

## FITCH RATINGS

# FITCH FISCAL INDEX ANALYTICAL TOOL

Fiscal performance is a key factor behind sovereign rating changes. The new **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

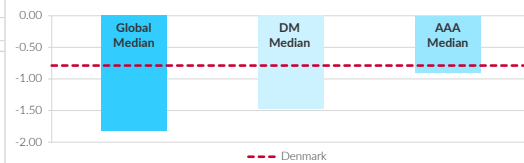
## UNDERSTAND A SOVEREIGN'S FISCAL POSITION

- Combine the contribution of different fiscal variables into an aggregated fiscal position.
- Quantify the fiscal position's pressure on a sovereign's creditworthiness—on the credit rating notch numerical scale—by leveraging the coefficients from Fitch Ratings proprietary SRM.
- Assess a sovereign's fiscal position relative to rating and regional peers.

Fitch Fiscal Index - Contribution by Variable

(notches)	Denmark	Global	DM	AAA
<b>Fitch Fiscal Index</b>	<b>-0.77</b>	<b>-1.83</b>	<b>-1.37</b>	<b>-0.89</b>
Balance / GDP	-0.04	-0.08	-0.02	-0.06
Debt / GDP				
Interest / revenue				
FC debt / total debt				

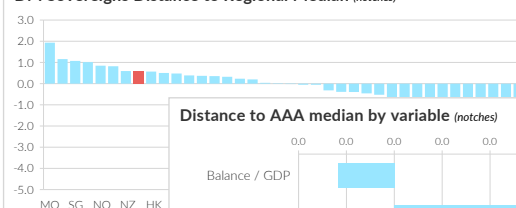
Fitch Fiscal Index vs Medians



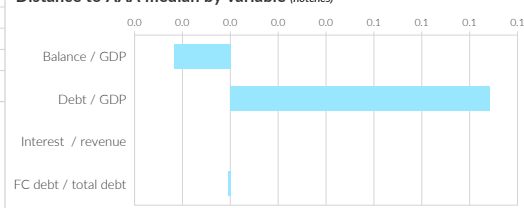
## COMPARE STRENGTHS AND WEAKNESSES

- Determine the fiscal position of a sovereign within the distribution of rating and regional peers.
- Identify and quantify strengths and weaknesses within the variables composing the fiscal position.

DM Sovereigns Distance to Regional Median (notches)



Distance to AAA median by variable (notches)



## ANALYZE HISTORICAL PERFORMANCE TRENDS

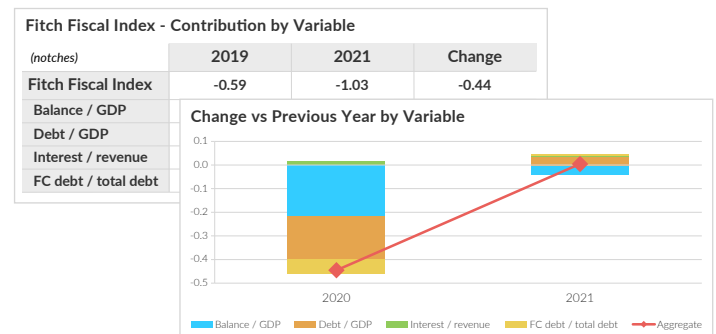
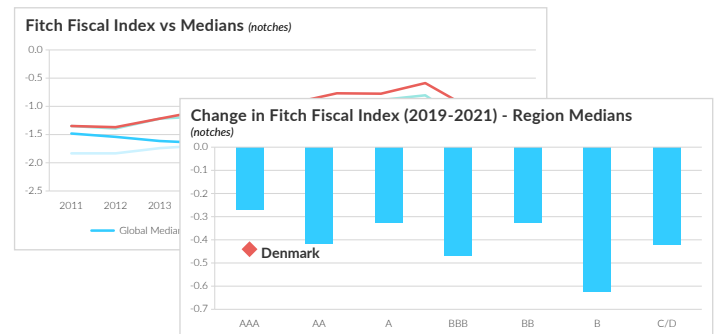
- View time series of up to 20 years of annual data to analyze year-over-year changes more granularly than the three-year averages used in the SRM.
- Assess a sovereign's fiscal performance by comparing it to rating and regional peers' movement.

## 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.

## INTEGRATE THE ANALYSIS INTO YOUR WORKFLOW

- Access comprehensive data tables and visualizations to support your credit risk and investment decisions.
- Conveniently export insights to a PDF that can be added to your documents.



**FFI Movers, DM Region (2019-2021)**  
Report Date: 2022-Jan-13

Change	Sovereign	FFI 2021	Change vs 2019	Contributions			
				Balance / GDP	Debt / GDP	Interest / revenue	FC debt / total debt
	Ireland	-1.50	-0.03	-0.17	+0.08	+0.06	-
	Taiwan, China	-1.03	-0.07	-0.11	+0.03	+0.01	-
	Sweden	-0.90	-0.09	-0.07	-0.04	+0.01	+0.00
	Singapore	-0.77	-0.18	-0.06	-0.13	+0.01	-
	Hong Kong, China	-1.15	-0.22	-0.16	-0.04	-0.00	-0.01
	Luxembourg	-0.62	-0.22	-0.15	-0.08	+0.01	-
	Switzerland	-0.77	-0.23	-0.17	-0.07	+0.01	-
	Lithuania	-1.28	-0.27	-0.22	-0.20	+0.04	+0.11
	Finland	-1.75	-0.34	-0.13	-0.24	+0.03	-
	Korea	-1.38	-0.38	-0.18	-0.20	-0.00	+0.00
	Israel	-2.23	-0.39	-0.12	-0.26	-0.00	-0.01
	Portugal	-3.26	-0.39	-0.21	-0.24	+0.05	+0.00
	Estonia	-0.60	-0.42	-0.16	-0.25	-0.00	-
	Denmark	-1.03	-0.44	-0.26	-0.15	+0.02	-0.05
	Norway	-1.12	-0.53	-0.47	-0.07	-	-

## CLIENT SERVICES

A dedicated team of client service professionals based in New York, London, Hong Kong, Singapore and Tokyo provide 'follow the sun' support.

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Fitch Ratings | Research & Data helps credit, risk, and investment professionals make better-informed decisions and meet regulatory requirements, within and beyond the rated universe. We do this by bringing together the rigorous analysis and deep expertise of 1,500+ Fitch Ratings analysts and the supporting data, models and methodologies, plus workflow-enhancing analytical tools. All to help you make decisions with confidence.

Fitch Ratings | Research & Data is a business unit of Fitch Solutions, a sister company of Fitch Ratings. Fitch Solutions is a part of the Hearst-owned Fitch Group, a global leader in financial information services with operations in more than 30 countries.

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