

RATING ACTION COMMENTARY

# Fitch Revises Outlook on Indonesia's CIMB Niaga to Stable; Affirms at 'BBB-'/ 'AA+(idn)'

Tue 30 Nov, 2021 - 1:58 AM ET

Fitch Ratings - Sydney - 30 Nov 2021: Fitch Ratings has affirmed PT Bank CIMB Niaga Tbk's (CIMB Niaga) Long-Term Issuer Default Rating (IDR) at 'BBB-' and revised the Outlook to Stable from Negative. At the same time, Fitch Ratings Indonesia has revised the rating Outlook on the bank's National Long-Term Rating to Stable from Negative, and affirmed the rating at 'AA+(idn)'. The bank's Short-Term IDR and National Short-Term Rating have been affirmed at 'F3' and 'F1+(idn)', respectively.

CIMB Niaga's 'bb' Viability Rating has not been included in this review. A full list of rating actions follows below.

The revision of the Outlook for CIMB Niaga is consistent with Fitch's view on the credit profile of CIMB Niaga's parent, Malaysia-based CIMB Group Holdings Berhad (CIMB).

'AA' National Long-Term Ratings denote expectations of a very low level of default risk relative to other issuers or obligations in the same country or monetary union. The default risk inherent differs only slightly from that of the country's highest rated issuers or obligations.

'F1' National Short-Term Ratings indicate the strongest capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. Under the agency's National Rating scale, this rating is assigned to the lowest default risk relative to others in the same country or monetary union. Where the liquidity profile is particularly strong, a "+" is added to the assigned rating.

Fitch has withdrawn CIMB Niaga's Support Rating as it is no longer relevant to the agency's coverage following the publication of our updated Bank Rating Criteria on 12 November 2021. In line with the updated Criteria, we have assigned CIMB Niaga a Shareholder Support Rating (SSR) of 'bbb-'.

## **KEY RATING DRIVERS**

CIMB Niaga's IDRs and National Ratings are driven by its SSR, reflecting Fitch's expectation that the bank would be highly likely to receive extraordinary support from parent CIMB, if needed.

Unless noted above, the key rating drivers for CIMB Niaga are the same as those outlined in our [rating action commentary](#), published on 10 February 2021.

## **RATING SENSITIVITIES**

### **Factors that could, individually or collectively, lead to negative rating action/downgrade:**

Any significant deterioration in our assessment of CIMB's standalone credit profile, which Fitch believes is better than that of its subsidiary, is likely to lead to a downgrade of CIMB Niaga's SSR, IDRs and National Long-Term Rating.

For more details on CIMB Niaga's negative rating sensitivities please refer to the rating action commentary published on 10 February 2021.

### **Factors that could, individually or collectively, lead to positive rating action/upgrade:**

Fitch's assessment of a greater capacity or propensity of support from CIMB to CIMB Niaga could lead to an upgrade of the subsidiary's SSR and, in turn, its IDRs and National Long-Term Rating.

For more details on CIMB Niaga's positive rating sensitivities please refer to the rating action commentary published on 10 February 2021.

## **BEST/WORST CASE RATING SCENARIO**

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>

## REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

## PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

CIMB Niaga's ratings are support-driven and reflect Fitch's expectation of extraordinary support from CIMB, if needed.

## ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg)

## RATING ACTIONS

| ENTITY / DEBT ↕           | RATING ↕ |                            |          | PRIOR ↕                            |
|---------------------------|----------|----------------------------|----------|------------------------------------|
| PT Bank CIMB Niaga<br>Tbk | LT IDR   | BBB- Rating Outlook Stable |          | BBB- Rating<br>Outlook<br>Negative |
|                           | Affirmed |                            |          |                                    |
|                           | ST IDR   | F3                         | Affirmed | F3                                 |

|          |                                |                               |
|----------|--------------------------------|-------------------------------|
| Natl LT  | AA+(idn) Rating Outlook Stable | AA+                           |
| Affirmed |                                | (idn) Rating Outlook Negative |

---

|         |          |          |          |
|---------|----------|----------|----------|
| Natl ST | F1+(idn) | Affirmed | F1+(idn) |
|---------|----------|----------|----------|

---

|         |    |           |   |
|---------|----|-----------|---|
| Support | WD | Withdrawn | 2 |
|---------|----|-----------|---|

---

|                     |      |            |
|---------------------|------|------------|
| Shareholder Support | bbb- | New Rating |
|---------------------|------|------------|

---

[VIEW ADDITIONAL RATING DETAILS](#)

## FITCH RATINGS ANALYSTS

### Tim Roche

Senior Director

Primary Rating Analyst

International

+61 2 8256 0310

tim.roche@fitchratings.com

Fitch Australia Pty Ltd

Suite 15.01, Level 15 135 King Street Sydney 2000

### Gary Hanniffy, CFA

Director

Primary Rating Analyst

National

+62 21 2988 6808

gary.hanniffy@fitchratings.com

PT Fitch Ratings Indonesia

DBS Bank Tower 24th Floor, Suite 2403 Jl. Prof.Dr. Satrio Kav 3-5 Jakarta 12940

### Gary Hanniffy, CFA

Director

Secondary Rating Analyst

International

+62 21 2988 6808  
gary.hanniffy@fitchratings.com

**David Wong**

Senior Director  
Committee Chairperson  
+852 2263 9927  
david.wong@fitchratings.com

**MEDIA CONTACTS**

**Leslie Tan**

Singapore  
+65 6796 7234  
leslie.tan@thefitchgroup.com

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

**PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

**APPLICABLE CRITERIA**

[National Scale Rating Criteria \(pub. 23 Dec 2020\)](#)

[Bank Rating Criteria \(pub. 13 Nov 2021\) \(including rating assumption sensitivity\)](#)

**ADDITIONAL DISCLOSURES**

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

**ENDORSEMENT STATUS**

PT Bank CIMB Niaga Tbk

EU Endorsed, UK Endorsed

## **DISCLAIMER**

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, THE FOLLOWING [HTTPS://WWW.FITCHRATINGS.COM/RATING-DEFINITIONS-DOCUMENT](https://www.fitchratings.com/rating-definitions-document) DETAILS FITCH'S RATING DEFINITIONS FOR EACH RATING SCALE AND RATING CATEGORIES, INCLUDING DEFINITIONS RELATING TO DEFAULT. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE OR ANCILLARY SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF PERMISSIBLE SERVICE(S) FOR WHICH THE LEAD ANALYST IS BASED IN AN ESMA- OR FCA-REGISTERED FITCH RATINGS COMPANY (OR BRANCH OF SUCH A COMPANY) OR ANCILLARY SERVICE(S) CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH RATINGS WEBSITE.

[READ LESS](#)

## **COPYRIGHT**

Copyright © 2021 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters,

appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from

US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

[READ LESS](#)

## **SOLICITATION STATUS**

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

## **ENDORSEMENT POLICY**

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.



---

Banks Asia-Pacific Indonesia

---