Union Bank of India

February 14, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Upper Tier II Bonds – Series XIV-C	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the ratings assigned to the Upper Tier II Bonds – Series XIV-C of Union Bank of India with immediate effect, as the company has exercised the call option on the Upper Tier II Bonds – Series XIV-C rated by us and there is no outstanding under the said issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

Policy on Withdrawal of ratings

About the Company

Union Bank of India (UBI) was established in 1919. The bank has total asset base of 5,26,058 crore as on September 30, 2019 (Rs. 4,86,602 crore as on March 31, 2019). Post the proposed amalgamation with Andhra Bank and Corporation Bank, UBI shall become the fifth largest PSB with an estimated business of Rs.14.59 lakh crore, from the current level of Rs.7.70 crore as on September 30, 2019. Government of India (GOI) holds 74.27% shareholding in UBI as on September 30, 2019. The bank has a pan India network of 4,285 branches (4,282 domestic branches) and 6,798 ATMs excluding 5,586 Micro – ATMs as of September 30, 2019. The bank has a pan India network of 4,285 branches (4,282 domestic branches) and 6,798 ATMs excluding 5,586 Micro – ATMs as of September 30, 2019. Union Bank of India is headed by Mr. Rajkiran Rai who took over as Managing Director & Chief Executive Officer (MD & CEO) of the bank w.e.f. July 01, 2017. The bank has overseas branches in Hong Kong, Sydney and Dubai, in addition to representative office in Abu Dhabi. The Bank operates in UK through its wholly owned subsidiary, Union Bank of India (UK) Ltd. The Bank has 27 extension counters, 59 satellite offices and 48 service branches in addition to its regular bank branches as of September 30, 2019.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	37,738	38,541
PAT	(5,247)	(2,947)
Total Assets	480,841	4,86,602
Net NPA (%)	8.42	6.85
ROTA (%)	(1.18)	(0.61)

** Total assets is net of revaluation reserve, deferred tax assets and intangible assets.*
ROTA has been computed using CARE's calculations

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Upper Tier II Bonds – Series XIV-C	-	-	-	-	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Bonds-Upper Tier II	LT	-	-	1)CARE AA (Under Credit watch with Developing Implications) (07-Jan-20) 2)CARE AA (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA; Stable (02-Jan-19)	1)CARE AA; Stable (09-Oct-17)	1)CARE AA+; Negative (29-Dec-16) 2)CARE AA+ (19-Aug-16)
2.	Bonds-Upper Tier II	LT	500.00	CARE AA (Under Credit watch with Developing Implications)	1)CARE AA (Under Credit watch with Developing Implications) (07-Jan-20) 2)CARE AA (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA; Stable (02-Jan-19)	1)CARE AA; Stable (09-Oct-17)	1)CARE AA+; Negative (29-Dec-16) 2)CARE AA+ (19-Aug-16)
3.	Bonds-Lower Tier II	LT	-	-	-	-	-	1)Withdrawn (19-Aug-16)
4.	Bonds-Lower Tier II	LT	800.00	CARE AA+ (Under Credit watch with Developing Implications)	1)CARE AA+ (Under Credit watch with Developing Implications) (07-Jan-20) 2)CARE AA+	1)CARE AA+; Stable (02-Jan-19)	1)CARE AA+; Stable (09-Oct-17)	1)CARE AAA; Negative (29-Dec-16) 2)CARE AAA (19-Aug-16)

					(Under Credit watch with Developing Implications) (11-Sep-19)			
5.	Bonds-Perpetual Bonds	LT	2000.00	CARE AA- (Under Credit watch with Developing Implications)	1)CARE AA- (Under Credit watch with Developing Implications) (07-Jan-20) 2)CARE AA- (Under Credit watch with Developing Implications) (11-Sep-19)	1)CARE AA-; Stable (02-Jan-19)	1)CARE AA-; Stable (09-Oct-17)	1)CARE AA; Negative (29-Dec-16) 2)CARE AA (19-Aug-16)

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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