitch Ratings data; updated since Rating Date. Input by User [Tip: double click cell to revert to live data via FitchConnect data].					Note: Intermediate data calculations are exposed on the right-hand side of this tab. Click this button to Revert User Defined Scenario Back to Fitch Data Click this button to Print Sheets To PDF							
Sovereign Name		Comparison												
Final rating (1 + 2)		FitchConnect User Defined Scenario Implied Rating: AAA					FitchRatings Long-Term Foreign Currency IDR <sup>1</sup> : AAA							
		as Number <sup>2</sup> : 16					Memo - Rating Date 4-Apr-25 as Number <sup>2</sup> : 16					no difference		
1. Sovereign Rating Model (SRM)		Predicted Rating <sup>3</sup> : AA+					Predicted Rating <sup>3</sup> : AA+					no difference		
		Model Result: 14.91					Model Result: 14.81					+0.09		
Input Indicator <sup>5</sup>		Model Input Horizon <sup>4</sup>			Final Output		Model Input Horizon <sup>4</sup>			Final Output		Different Year		
		2024	2025	2026	Coefficient	Input Data <sup>5</sup>	Notches	2023	2024	2025	Coefficient	Input Data <sup>5</sup>	Notches	
Structural features												+0.06		
		11.00					10.93					+0.01		
Governance Indicators (Percentrank)	n/a	95.3	n/a	0.079	95.3	7.53	n/a	95.3	n/a	0.079	95.3	7.52	+0.01	
GDP per Capita (USD)	n/a	75,386	n/a	0.037	93.4	3.44	n/a	71,594	n/a	0.037	92.4	3.39	+0.05	
Nominal GDP (USDmn)	n/a	453,283	n/a	0.645	-0.9	-0.59	n/a	428,191	n/a	0.640	-0.9	-0.58	-0.01	
Year of Most Recent Default / Restructuring <sup>6</sup>	n/a	No default	n/a	-1.744	No default	0	n/a	No default	n/a	-1.791	No default	0	no difference	
Broad Money Supply (% of GDP)	n/a	66.3	n/a	0.148	4.2	0.62	n/a	66.1	n/a	0.145	4.2	0.61	+0.01	
Macroeconomic performance, policies and prospects												+0.08		
		-0.50					-0.57					+0.08		
Real GDP Growth Volatility	n/a	2.0	n/a	-0.704	0.7	-0.50	n/a	2.3	n/a	-0.710	0.8	-0.58	+0.08	
Consumer Price Inflation (annual average %)	1.3	1.9	1.3	-0.068	2.0	-0.14	3.4	1.3	2.0	-0.069	2.5	-0.17	+0.03	
Real GDP growth (%)	3.5	1.8	2.3	0.054	2.5	0.14	2.5	3.6	3.3	0.057	3.1	0.18	-0.04	
Public Finances												-0.03		
		-0.67					-0.64					+0.02		
Gross General Govt Debt (% of GDP)	30.5	28.9	28.3	-0.023	29.3	0.14	33.6	29.8	28.2	-0.023	30.5	-0.70	-0.01	
General Govt Interest (% of Revenue)	1.5	1.4	1.4	-0.044	1.4	-0.06	1.3	1.2	1.2	-0.044	1.2	-0.06	-0.01	
General Govt Fiscal Balance (% of GDP)	4.5	2.1	1.0	0.039	2.5	0.10	3.3	4.5	2.7	0.039	3.5	0.14	-0.04	
Fgn Ccy General Govt Debt (% of Total GGGD)	2.4	2.3	2.3	-0.008	2.3	-0.02	2.7	2.1	2.2	-0.008	2.3	-0.02	-0.00	
External Finances												-0.02		
		0.20					0.22					no difference		
Reserve Ccy (RC) Flexibility	n/a	0.0	n/a	0.484	0	0	n/a	0.0	n/a	0.494	0	0	no difference	
SNFA (% of GDP)	13.7	13.2	12.6	0.010	13.2	0.14	13.5	13.2	13.5	0.011	13.4	0.14	-0.01	
Commodity Dependence	n/a	13.1	n/a	-0.003	13.1	-0.05	n/a	13.4	n/a	-0.004	13.4	-0.05	+0.00	
FX reserves (months of CXP)	n/a	4.2	n/a	0.021	4.2	0.09	n/a	4.4	n/a	0.024	4.4	0.11	-0.02	
External Interest Service (% of CXR)	4.2	4.1	4.0	-0.004	4.1	-0.02	3.5	3.2	3.1	-0.004	3.3	-0.01	-0.00	
CAB + Net FDI (% of GDP)	9.5	8.8	7.8	0.004	8.7	0.03	8.3	10.0	9.2	0.003	9.2	0.03	+0.00	

# Sovereign Credit Solution

## Fitch Fiscal Index Analytical Tool

Fiscal performance is a key factor behind sovereign rating changes. The Fitch Fiscal Index Analytical Tool (FFI) enables you to better understand the fiscal position of a Fitch-rated sovereign compared to peers and benchmarks, by aggregating the impact of the four public finance variables used in Fitch's proprietary Sovereign Rating Model (SRM). You can also utilize it to quantify the fiscal pressure on a sovereign's creditworthiness.



### Global Coverage

Gain access to the FFI, related data, and analytics, for all Fitch-rated sovereigns around the world



### Built upon Fitch Ratings SRM

Take advantage of the coefficients obtained during the SRM's annual estimation procedure



### Fitch Ratings Forecasts

Leverage sovereign analysts' forecasts up to two years ahead and historical time series up to 20 years



### Quarterly Updates

Stay informed with data that is updated quarterly, including between sovereign rating reviews



### Easy to Use

Quickly visualize and compare a sovereign's fiscal position in Excel or a PDF for convenient workflow integration

### Understand a sovereign's fiscal position

- Combine the contribution of different fiscal variables into an aggregated fiscal position
- Quantify the fiscal pressure on sovereigns' creditworthiness by leveraging Fitch Ratings SRM's coefficients

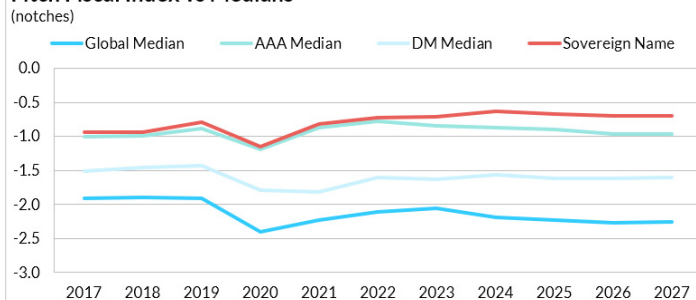
Fitch Fiscal Index - Contribution by Variable

(notches)	Sovereign Name	Global	DM	AAA
<b>Fitch Fiscal Index</b>	<b>-0.67</b>	<b>-2.23</b>	<b>-1.62</b>	<b>-0.90</b>
Balance / GDP	0.08	-0.11	-0.09	-0.03
Debt / GDP	-0.67	-1.26	-1.28	-0.92
Interest / revenue	-0.06	-0.31	-0.15	-0.07
FC debt / total debt	-0.02	-0.33	0.00	0.00

### View relative strengths and historical performance

- Identify the fiscal position of a sovereign, its strengths and weaknesses, relative to rating and regional peers
- Time series of up to 20 years, to analyze annual changes more granularly than the 3Y averages used in the SRM

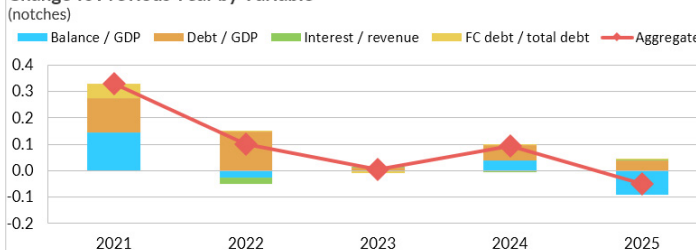
Fitch Fiscal Index vs Medians



### Forecast and monitor fiscal performance

- Extend the trend analysis by selecting up to two years of data forecasts by Fitch Ratings analysts
- Stay up-to-date with quarterly data updates, including between rating reviews

Change vs Previous Year by Variable





# Sovereign Credit Solution Sovereign Scorecard

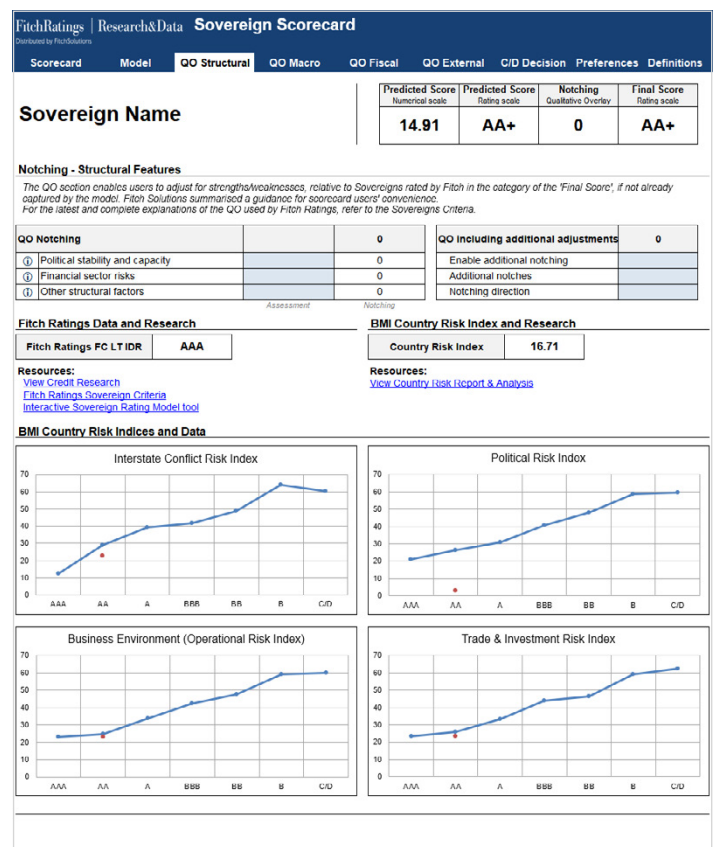
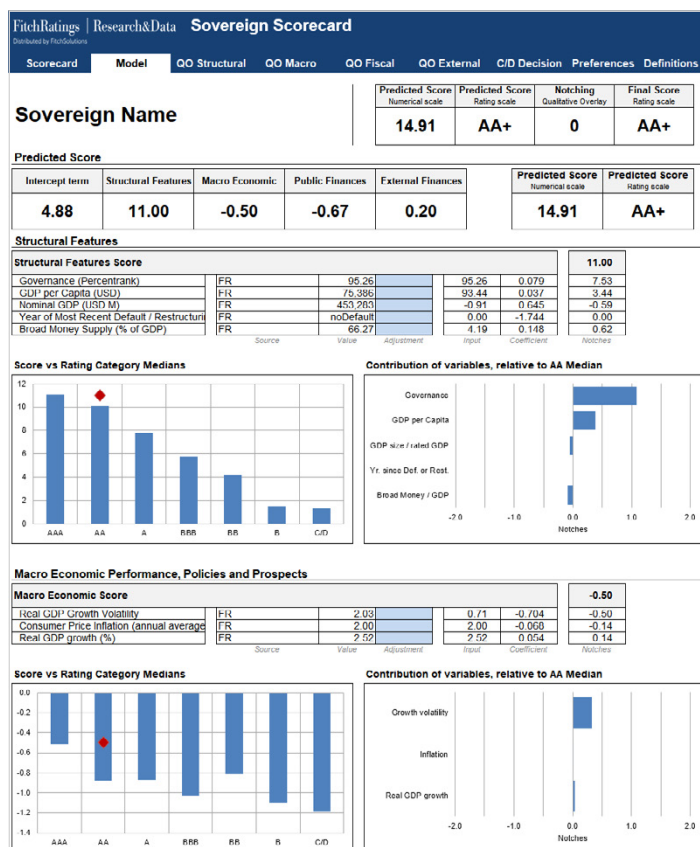
The Sovereign Scorecard connects insights from Fitch Ratings and BMI, allowing users to use a consistent framework, inspired by Fitch Ratings Criteria, to help improve the comparability and granularity of internal credit assessments, across sovereigns either rated by Fitch Ratings or carrying a Country Risk Index score from BMI.

## Transparent quantitative approach

- The scorecard leverages Fitch Ratings' Sovereign Rating Model (SRM) logic to derive a 'Predicted Score'
- Combining data from Fitch Ratings and BMI, it covers all Fitch-rated sovereigns, and up to 85 unrated sovereigns
- Using a consistent model for all sovereigns, users can also stress the inputs to assess potential impact of scenarios

## Standardised adjustment framework

- Qualitative Overlay sections allow the user to decide whether to make adjustments for the 'Final Score'
- The scorecard includes links to Fitch Ratings issuer research, and BMI economic and political analysis and Country Risk indicators to inform qualitative assessments
- The scorecard also includes comparison context of model outputs with Rating category medians, to assess if a strength or weakness is already captured by the model



# Sovereign Credit Solution Sovereign Climate.VS Comparator

Fitch Ratings introduced Climate Vulnerability Signals (Climate.VS) to enhance its ability to identify sovereigns with higher potential exposure to climate-related risks. The Sovereign Climate VS Comparator allows users to compare Climate.VS across sovereigns and visualize the long-term implications of climate-related risks as an illustrative notch impact on current ratings.

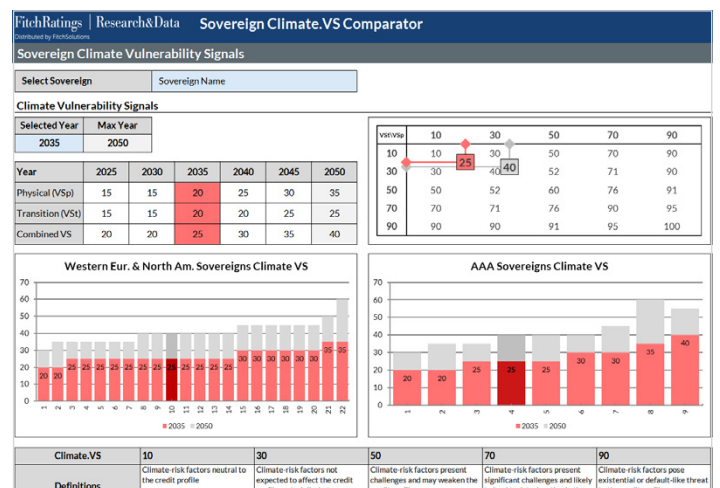
## Climate Vulnerability Signals Global Heatmap

- Color-coded view of global Climate.VS data and illustrative notch impact on sovereigns' credit profile
- Regional and Long-Term Rating filter for comparison across peer groups

## Illustrative notch impact on a 25-years horizon

- Climate.VS related to physical risks, transition risks, and combined, available for different tenors
- Illustrative Rating impact over the 25y term structure, taking into account current Ratings and the Climate.

Combined Vulnerability Signals						Physical Risks Vulnerability Signals						Transition Risks Vulnerability Signals					
2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050
25	35	50	55	70	80	15	15	20	25	30	35	25	35	45	55	65	75
20	25	30	35	40	45	15	20	25	30	35	40	15	20	25	30	35	40
20	25	30	35	40	45	15	20	25	30	35	40	15	20	25	30	35	40
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20	20	25	30	35	40	15	15	20	25	30	35	15	15	20	20	25	25
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20	25	30	35	40	45	15	20	25	30	35	40	15	15	20	20	25	25
15	20	25	30	30	35	10	10	15	20	25	30	15	15	20	20	25	25
30	40	45	55	65	75	20	25	30	35	45	50	25	30	40	50	60	70



## Client Services

A dedicated team of client service professionals based in New York, London, Hong Kong, Singapore and Tokyo provide 'follow the sun' support. Please email us at [fscustomersupport@fitchsolutions.com](mailto:fscustomersupport@fitchsolutions.com) for assistance.

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