

United Bank of India

April 15, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Lower Tier-II Subordinated Bonds (Series VI)	-	-	Withdrawn
Total	-		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn ratings assigned to Lower Tier II Unsecured Subordinated Basel II compliant bonds (Series VI) of United Bank of India (UBI) with immediate effect as the rated bonds were fully redeemed on maturity i.e. March 25, 2019 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 Bank

United Bank of India (UBI), incorporated in 1950 with GoI having about 96.83% stake as on April 02, 2019 (92.25% equity stake as on Sept 30, 2018) subsequent to preferential allotment of equity shares of Rs.2,839 crore to the Central Government on March 29, 2019. Its major concentration of branches is in eastern and north-eastern India. Currently, the overall functioning of the bank is looked after by Shri Ashok Kr. Pradhan, MD & CEO (appointed w.e.f. Oct.01, 2018). He is assisted by Shri Ajit Kumar Das, Executive Director and Shri Rakesh Chandra Narayan, CFO along with various General Managers.

Brief Financials of UBI (Rs. in crore)	FY17(A)	FY18(A)
Total Operating Income	9,428	8,342
PAT	15.41	(1,454)
Interest Coverage times (Before provisions)	1.21	1.15
Interest Coverage times (After provisions)	0.88	0.57
Total Assets	138,398	140,578
Net NPA (%)	10.02	16.49
ROTA (%)	0.16	-1.04

Status of non-cooperation with previous CRA: Nil

Any other information: Not Available

Rating History (Last three years): Please refer Annexure-2

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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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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

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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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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds-Lower Tier II	March 25, 2009	9.30%	March 25, 2019	-	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-Lower Tier II	LT	200.00	CARE A+; Negative	-	1)CARE A+; Negative (06-Dec-18)	1)CARE A+; Stable (05-Feb-18) 2)CARE A+; Negative (06-Sep-17)	1)CARE A+; Negative (26-Dec-16) 2)CARE A+ (12-Sep-16)
2.	Bonds-Lower Tier II	LT	-	-	-	-	-	1)Withdrawn (14-Jun-16)
3.	Bonds-Lower Tier II	LT	-	-	-	-	-	1)Withdrawn (12-Sep-16)
4.	Bonds-Lower Tier II	LT	-	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE A+; Negative (26-Dec-16) 2)CARE A+ (12-Sep-16)
5.	Bonds-Lower Tier II	LT	-	-	-	1)CARE A+; Negative (06-Dec-18)	1)CARE A+; Stable (05-Feb-18) 2)CARE A+; Negative (06-Sep-17)	1)CARE A+; Negative (26-Dec-16) 2)CARE A+ (12-Sep-16)
6.	Bonds-Upper Tier II	LT	-	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE A-; Negative (26-Dec-16) 2)CARE A- (12-Sep-16)
7.	Debt-Perpetual	LT	300.00	CARE A-; Negative	-	1)CARE A-; Negative	1)CARE A-; Stable	1)CARE A-; Negative (26-Dec-16)

	Debt					(06-Dec-18)	(05-Feb-18) 2)CARE A-; Negative (06-Sep-17)	2)CARE A- (12-Sep-16)
8.	Bonds-Lower Tier II	LT	-	-	-	-	1)Withdrawn (06-Sep-17)	1)CARE A+; Negative (26-Dec-16) 2)CARE A+ (12-Sep-16)

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CIN - L67190MH1993PLC071691