यूनियन बैंक ऑफ इंडिया Union Bank of India

भारत सरकार का उपक्रम A Government of India Undertaking

आन्ध्रा Andhra

Ref: ISD/20-21/149 September 5, 2020

The Deputy General Manager, Corporate Relationships Dept. BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Scrip Code 532 477	The Deputy General Manager, Listing Dept. National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. Scrip Symbol/Series-UNIONBANK-EQ

Dear Sir/Madam,

Subject: Reporting under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 - Rating

Moody's Investors Service has revised the long-term local and foreign currency deposit rating and baseline credit assessment (BCA) of Union Bank of India as under:

Sr. No.	Parameter	Existing Rating	Revised Rating
1.	Long term Local and foreign currency deposit rating	Baa3	Ba1
2.	Baseline Credit Assessment (BCA)	ba3	b1

The rating rationale of Moody's Investors Service is enclosed herewith.

This is for your information and appropriate dissemination.

Thanking you.

Yours faithfully,

(Mangesh Mandrekar)

(Mangesh Mandrekar)
Company Secretary

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's takes rating actions on five Indian public sector banks, concludes review

04 Sep 2020

Singapore, September 04, 2020 -- Moody's Investors Service ("Moody's") has taken rating actions on the following five Indian banks: (1) Bank of Baroda (BOB), (2) Bank of India (BOI), (3) Canara Bank (Canara), (4) Punjab National Bank (PNB) and (5) Union Bank of India (UBI).

Moody's has downgraded the long-term local and foreign currency deposit ratings of BOB, BOI, Canara and UBI to Ba1 from Baa3 and their Baseline Credit Assessments (BCAs) to b1 from ba3. The outlook on the ratings of the four banks is negative.

At the same time, Moody's has affirmed PNB's long-term local and foreign currency deposit ratings at Ba1 and its BCA at b1. PNB's ratings outlook is changed to negative from stable.

Please click on this link https://www.moodys.com/viewresearchdoc.aspx?docid=PBC_ARFTL431132 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

RATINGS RATIONALE

DEEPENING ECONOMIC SLOWDOWN EXACERBATED BY THE CORONAVIRUS OUTBREAK WILL STRAIN THE STANDALONE CREDIT STRENGTH OF THE BANKS

The economic shock from the coronavirus pandemic is exacerbating an already material slowdown in India's economic growth, weakening borrowers' credit profiles and hurting Indian banks' asset quality. Prolonged financial stress among households, weak job creation and a credit crunch among non-bank financial companies will lead to a rise in non-performing loans, delaying the ongoing clean-up of banks' balance sheets.

DOWNGRADE OF BOB, BOI, CANARA AND UBI'S BCAs AND RATINGS

Today's rating action concludes the review for downgrade initiated on 2 June 2020.

The BCA downgrades take into consideration rising risks to the banks' asset quality as a result of the severe economic contraction, which will result in an increase in credit costs. This increase in credit costs will hurt profitability and also strain the banks' modest capitalization, reversing recent improvements. Funding and liquidity continue to be key credit strengths given their status as public sector banks, which results in good deposit franchises.

The banks' Ba1 long-term local and foreign currency deposit ratings incorporate three-notches of uplift from their b1 BCAs to reflect Moody's assumption of a very high probability of support from the Government of India (Baa3 negative) in times of need. Moody's assumption takes into account the banks' deposit market shares as well as their linkages with the government, including by way of ownership.

AFFIRMATION OF PNB'S BCA AND RATINGS

The affirmation of PNB's Ba1 long-term local and foreign currency deposit ratings, which incorporates a three-notch uplift for government support from its b1 BCA, reflects Moody's expectation that deteriorating asset quality and profitability will weigh on its capitalization. However, PNB's financial metrics had been improving prior to the economic slowdown, which combined with the bank's good funding and liquidity mitigates the negative impact on its credit profile of deteriorating asset quality and profitability. The three-notch uplift for government support reflects PNB's deposit market share as well as its linkages with the government.

NEGATIVE OUTLOOK ON THE RATINGS

The negative outlook factors in further downside risks to the banks' financial profiles because of India's uncertain operating environment.

Moody's will subsequently withdraw the ratings of Bank of India, Bank of India (London) and Bank of India, Jersey Branch.

Moody's has decided to withdraw the ratings of Bank of India, Bank of India (London) and Bank of India, Jersey Branch for its own business reasons. Please refer to the Moody's Investors Service Policy for Withdrawal of Credit Ratings, available on its website, www.moodys.com.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

FACTORS THAT COULD LEAD TO AN UPGRADE

Given the negative outlooks, the ratings of BOB, Canara, PNB and UBI are unlikely to be upgraded in the next 12-18 months. Nevertheless, the rating outlooks could be changed to stable if macroeconomic conditions in India improve or if there are improvements in the banks' standalone credit strength, including strengthening capitalization or a less severe deterioration in asset quality than currently expected.

FACTORS THAT COULD LEAD TO A DOWNGRADE

A downgrade of the banks' BCAs will lead to a downgrade of their ratings. Moody's will downgrade the banks' BCAs if the rating agency expects their solvency to deteriorate further because of an increase in problem loans, coupled with significant declines in earnings, which would weaken their capitalization.

Any indication of diminishing government support for the banks will also lead to a downgrade of their ratings.

The principal methodology used in these ratings was Banks Methodology published in November 2019 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1147865 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Bank of Baroda is headquartered in Mumbai and reported total assets of INR11.3 trillion at 30 June 2020.

Bank of India is headquartered in Mumbai and reported total assets of INR6.8 trillion at 30 June 2020.

Canara Bank is headquartered in Bangalore and reported assets of INR10.5 trillion at 30 June 2020.

Punjab National Bank is headquartered in Delhi and reported total assets of INR12.3 trillion at 30 June 2020.

Union Bank of India is headquartered in Mumbai and reported assets of INR10.8 trillion at 30 June 2020.

REGULATORY DISCLOSURES

The List of Affected Credit Ratings announced here are all solicited credit ratings. Additionally, the List of Affected Credit Ratings includes additional disclosures that vary with regard to some of the ratings. Please click on this link https://www.moodys.com/viewresearchdoc.aspx?docid=PBC_ARFTL431132 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

- Rating Solicitation
- Issuer Participation
- Participation: Access to Management
- Participation: Access to Internal Documents
- Disclosure to Rated Entity
- Endorsement
- Lead Analyst
- Releasing Office

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?

docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1133569 .

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moodys.com, for each of the ratings covered, Moody's disclosures on the lead rating analyst and the Moody's legal entity that has issued the ratings.

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